



OHIO
UNIVERSITY

Board of Trustees

O h i o U n i v e r s i t y

Minutes

June 25, 2010

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

June 25, 2010

**Margaret M. Walter Hall
Ohio University, Athens Campus**

THE OHIO UNIVERSITY BOARD OF TRUSTEES
MINUTES OF June 25, 2010 MEETING

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Appendices

- A President's Report
- B University Resources Committee
- C University Academics Committee
- D Governance Committee
- E Audit Committee
- F Executive Committee

Chair M. Marnette Perry called the meeting to order at 10:02 a.m.

President McDavis introduced a brief promotional video that highlighted the many successes of Ohio University from the past year. Executive Director of University Communications and Marketing Renea Morris and her staff produced the video. Everyone in attendance applauded the accomplishments of the University community.

Chair M. Marnette Perry introduced two new members of the Board of Trustees, Trustee Kevin B. Lake and Student Trustee Danielle Parker. Trustee Lake expressed his extreme gratitude to be able to serve the institution he once attended as a student. The Board of Trustees warmly welcomed the new members with a round of applause.

Chair M. Marnette Perry requested Board Secretary Thomas E. Davis to call roll.

ROLL CALL

Present- Chair M. Marnette Perry, Vice Chair C. Robert Kidder, Trustees Sandra J. Anderson, Gene T. Harris, Yvette McGee Brown, Kevin B. Lake and David Wolfort.

Also in attendance were President Roderick J. McDavis, National Trustees Frank P. Krasovec and Charles R. Stuckey, Jr., Student Trustees Danielle Parker and Kyle W. Triplett, the Chair of the National Alumni Board of Directors, Dennis Minichello and Board Secretary Thomas E. Davis.

APPROVAL OF THE MINUTES

Chair Perry entertained a motion to approve the Minutes of the Board of Trustees Meeting of April 16, 2010. Trustee Wolfort moved, seconded by Trustee Kidder and all approved.

Report of the Board Chair

Chair Perry deferred delivery of her report to commentary during Committee reporting.

Report of the President

President McDavis expressed the need to continue focusing on the strategic priorities of the University. President McDavis also distributed the new Vision Statement for Ohio University. The Statement is a result of input from various constituents around campus and the vision drives the other strategic priorities presented by President McDavis. President McDavis stressed the importance of enrollment planning and suggested the presentation of a plan at the September Board meeting. President McDavis highlighted academic changes at the University with the new Bachelor of Nursing degree, which enrolled 100 students over the past year and the newly restructured Patton College of Education and Human Services. President McDavis also discussed the opening of two new academic and research centers on campus in the areas of Osteopathic Medicine and Engineering.

President McDavis discussed the need for a Capital campaign at the University and its purpose. The President once again thanked National Trustee Stuckey for agreeing to serve as the chair of that campaign. The stated goal is upwards of \$350 million dollars.

President McDavis stressed the importance of developing the civic responsibilities of students in an effort to improve their lives and the Athens community. He applauded the efforts and diligence of Student Trustee Triplett and the work of other student leaders at the institution for their work on the development of the student honor code, which 79% of students ratified. Student Trustee Triplett said the honor code embodies student commitment to responsibility and echoes the values that characterize what we believe as an institution and how we can help students achieve their fullest potential. Student Trustee Triplett went on to say this initiative distinguishes Ohio University from other institutions.

President McDavis highlighted his commitment to communication through several new endeavors such as *Donuts and Dialogue* and *Conversations over Coffee*. He also discussed his desire to continue his monthly office hours as a way to hear from the Ohio University community. He concluded by stressing the importance of communicating with the regional campuses. To date, the President visited three of the five regional campuses and plans to visit the other two before the end of the year.

President McDavis paused to bring forward Dr. David J. Bayless from the Center of Excellence in Energy and the Environment at Ohio University. Dr. Bayless and his students conveyed the academic talent of the Center and highlighted the more than \$7,000,000 in research awards the Center received to date. The Center produced 19 publications and has connections to local and national industry leaders in the field. Dr. Bayless also discussed the impact that work in this area has on the local community citing the success of current projects in Portsmouth and Lancaster. Dr. Bayless concluded by stressing that the work is a collaborative effort and acknowledged the support of other institutions throughout the State of Ohio and around the nation.

President McDavis concluded his report by highlighting the points of pride. A full copy of President McDavis' report is located in Appendix A. A full copy of Dr. Bayless' presentation also may be found in Appendix A.

University Resources Committee Report

Acting Committee Chair Kidder filled in for Chair Perry in her absence on Thursday. The Committee heard the report of Interim Senior Vice President for Finance and Administration, Michael Angelini, related to the five-year financial ratio analysis. Mr. Angelini indicated that the University has a credit rating of A+ and an A1 rating from the Standard and Poor's and Moody's Investors Services. Mr. Angelini also presented budget

updates, which included a brief set of updates and end of the year projections, that were slightly favorable at \$0.9 million. Mr. Angelini also indicated that the financial health of the University is stable and there are initiatives in place to build reserves, eliminate reliance on investment income in the annual budgeting and the implementation of a five-year strategy to resolve the structural deficit. Mr. Angelini concluded by notifying the Board that there was a \$750,000 merit pool established for tenure and tenure-track faculty salary increases, subject to enrollment targets being met.

Executive Vice President and Provost, Dr. Pam Benoit, updated the Board on issues regarding recruitment and retention of faculty members. Dr. Benoit indicated that there are challenges with competitive faculty salaries, and she indicated that there is a great deal of volatility in faculty ranks. She urged the University to study the factors that influence faculty departure patterns.

Vice President for Student Affairs, Dr. Kent Smith, introduced representatives from Brailsford and Dunlavey (B&D) for the purpose of updating the Board on the 10 Year Housing Master Plan. B&D recommended a 70%/30% ratio of renovated traditional beds versus new/replacement suite beds. The cost for these types of renovations would cost approximately \$240/sq ft; however, the cost for new construction would be about \$300/sq ft. B&D estimated that complete renovation scenarios would cost the University over \$400 million in total cost. Next steps are for B&D to present a comprehensive residential hall renovation strategy to the Board, including the total capital needed and the timing of the renovations and capital spend before moving forward on any sub-projects.

The Committee also heard a Capital Campaign and Advancement update from Vice President for Advancement Howard Lipman, an April 2010 Treasurer's Report from Interim Senior Vice President for Finance and Administration Michael Angelini, and briefly discussed the use of quasi-endowments.

Details of the FY 11 Operating Budget were discussed in Committee, and the resolution to move the Fiscal Year 2010-2011 Operating Budget was made by Trustee Kidder, seconded by Trustee Anderson and all approved.

**FISCAL YEAR 2010-2011
OPERATING BUDGET**

RESOLUTION 2010 - 3169

WHEREAS, appropriate planning and consultation has been completed within the University, resulting in recommendations for budget priorities, and

WHEREAS, the University has developed a balanced budget within the provisions of Amended Substitute House Bill 1, as authorized by the Ohio General Assembly.

NOW THEREFORE, BE IT RESOLVED that the Fiscal Year 2010-2011 budgets of expected resources and expenditures for the Athens Campus and Auxiliary Operations, University Outreach and Regional Campuses, and the College of Osteopathic Medicine as presented are hereby approved subject to the following provisions:

1. The Vice President of Finance and Administration, in conjunction with the Executive Vice President and Provost and with approval of the President, is authorized to make adjustments in instructional and general operating expense allocations during the fiscal year to ensure the total does not exceed available unrestricted resources.
2. Expenditures for restricted and designated funds shall be limited to the resources generated.

BE IT FURTHER RESOLVED that the Board of Trustees authorizes the President, with the approval of the Chair of the Board, to make adjustments to the budget as presented to reflect any changes in appropriations authorized in the Amended Substitute House Bill 1 by the Governor during fiscal year 2011.

Acting Chair Kidder said the Committee recommended moving the resolution for the three Construction Projects forward to the full Board for approval. Revisions to the original resolution were made, and the item was removed from the Consent Agenda. Trustee Anderson moved, seconded by Trustee Kidder and all approved.

**APPROVAL OF PROJECTS AND AUTHORIZATION TO DEVELOP
CONSTRUCTION DOCUMENTS, RECEIVE BIDS AND AWARD
CONSTRUCTION CONTRACTS FOR
EAST UNION STREET CHILLED WATER PIPING,
UNIVERSITY AIRPORT RSA/MALSR, AND
FY 2011 WEST GREEN INFRASTRUCTURE AND LANDSCAPE PROJECT**

RESOLUTION 2010 - 3170

WHEREAS, three capital projects have been planned, developed, and funded as follows:

- A.** East Union Street Chilled Water Piping with a total project budget of \$670,000 to be funded from state capital appropriations,
- B.** University Airport RSA/MALSR with a total project budget of \$1,120,000 to be funded \$1,064,000 from Federal Aviation Administration grants and \$56,000 from the Airport Auxiliary, and
- C.** FY 2011 West Green Infrastructure and Landscaping Project, with a total revised project budget of \$1,700,000 to be funded from the Housing Auxiliary.

NOW THEREFORE BE IT RESOLVED that the Ohio University Board of Trustees authorizes the receipt of bids and the President or his designee to accept and award construction contracts within the total project budgets identified.

Chair Perry asked President McDavis to bring forward a resolution that was not part of the agenda materials that relates to ratification of one-year extension of contract between Ohio University and The Fraternal Order of the Police, Ohio Labor Council, Inc. (FOP). Dr. McDavis called upon Interim Senior Vice President Michael Angelini to explain the need for the contract extension approval. He cited that both sides have agreed to the one year extension of the agreement and was therefore putting it forward to the Board for ratification.

RATIFICATION OF LABOR AGREEMENT

Resolution 2010 - 3171

WHEREAS, Ohio University and The Fraternal Order of the Police, Ohio Labor Council, Inc., have negotiated a one year contract effective July 1, 2010, to midnight, June 30, 2011, and

WHEREAS, the Ohio University Board of Trustees, in accordance with section 4117.10(B) of the Ohio Revised Code, must ratify the agreement,

NOW THEREFORE, BE IT RESOLVED that the Ohio University Board of Trustees does hereby ratify the one-year contract between the University and The Fraternal Order of the Police, Ohio Labor Council, Inc., and authorizes the president of the university to arrange for execution in accordance with Ohio law.

A copy of the minutes of the University Resources Committee meeting is located in Appendix B.

University Academic Committee Report

Acting Committee Chair Dewire filled in for Chair Harris during her absence on Thursday. Trustee McGee Brown reported on Committee proceedings at the Friday meeting and discussed appointments the Regional Coordinating Councils. She then discussed the Electronic Media Program located in Lancaster, highlighting the increased support of the program through hiring additional staff, a process that Dr. Benoit supports. She stated that Dr. Benoit reported on strategic sustainable enrollment, planned target growth through staged processes, e-learning expansion, blended programs and other initiatives designed to drive enrollment at the University. The Committee meeting concluded with an update on the current IT migration, which is ahead of schedule and within budget. The migration process enabled the IT department to eliminate several servers, which resulted in saving 379,000 KWH of electricity per year required to power these servers. The migration also afforded the IT department the opportunity to look at sharing data storage space with other institutions, and Ohio University would serve as the pilot of this new process.

A copy of the minutes of the University Academic Committee meeting is located in Appendix C.

University Governance Committee Report

Committee Chair Anderson made recommendations for National Trustees, which called for Frank Krasovec's term to be extended for two additional years, and Henry Heilbrunn to serve a three-year term. The Committee based their support of Mr. Heilbrunn on recommendations of the guidelines that govern the selection of a National Trustee. Those include a national perspective, demonstration of expertise in a specific area, achievement of success or prominence in a specific area, be a non-resident of Ohio and a commitment of time. After hearing comments from Committee Chair Anderson, Secretary Davis and National Trustee Stuckey, Chair Perry entertained a motion by Trustee Anderson and seconded by Trustee Wolfert to extend Mr. Krasovec's term for two additional years and recommend Mr. Heilbrunn for a three-year appointment as National Trustee to the Ohio University Board of Trustees. The motion passed unanimously.

APPOINTMENT OF NATIONAL TRUSTEES RESOLUTION 2010 – 3172

WHEREAS, the Ohio University Board of Trustees desires to invite two distinguished out-of-state University alumni to sit with Trustees and to participate in the deliberations of the Board and the life of the University, **for terms not to exceed three years respectively**

NOW, THEREFORE, BE IT RESOLVED that the following alumni be appointed as National Trustees to the Ohio University Board of Trustees.

To be named for a three year term: Henry Heilbrunn, BSJ '73
Chevy Chase, MD

To be named for an additional two year term: Frank P. Krasovec, BB '65, MBA' 66
Austin, TX

Committee Chair Anderson also heard discussion related to the continued representation of faculty on the University Resources and University Academics Committees. After discussion and brief comments provided by Professor Scott Titsworth and Secretary Davis, the Committee concluded that the inclusion of faculty members on those Committees is beneficial and the process should continue. The Committee also noted the need to propose an alternate who could fill in for the faculty representatives in the event that they could not attend the meeting. The individual proposed was the Faculty Senate Chair and all Committee members consented to this modification of the original resolution.

The Committee concluded by discussing the dates of next year's Board meetings, and the next meeting which will occur on September 2 – 3, 2010 and will serve as the Board's annual retreat. The purpose of the retreat is to focus on aligning the strategic plan of the University with future growth of institutional enrollment and financial ratio analysis.

A copy of the minutes of the University Governance Committee meeting is located in Appendix D.

University Audit Committee Report

Committee Chair Wolfort presented the audit plan and discussed the quality assurance review. After a brief discussion, the committee concluded that Ohio University is in good shape as it moves forward with its preparation for the pending state audit of the University that is to occur in August.

A copy of the minutes of the University Audit Committee meeting is located in Appendix E.

Executive Committee Report

Trustee Kidder informed the Board that an informal evaluation of the President occurs on an annual basis. Trustee Kidder concluded that the Trustees are very pleased with the

performance of President McDavis and his progress as it relates to the strategic objectives of the University and highlighted some of the successes the University has observed under the leadership of President McDavis over the past year. Constructive comments included leveraging the President's positive reputation at the State and National level as well as staying on course with the Strategic Plan.

A copy of the minutes of the Executive Committee meeting is located in Appendix F.

APPROVAL OF THE 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.

Chairperson Perry called for a motion to approve all items on the consent agenda. Trustee Anderson moved the motion, seconded by Trustee Kidder. All voted approval.

Appointment to Regional Coordinating Councils

RESOLUTION 2010 - 3173

BE IT RESOLVED BY the Board of Trustees of Ohio University that the following persons be appointed to membership on the Coordinating Council at the Regional Campus of Ohio University – Chillicothe, Lancaster and Southern.

Ohio University - Chillicothe

Tim Colburn	For a three-year term beginning July 1, 2010, and ending at the close of business June 30, 2013, vice Sam Lucas, who resigned.
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Ohio University - Lancaster

Carri Brown	Reappointment of a three-year term beginning July 1, 2010, and ending at the close of business June 30, 2013.
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Michael J. Courtney	For a three-year term beginning July 1, 2010, and ending at the close of business June 30, 2013, vice Martha Rose, whose term expired.
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Ohio University - Southern

James A. Payne

Reappointment of a three-year term beginning July 1, 2010, and ending at the close of business June 30, 2013.

Copies of background materials for this resolution may be found in Appendix C.

MEETING DATES FOR SUCCEEDING YEAR

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

RESOLUTION 2010 - 3174

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

September 2, 2010 (Meeting)
September 3, 2010 (Retreat)

COMMENCEMENT
June 10-11, 2011

November 18-19, 2010

June 8-9, 2012

February 24-25, 2011 (Zanesville Campus Location)

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.

**INTERNAL AUDIT
ANNUAL AUDIT PLAN**

RESOLUTION 2010 - 3175

WHEREAS, the Board of Trustees of Ohio University has established an independent, objective assurance and appraisal activity to evaluate and improve effectiveness of risk management and internal management controls, and

WHEREAS, the Board of Trustees has approved an Ohio University Internal Office Charter requiring Board of Trustees authorization of an annual audit plan initiated to evaluate internal management controls, and

WHEREAS, the Chief Audit Executive charged with initiating audits pursuant to the plan proposes an annual audit plan for authorization by the University Trustees, and

WHEREAS, the proposed plan will be conducted during the period of July 2010 through June 2011, and

WHEREAS, time for unplanned investigations is separately allotted in the audit plan. Further revisions to the plan will be administratively reviewed and approved by the President and the Chair of the Audit Committee, and

NOW, THEREFORE, BE IT RESOLVED that the Ohio University Board of Trustees does authorize the proposed audit plan.

Copies of background materials for this resolution may be found in Appendix E.

ELECTION OF ACTING TREASURER

RESOLUTION 2010 - 3176

RESOLVED that Michael Angelini be elected Acting Treasurer of Ohio University until such time as a Vice President for Finance and Administration at Ohio University is named.

ELECTION OF SECRETARY

RESOLUTION 2010 - 3177

RESOLVED that Thomas E. Davis be elected Secretary for the Board of Trustees beginning July 1, 2010 through June 30, 2011.

ELECTION OF PRESIDENT

RESOLUTION 2010 - 3178

RESOLVED that Roderick J. McDavis be elected President of Ohio University for the year beginning July 1, 2010, and ending June 30, 2011.

HONORARY DEGREE AWARD

RESOLUTION 2010 - 3179

WHEREAS, the University Committee on Honorary Degrees has recommended that Ohio University honor the person listed below through the conferral of an honorary degree,

Atul Gawande, Doctor of Public Service

AND WHEREAS, it remains for the President to determine whether this person wishes to accept the award.

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of Ohio University approves the degree recommended be conferred at an appropriate time in the future after the President has determined the person recommended wishes to be honored.

Atul Gawande, M.D.

Atul Gawande was born in Brooklyn, N.Y., but raised in Athens, Ohio. As a practicing surgeon, Dr. Gawande also is an accomplished writer, teacher, and speaker. He is highly regarded as an international expert on healthcare reform, serving as an advisor to former President Bill Clinton and cited in current national health care reforms. Dr. Gawande is known for his expertise on the removal of cancerous endocrine glands and equally known for investigating and articulating modern surgical practices and medical ethics.

Dr. Gawande received his Bachelor of Applied Science degree in Biology and Political Science from Stanford University in 1987 while receiving the honor of a Rhodes Scholar. He received his Master of Arts degree in Politics, Philosophy and Economic from Oxford University, Doctor of Medicine from Harvard Medical School, and Masters of Public Health from the Harvard School of Public Health. In 2004, he was named one of the most influential South Asians by *Newsweek*.

Residing in the Boston area, Dr. Gawande is a surgeon at Brigham and Women's Hospital and Dana Farber Cancer Institute. He also is an Associate Professor of Surgery at Harvard Medical School and Associate Professor in the Department of Health Policy and Management at the Harvard School of Public Health. He serves as the Director of the World Health Organization's Global Challenge for Safer Surgical Care.

In 2006, Dr. Gawande received the MacArthur Award for his research and writing. As a staff writer for *The New Yorker*, he recently received the 2010 National Magazine Award for Public Interest writing for his article, "The Cost Conundrum." His book, *The Checklist Manifesto*, is a *New York Times* bestseller and was one of Amazon.com's best books of the month in December 2009. He has several other influential international publications

to his credit and continues to be a world leader in medicine and improvement of the human condition. Important influences noted in his life were the support of his family and growing up with a national research institution in his hometown.

COMMUNICATIONS, PETITIONS and MEMORIALS

President McDavis recognized two individuals for their service to the Board of Trustees. Those individuals were National Trustee Charles R. Stuckey and the Chair of the National Alumni Board of Directors, Dennis Minichello. Both individuals were thankful for the opportunity to serve Ohio University through the Board of Trustees and graciously accepted their gifts of appreciation.

ANNOUNCEMENTS

Student Trustee Triplett's mother was in the audience and was recognized as a special guest.

ANNOUNCEMENT OF NEXT STATED MEETING DATE

Secretary Davis indicated that the next meeting of the Board would be September 2, 2010 at a location to be determined.

ADJOURNMENT

Chair Perry adjourned the meeting at 11:52 a.m.

CERTIFICATION OF SECRETARY

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

M. Marnette Perry
Chairperson

Thomas E. Davis
Secretary

President's Report



**presented to
Ohio University Board of Trustees
September 2, 2010**

Overview

- **Top Strategic Priorities Spotlight**
 - Undergraduate Curriculum – General Education Outcome Assessment Project
- **Program Spotlight**
 - Amanda J. Cunningham Leadership Center
- **Points of Pride**



Top Strategic Priorities

- **Establish Effective Short- and Long-Term Enrollment Planning**
- **Improve the Institution's Financial Strength**
- **Enhance the Quality of the Undergraduate and Graduate Curriculum**
- **Bolster Graduate Education and Associated Efforts of Faculty in Research and Creative Activity**
- **Institute Effective Compensation Policies and Practices to Ensure that Talented Faculty, Administrative Staff, and Classified Staff Are Rewarded and Retained**
- **Launch a \$350M Capital Campaign Focused on Supporting Core Academic Initiatives**



General Education Outcome Assessment Project :: Background

- **2005-06 ::** General Education Assessment Committee chaired by Dr. Phyllis Bernt
- **2006-07 ::** General Education Learning Objectives Committee chaired by Dr. David Ingram and Dr. Michael Williford
 - General Education Learning Objectives identified with Student Success Plans
 - Faculty Senate passed resolution requiring learning objectives in all course syllabi
- **2007-08 ::** Ohio IUC presidents sign agreement with Chancellor Fingerhut to join Voluntary System of Accountability (VSA)
 - Chancellor recommends uniform comparative standardized testing of universities' General Education (Gen Ed)



- **2008-09 ::** General Education Assessment Working Group conducts pilot interviews of Ohio University faculty, maps learning objectives to existing surveys; develops senior interview inventory; interviews seniors
- **2009-10 ::** General Education Assessment Working Group receives charge from Executive Vice President and Provost; develops freshman interview inventory; developed faculty learning objectives survey; surveyed faculty
- **2010-11 ::** University Curriculum Council appoints General Education committee



General Education Outcome Assessment Project :: Goal

- General Education should meet students' needs and desired expectations for their learning experience at Ohio University
- An Academic Quality Improvement Program (AQIP) action item, General Education Outcome Assessment Project focused on developing and implementing an evaluation program for Gen Ed
- Program to determine our achievement in meeting desired common learning outcomes for Ohio University's graduates
- Assessment to provide needed "road map" for updating and improving Gen Ed curriculum at Ohio University



General Education Outcome Assessment Project :: Committee

- Gen Ed outcome assessment committee membership
 - Faculty Senate representatives
 - University Curriculum Council
 - Office of Institutional Research
 - Office of the Executive Vice President and Provost
- **Committee's Charge ::** To implement a pilot program for the assessment of the current Gen Ed program



General Education Outcome Assessment Project :: Plan

- Committee proposes Gen Ed assessment needs to be developed, aid in improving teaching and learning, and demonstrate accountability
- Multi-method plan for assessment proposed
 - **Testing ::** Use commercially-available, nationally-standardized tests
 - **Surveys ::** Follow up outcomes survey data already conducted of Alumni can supplement other Gen Ed assessments
 - **Interviews ::** Structured interviews designed by core group of faculty and students





University Spotlight: Amanda J. Cunningham Leadership Center

AMANDA J. CUNNINGHAM LEADERSHIP CENTER



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Points of Pride

- University named “A Best in the Midwest” by The Princeton Review
- OU-COM ranked 11th of all medical schools in nation in creating primary care physicians who serve in rural settings, according to *Academic Medicine*
- Two new Regional Campus Deans welcomed
 - Dr. Donna Burgraff, Chillicothe Campus Dean
 - Dr. James Smith, Lancaster Campus Dean



- **Inaugural Summer Institute for Diversity Education held**
 - Participants included faculty, staff, and students and representatives from Hocking College
- **Ohio University's Department of Intercollegiate Athletics ranks 12th in nation for its economic efficiency, according to a report from Texas A&M University**

President's Report



**presented to
Ohio University Board of Trustees
September 2, 2010**



**Resources Committee Meeting
June 24, 2010, 1:15 pm**

Acting Committee Chair Bob Kidder called the meeting to order at 1:15 pm. Other committee members present included Trustee Charles R. Stuckey, Jr., Trustee Kevin B. Lake, Trustee Sandra J. Anderson, Trustee David A. Wolford, Student Trustee Danielle Parker, Faculty Representative Scott Titsworth, and President Roderick J. McDavis. Other Board members present included Student Trustee Kyle Triplett, National Trustee Frank Krasovec, Trustee Ned Dewire, and Alumni Trustee Dennis Minichello.

Trustee Kidder commented that he is serving as temporary Chair in Trustee Perry's absence.

- **5 Year Financial Ratio Analysis**

Michael Angelini, Interim Senior Vice President for Finance and Administration, reviewed Ohio University's Senate Bill 6 (SB6) composite score compared with aspirational peers and the state peers. SB6 is the state's method of evaluating the state institution's financial health. Rating agencies use the ratios comprising the SB6 score to evaluate institutions and assign credit ratings which impact the cost of debt.

The three individual ratios that are used to calculate the Senate Bill 6 score were also reviewed – Viability, Primary Reserve, and Net Income ratios. The expectation is that the university will maintain the FY 2009 SB6 composite score of 3.2 for FY 2010. Building expendable net assets impacts two of the underlying ratios and continues to be a priority for the university. The Foundation's endowments do not impact these ratios directly, but the resultant spending allocation that would result from a growing endowment could help to bolster the university's bottom line and provide a boost to expendable net assets.

Mr. Angelini reviewed a table showing varying levels of debt, from \$50 million up to \$300 million, on the forecasted FY 2011 SB6 ratios as well as on the debt burden ratio. The university is projecting a debt burden ratio of 4.5% for FY 2010. A debt burden ratio of 5% or above is a concern for the state of Ohio and the rating agencies. It is estimated that the addition of \$100 million in debt would result in a debt burden ratio in excess of the 5% threshold in the event that the debt were issued in FY 2011 with a constant amortization and all other assumptions were held constant. The strategy of structuring the debt with larger principal payments in later years could provide some relief from this threshold.

The university's current credit ratings were affirmed a year ago as A+ and A1 from Standard and Poor's and Moody's Investors Services, respectively. Trustee Kidder warned that there are a number of variables at work in the ratios and estimates of the additional debt load the university could take on may not be exactly as the table shows. Paying attention to the impacts of debt on the ratios and the potential downgrade in rating is important. The Board needs to be cognizant of building sufficient surplus to withstand volatility in the future and not make the university vulnerable to a downturn.

- **Budget Updates**

Mr. Angelini reminded the board of discussions from prior meetings surrounding the state's fiscal environment and the building of the FY 2011 budget. Today's presentation will provide a brief update of FY 2010 and the end of the year projection. Rebecca Vazquez-Skillings, Assistant Vice President for Budget, Planning and Analysis, shared the FY 2010 updates and the fact that the expectation is to end the year slightly favorable at \$0.9 million.

The financial health of the institution has been bolstered by initiatives to build reserves, to eliminate reliance on investment income in the annual budgeting, and to implement a five-year strategy to resolve the structural deficit. A progress report on university reserves will be provided to the board at the September meeting.

The FY 2011 budget continues base funding to several reserves, reflects planning units reductions of \$13 million, allows for a 1.0% salary raise pool, will include a \$750,000 merit pool for tenure and tenure-track faculty (which is equivalent to 1.3% of faculty salaries) if enrollment estimates are achieved, and includes nearly \$12 million in investments in strategic priorities. State share of instruction's continuation at current levels is unlikely as federal stimulus money disappears and the state continues to struggle with the economy.

Executive Vice President and Provost Dr. Pam Benoit, discussed factors contributing to the recruitment and retention of talented faculty and staff and the impact of compensation on those activities. Challenges due to the university's location and dealing with successful placement of spouses and partners are also factors. Past boards have been very concerned with the pace of growth and competitive advantage of faculty salaries. Ohio University's salary rankings versus Ohio four-year publics, for each faculty class since 1985, show the University in the middle of the pack with The Ohio State University (OSU) being an outlier at the top. Other comparisons show OSU as ranking higher than the national mean. There is also a great deal of volatility in ranks. Even though the faculty retention table reflects high rates of retention for faculty, it was remarked that strategies should be developed to address patterns in reasons for leaving, such as employment for trailing spouses/partners.

In the balance of employee categories for executive, administrative, clerical and skilled labor the rankings show levels of pay in the middle to the upper range versus Ohio peers. The Administrative Compensation Plan study is in process and will be completely revamped with a planned completion date in 10 months.

President McDavis shared a table comparing the tuition levels across the state with the board members.

The committee recommended moving the resolution to approve the Fiscal Year 2010-2011 Operating Budget to the full Board for approval.

- **Housing Planning - 10 Year Major Capital Plan**

Kent Smith, Vice President for Student Affairs, thanked the trustees who were able to tour the facilities today and introduced the senior management team in Residential Housing who have worked diligently since the April meeting on today's Housing presentations. Since April, Brailsford and Dunleavy (B&D) has updated their 2006 Housing Master Plan. Representatives from B&D, Julie Skolnicki and Kim Martin, provided an summary of the updated plan. B&D considers this to be the mid-point of their study and are looking for board input to inform their next steps. The next phase

will focus on market analysis, student and parent preferences and rate tolerance, and recommendations with a cost analysis.

The presentation reflected that the University's peer schools engaged in building or renovating housing today are moving toward suite-style rooms. Rate structure reviews show that suite-style rooms typically command a higher fee.

Based on the findings to date, B&D would suggest a 70% / 30% split of renovated traditional beds versus new/ replacement suite beds. Cost figures for these types of construction are at \$240/sq ft cost for renovation at a 'Shively Hall' standard and \$300/sq ft for the 'Adams Hall' new construction model. Using this figures, in today's dollars, complete renovation scenarios will result in over \$400M in total cost.

B&D's final report will include a recommendation for reserves for FFE replacement and addressing deferred maintenance, rate escalation strategies to accomplish each recommended renovation strategy, design and construction quality ranges, etc. An occupancy and rate analysis of off-campus housing will be conducted in the next phase of the B&D study.

- **Capital Campaign and Advancement Update**

Howard Lipman, Vice President for University Advancement, reviewed the Campaign Steering Committee structure and a plan for developing the team throughout the university and beyond – College/Unit Committees, Geographic-Based Committees, and Special Projects Committees. For example, just recently it was determined that David Wilhelm will be the chair of the College of Arts and Sciences Committee and other chairs will be determined over the coming months. Extensive travel will be in the future. Alumni are being engaged in the process through already planned events such as Black Alumni Reunion and the 1970 class commencement that occurred in conjunction with the 2010 ceremony.

Mr. Lipman reviewed the Gifts and Commitments performance results in total and at the College and Unit level as of April 30, 2010 - \$51.5 million in total gifts year-to-date. Performance is on target with and exceeds plan when the large, unsolicited gifts are removed from the totals.

- **Treasurer's Report**

There has been a marked turnaround in investment performance of the University's diversified investment pool since last year; Mr. Angelini projects a return in the low teens for FY 2010. Through May 2010, the fiscal year-to-date return on the pool has been 13.48%. The pool experienced a 19.6% decline in FY 2009.

- **Quasi-endowment Guidance**

Mr. Angelini discussed the nature of quasi-endowments and the universal understanding that they are board designated vehicles. Quasi-endowments can be used for specific university activities with a long-term savings intent. One important aspect in which they differ from endowments is that both earnings and the corpus can be expended without limit. As a result of a prior administration's interpretation of a board resolution from several years ago, there are six university quasi-endowments in existence which were never board designated. They have been created by several units through a segregation of operating funds. They are currently invested in the diversified portfolio which is a more risky investment vehicle and exposes the funds to market volatility.

It is management's intent to bring these endowments back to the board with a recommendation on their continued existence and how to handle future potential quasi-endowment vehicles. The current situation became more transparent to current management during the investigation of the university-wide remedy for the structural deficit. These funds have been used operationally in the past and the board requests that the past and intended use of the funds be fully disclosed when the recommendation comes back to the board.

The board would like to understand the benefits to a standard approach for both the University and Foundation to follow in the establishment of quasi-endowments. Quasi-endowments within the Foundation are currently established with gifts, but in the future there may be funds coming from technology transfer activities.

- **Consent Agenda, Construction Projects**

Mr. Angelini updated the board on a change to the materials for the East Union Street Chilled Water Piping project from a total budget approval of \$650,000 to \$670,000. The reason for this change was attributable to the existence of poorer soil conditions than were originally anticipated.

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

- **Unfinished Business**

No Discussion.

Meeting adjourned at 4:05 pm.

Resources Committee

June 24, 2010

Bob Kidder, Chair



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Resources Committee Agenda

- 5 Year Financial Ratio Analysis Discussion
- FY 2010 Budget Update
- **Resolution**, FY 2011 Operating Budget Update and Approval
- Housing Planning – 10 Year Major Capital Plan
- Capital Campaign and Advancement Update
- Treasurer's Report – April, 2010
- Quasi-endowment Guidance
- **Consent**, Construction Projects
- Unfinished Business



5 Year Financial Ratio Analysis SB6, National and Ohio Peers

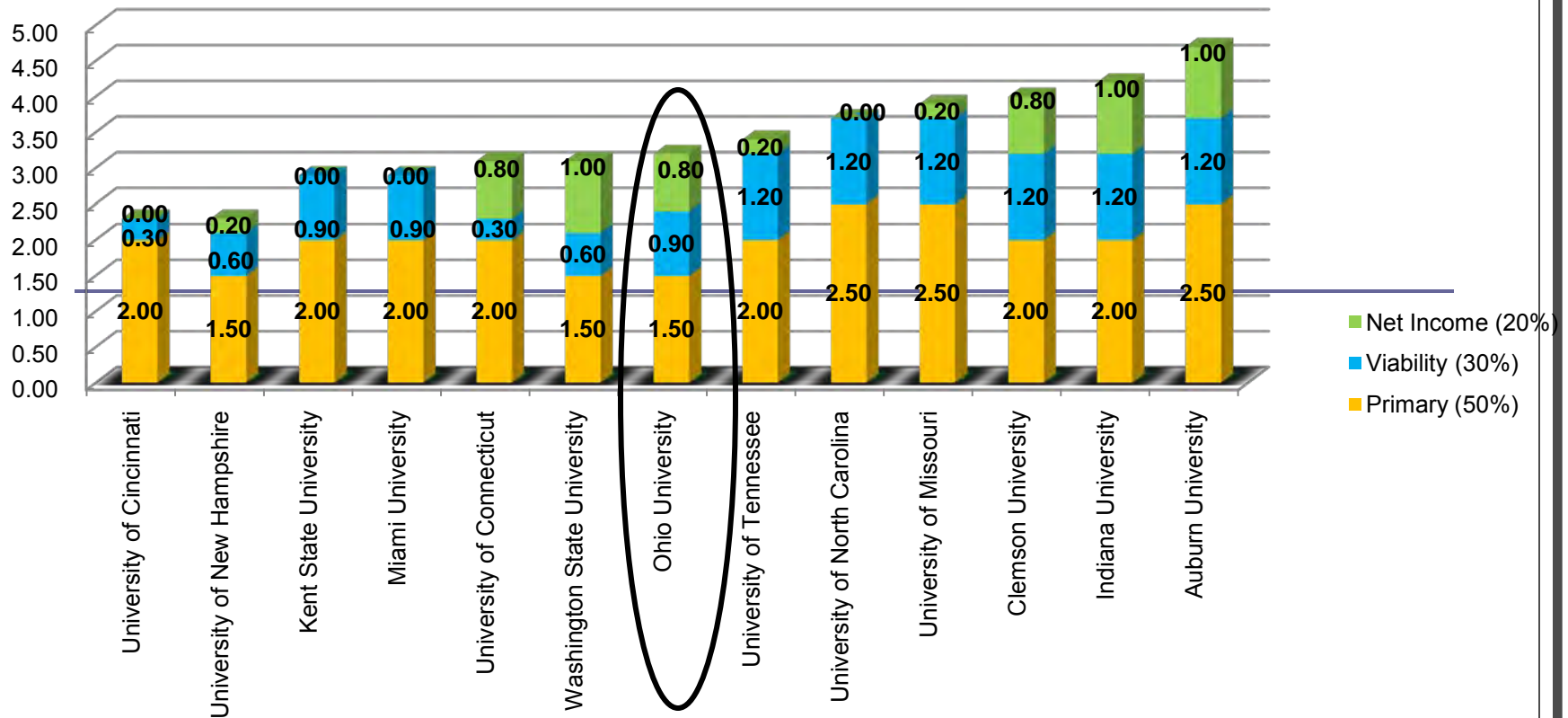
Tab 3



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Senate Bill 6 Ratios

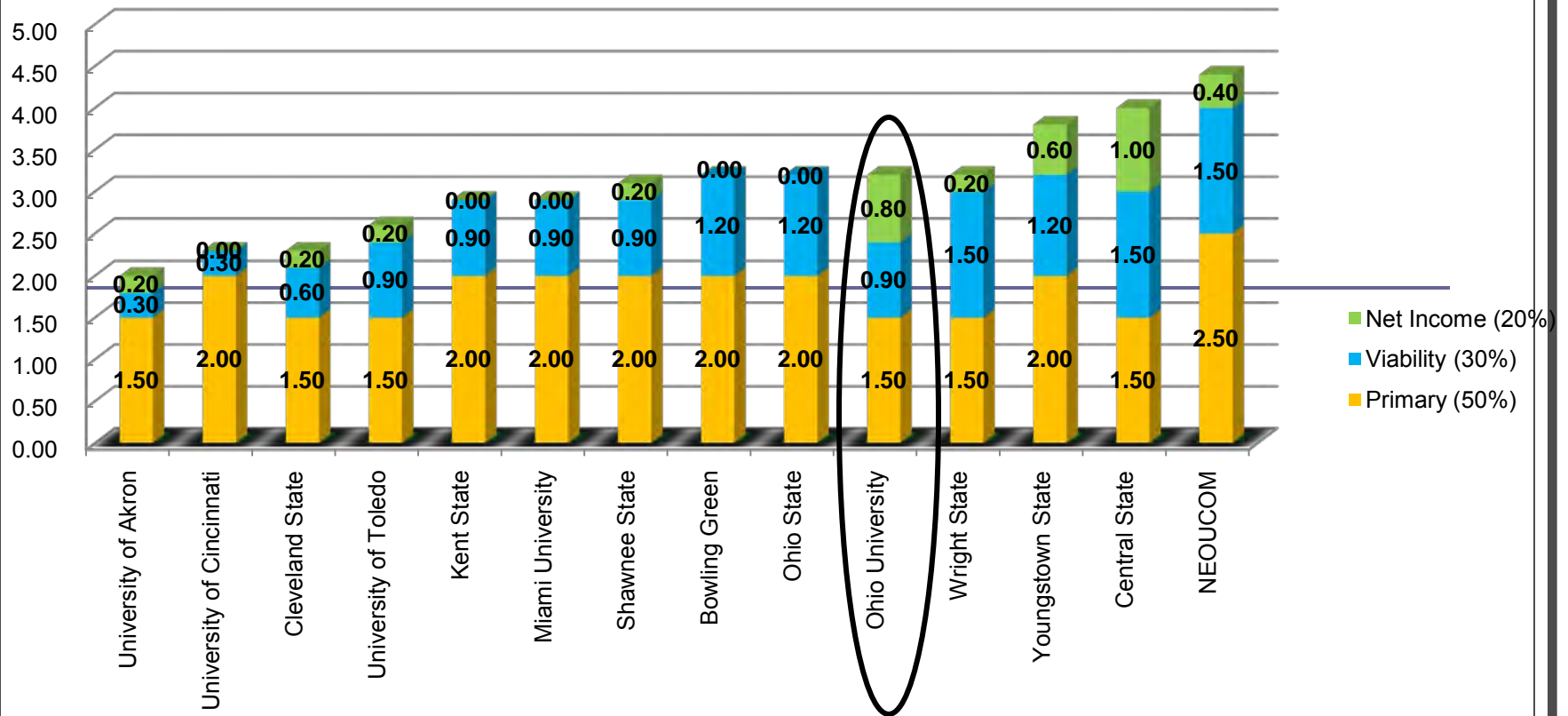
Aspirational Peer Schools – FY 2009



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Senate Bill 6 Ratios

Ohio Schools – FY 2009



Senate Bill 6 Composite Viability Ratio

- Measures the availability of expendable net assets to cover institutional debt obligations

Expendable Net Assets

Long-term Debt (current and non-current)

- Viability Ratio is weighted 30% for the SB6 Composite Score



Senate Bill 6 Composite Primary Reserve Ratio

- Measures how long the institution can function using its current expendable net assets

$$\frac{\text{Expendable Net Assets}}{\text{Total Expenses}}$$

- Primary Reserve Ratio is weighted 50% for the SB6 Composite Score



Senate Bill 6 Composite Net Income Ratio

- Measures profitability

$$\frac{\text{Change in Net Assets}}{\text{Total Revenues}}$$

- Net Income Ratio is weighted 20% for the SB6 Composite Score



Senate Bill 6 & Debt Burden Ratio Impacts – Additional Debt

- Forecast FY11 ratios with various levels of additional debt
- Debt Burden Ratio measures debt service as a percentage of total expenditures
- The Ohio Office of Budget and Management uses 5% as an upper limit for Debt Burden Ratio

	Forecast	FY11 Forecast with Additional Debt			
Composite Score:	FY10	+ \$50MM	+ \$100MM	+ \$200MM	+ \$300MM
Viability	0.9	0.6	0.6	0.6	0.3
Primary Reserve	1.5	1.5	1.5	1.5	1.5
Net Income	0.8	0.8	0.6	0.6	0.4
Total Composite Score	3.2	2.9	2.7	2.7	2.2
Debt Burden Ratio	4.5	4.7	5.3	6.5	7.9



Budget Update

Tab 4 & 5



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Budget Updates Agenda

- FY 2010 Year-end Projections
- Improving Financial Health - Progress
- FY 2011 Final Budget Assumptions
- FY 2011 Budget Approval
 - Athens Campus Budget
 - University Outreach and Regional Campuses
 - College of Osteopathic Medicine
 - Auxiliary Operations
- Budget Management Strategy & Contingency Planning Efforts



FY 2010 Budget Year-end Projections

Athens Unrestricted E & G

	Projected Material Year-end Variances	Disposition
<u>Revenue:</u>		
State Share of Instruction (SSI)	-\$2.2 million	Operating net
SSI Deferred Payment	-\$4.8 million	
Investment Income (Realized & Unrealized)	\$6.3 million	Annual Investment Income to support fund balance
Tuition Increase effective Winter Qtr		Operating net
Tuition	\$3.1 million	
Additional Revenue due to Enrollments*	\$2.4 million	
Subtotal	\$4.8 million	
<u>Expense:</u>		
Scholarships & Financial Aid	\$0.94 million	Support for OCOG-eligible and full scholarship students
Health Benefits over-expenditure	\$2.5million	Managerial Reserve to offset unfavorable variance
15 Park Place Renovation	\$0.4 million	
ERIP Payments & Severance	\$1.1 million	
Utilities favorable to budget	-\$1.4 million	Operating
Participation in Bowl Game & Other Misc.	\$0.35 million	
Subtotal	\$3.9 million	
<u>Net:</u>	\$0.9 million	



FY 2010 Budget

Improving Financial Health - Progress

- **Base Reserves**
 - Annual Budget
 - Policy Development
- **Investment Income to Support Fund Balance**
- **Implementation of Strategy to Resolve Structural Deficit Gap**
- **Ratio Impacts**



FY 2011 Budget Budget Process Goals

- **Alignment with & Progress on Strategic Plan**
- **Balanced Budget**
- **Appropriate Contingency Planning**
- **Campus Engagement**
- **Multi-year Planning Horizon**



FY 2011 Budget Final Budget Assumptions

■ Revenue Budget

- Enrollment Driven Tuition & Fees
- State Funding
- Other Revenues

■ Expenditure Budget

- Alignment of Investments with Strategic Priorities
- Contingency Planning



FY 2011 Budget Total University

- The University seeks approval of \$731.0 million in total University budget authority as follows:

Total Proposed Budget Authority Restricted & Unrestricted (Expense + Transfers Out)	FY 2010 Original (in millions)	FY 2011 Proposed	% Change
Total Athens Campus Budget Authority	455.1	463.7	1.9%
Total Auxiliary Operations	114.6	133.2	16.2%
Total College of Osteopathic Medicine	36.4	36.7	0.9%
Total UORC	87.7	97.5	11.2%
Total University	693.9	731.0	5.4%

- See Attachments A-G of Board Materials for Additional Details



FY 2011 Budget

Athens Campus Budget

- The University Proposes Budget Authority of \$463.7 million on Athens Campus

	FY 2010 Original	FY 2011 Proposed	% Change
Unrestricted General Fund & General Fee			
Expense	\$ 327.3	\$ 323.8	-1.1%
Transfers Out	\$ 24.5	\$ 24.5	0.2%
Total Athens Campus Budget Authority	\$ 351.8	\$ 348.3	-1.0%
Designated Fund			
Expense	\$ 44.3	\$ 43.0	-2.9%
Transfers Out	\$ 0.2	\$ 0.2	7.4%
Total Designated Fund Budget Authority	\$ 44.5	\$ 43.3	-2.9%
Restricted General Fund & General Fee			
Expense	\$ 56.3	\$ 69.7	23.7%
Transfers Out	\$ 2.4	\$ 2.4	-1.5%
Total Restricted Budget Authority	\$ 58.8	\$ 72.1	22.6%
Total Athens Campus Budget Authority	\$ 455.1	\$ 463.7	1.9%



FY 2011 Budget

Athens Revenue & Transfers In

- Athens Unrestricted Resources Decline by 1% or \$3.6 Million

General Fund & General Fee Resources	FY 2010 Original	FY 2011 Proposed	\$ Change	% Change
Student Tuition & Fees	\$ 194.9	\$ 206.6	\$ 11.7	6.0%
State Share of Instruction	\$ 111.4	\$ 98.7	\$ (12.7)	-11.4%
Other Fees & Revenue	\$ 2.4	\$ 2.4	\$ -	0.0%
Network Infrastructure & SIS Project Fee	\$ 1.8	\$ 1.8	\$ -	0.0%
Lease Income	\$ 1.3	\$ 1.1	\$ (0.1)	-11.2%
Indirect Cost Recovery	\$ 6.5	\$ 6.5	\$ -	0.0%
Total Revenue	\$ 318.3	\$ 317.1	\$ (1.1)	-0.4%
Transfers In				
Overhead	\$ 18.8	\$ 19.3	\$ 0.5	2.5%
Transfers In	\$ 14.9	\$ 12.0	\$ (2.9)	-19.7%
Total Transfers In	\$ 33.7	\$ 31.2	\$ (2.5)	-7.3%
Total General Fund & General Fee Resources	\$ 352.0	\$ 348.3	\$ (3.6)	-1.0%



FY 2011 Budget

Athens Expenditure Budget - Investments

- FY 2011 Alignment of Resources to Priorities
- New Investments Supported by Unit Reallocations

AREAS OF ADDITIONAL INVESTMENT	AMOUNT
Strengthen Curriculum	\$ 2,271,246
Refine Graduate & Professional Portfolio	\$ 374,743
Enrollment Management	\$ 2,103,557
Improve Financial Strength	\$ 1,010,521
Compensation	\$ 5,818,263
TOTAL - NEW INVESTMENTS (Base and One-time)	\$ 11,578,330

- **See Attachments A and C of Board Materials for Details.**



ALIGNMENT FY 11 Investments & Reallocation	OCOG & Other Financial Aid	1% Raise	Additional Faculty Raise Pool	Instructional Capacity	Vision Ohio Investments	Other Funding Strategies
<i>Curriculum</i>				✓	✓	
<i>GRAD & Research</i>				✓		✓
<i>Enrollment Planning</i>	✓		✓	✓	✓	
<i>Financial Strength</i>	✓			✓	✓	
<i>Compensation</i>		✓	✓			
<i>Capital Campaign</i>						✓



FY 2011 Budget Athens Campus

Summary of Athens Campus Revenues & Expenses

	FY 2010 Original	FY 2011 Proposed
Revenue	\$ 318.2	\$ 317.1
Expense	\$ 327.3	\$ 323.8
Revenue over Expense	\$ (9.1)	\$ (6.7)
Transfers In & Overhead	\$ 33.7	\$ 31.2
Transfers Out	\$ 24.6	\$ 24.5
Transfers In & Overhead over Transfers Out	\$ 9.1	\$ 6.7
Net Increase (Decrease)	\$ -	\$ -



FY 2011 Budget

University Outreach & Regional Campuses

- The University Outreach & Regional Campuses Unrestricted Budget Totals \$82.3 Million, an Increase of \$9.9 Million or 13.6%
- Proposed Expenditure Increases Reflect the Need for Increased Instruction due to Growing Enrollments
- Campuses Continue with Significant Recruitment Efforts

University Outreach & Regional Campuses	FY 2010 Original	FY 2011 Proposed
Expense	\$ 65.3	\$ 74.6
Transfers Out	\$ 7.1	\$ 7.8
Total Unrestricted Budget Authority	\$ 72.5	\$ 82.3
Total Restricted Budget Authority	\$ 15.2	\$ 15.2
TOTAL UORC Budget Authority	\$ 87.7	\$ 97.5



FY 2011 Budget

College of Osteopathic Medicine

- The College of Osteopathic Medicine budget proposal is maintained at \$26.4 million in Unrestricted Funds to Continue Support of Vision OHIO Initiatives, CORE and Accreditation Activities
- FY 2011 Unrestricted Expenditures will be Supported by a 5% Tuition Increase and Flat Enrollments which Offset the Loss of \$1.0 Million in State Support

College of Osteopathic Medicine	FY 2010 Original	FY 2011 Proposed	% Change
Expense	\$ 21.5	\$ 21.6	0.4%
Transfers Out	\$ 5.0	\$ 4.9	-2.0%
Total Unrestricted Budget Authority	\$ 26.4	\$ 26.4	0.0%
Total Restricted Budget Authority	\$ 9.9	\$ 10.2	3.3%
TOTAL COM BUDGET	\$ 36.4	\$ 36.7	0.9%



FY 2011 Budget Auxiliary Operations

Auxiliary Operations Highlights

- **Support from General Fee and General Fund**
 - Reflected as Transfers In within Auxiliary Budgets
 - Operations
 - Scholarships & Financial Aid
- **Renewal & Replacement Accounts Established**
 - Established to Improve Capital Planning Efforts
 - Most Significant Change in Auxiliary Budget Presentation (Transfers Out)
- **Reflects Actions to Resolve Cumulative Deficits**
- **Intercollegiate Athletics Budget Balanced**
 - Budget Reductions of \$600,000
 - Additional General Fee Support of \$619,000



Budget Management Strategy and Contingency Planning Efforts

- Budget Management Strategy & Contingency Planning Efforts are Ongoing
- Continued Planning & Implementation of Phase I Efficiency Efforts
- Reserve Strategies
 - Enrollment Reserve of \$700,000 Maintained
 - \$1 Million to Improve Financial Strength
 - Renewal & Replacement Accounts Established in Auxiliaries



FY 2011 Budget Total University

- The University Seeks Approval of Total Budget Authority of \$731.0 Million

Total Proposed Budget Authority Restricted & Unrestricted (Expense + Transfers Out)	FY 2010 Original (in millions)	FY 2011 Proposed	% Change
Total Athens Campus Budget Authority	455.1	463.7	1.9%
Total Auxiliary Operations	114.6	133.2	16.2%
Total College of Osteopathic Medicine	36.4	36.7	0.9%
Total UORC	87.7	97.5	11.2%
Total University	693.9	731.0	5.4%



Housing Planning 10 Year Major Capital Plan

Tab 6



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Capital Campaign and Advancement Report

Tab 7



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Treasurer's Report

April, 2010

Tab 8



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Treasurer's Report Agenda

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



Treasurer's Report

As of April 30, 2010

■ Investment Performance:	<u>FYTD</u>	<u>CYTD</u>
■ Ohio University Composite	12.16%	-2.04%
■ Policy Index	11.44%	-2.25%
■ Composite x Private Holdings	11.90%	-2.44%
■ Asset Allocation vs. Policy Target:		
■ Global Equity vs. Policy	45.0% vs	54.5%
■ Fixed Income vs. Policy	16.5% vs	21.5%
■ Alternatives vs. Policy	38.5% vs	24.0%

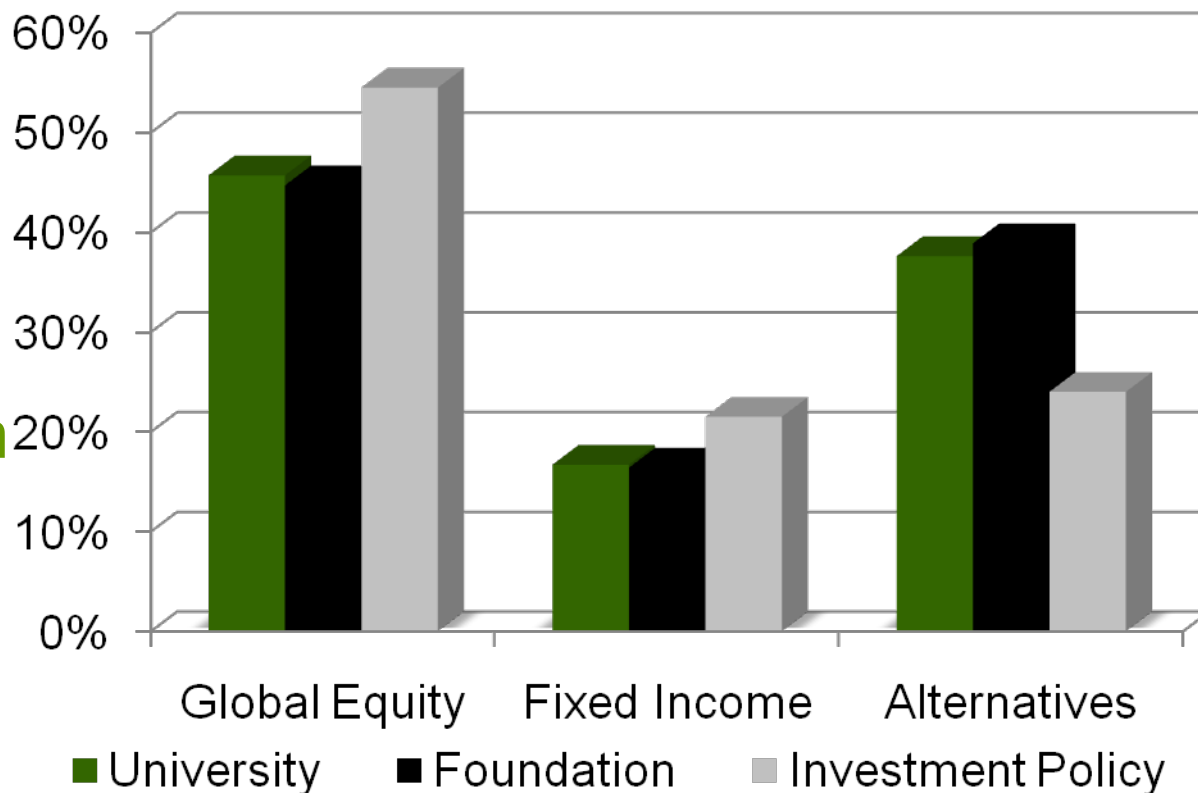


Treasurer's Report Endowment Allocation

■ Assets at 4/30/2010:

■ University
\$ million

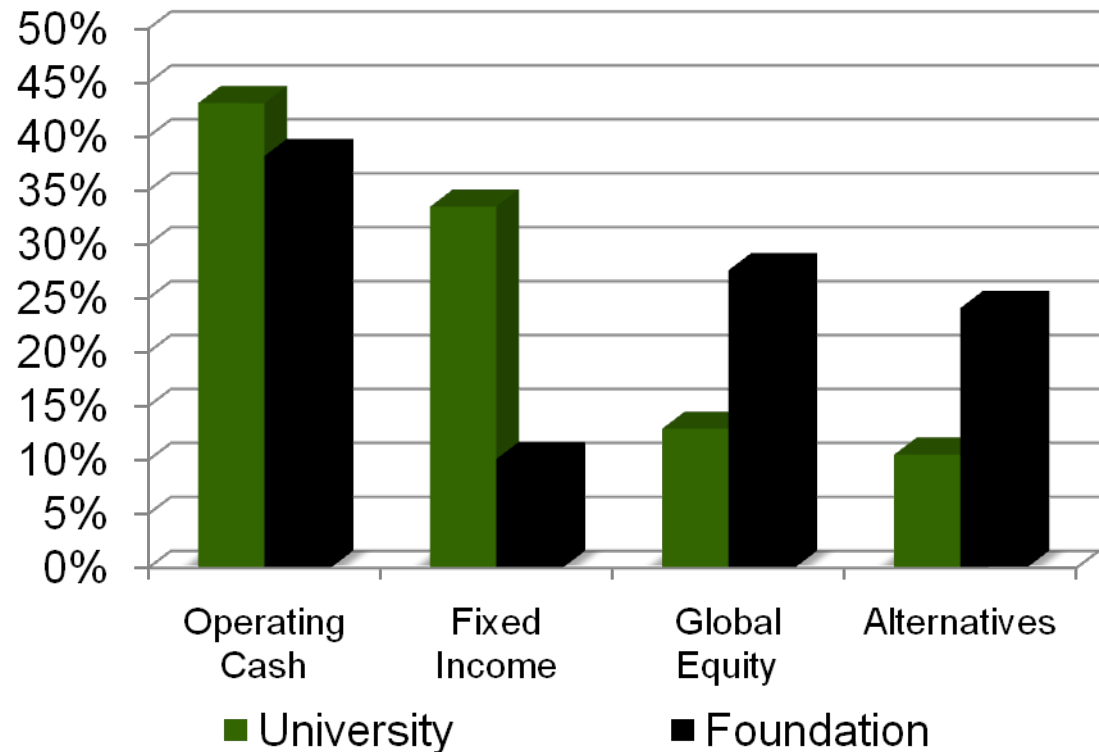
■ Foundation
\$ million



Treasurer's Report

Non-Endowment Allocation

- Assets at 4/30/2010:
 - University \$ million
 - Foundation \$ million



Treasurer's Report

Investment Loan Fund Detail

■ As of April 30, 2010:

■ Total Authorized Amount	\$ 5,848,702
■ Amount Drawn	5,848,702
■ Plus Interest	1,327,582
■ Less Payments	<u>4,602,607</u>
■ Net Outstanding	\$ 2,573,676



Treasurer's Report

Bond Principal Outstanding

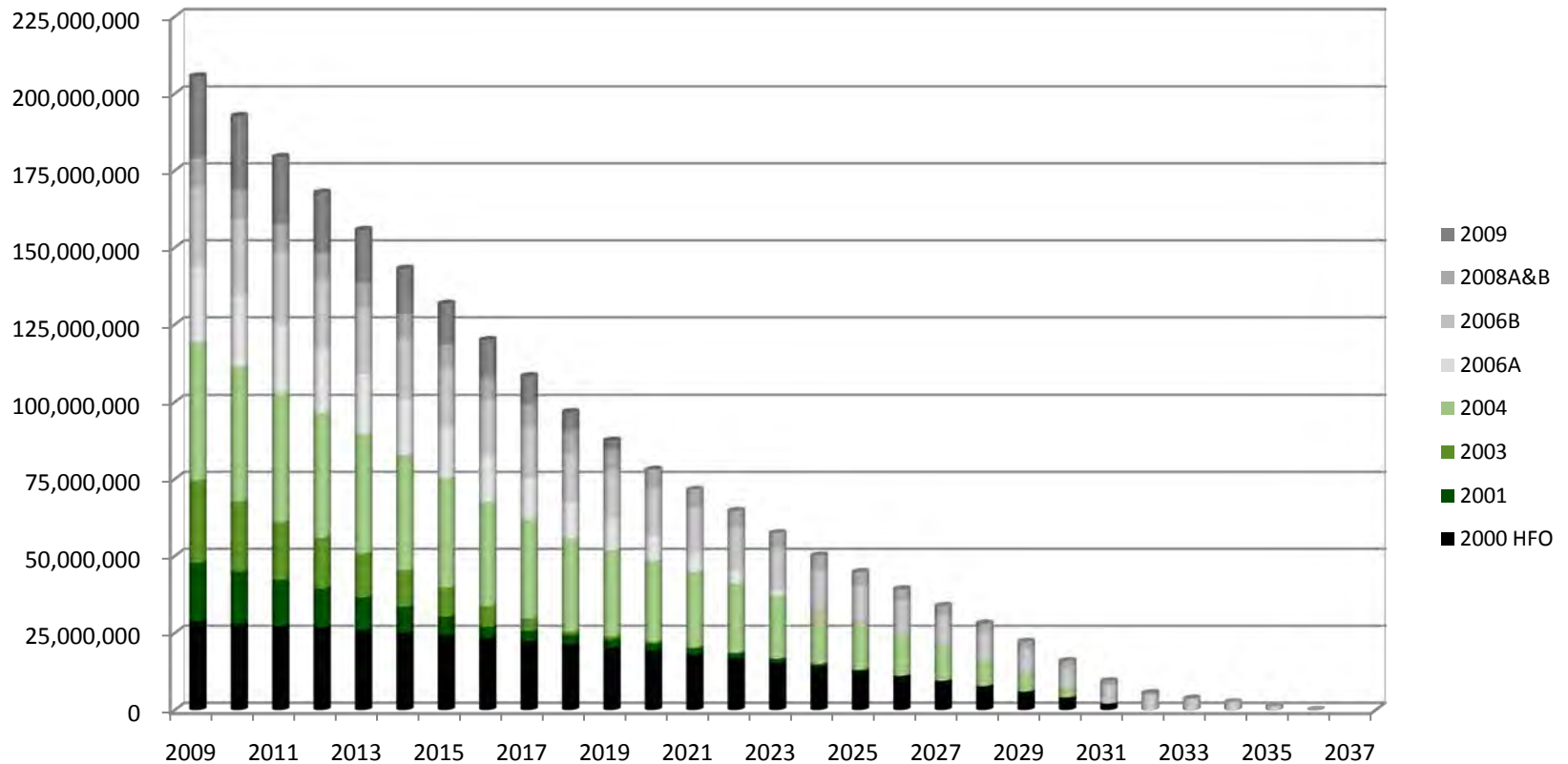
■ As of April 30, 2010:

■ Series 2000	28,865,000
■ Series 2001	18,915,000
■ Series 2003	26,750,000
■ Series 2004	44,700,000
■ Series 2006A	24,410,000
■ Series 2006B	25,965,000
■ Series 2008A&B	9,390,000
■ Series 2009	<u>26,645,000</u>
	\$205,640,000



Treasurer's Report

Bond Principal Repayment



Quasi-Endowment Discussion

Tab 9



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Construction Projects

Tab 10



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Construction Projects Agenda

- East Union Street Chilled Water Piping
- University Airport RSA/MALSR
- FY2011 West Green Infrastructure and Landscape Project



Construction Projects

East Union Street Chilled Water Piping

- Project will install a chilled water utility line in conjunction with the City of Athens grant funded Project to rehabilitate “Jeff Hill”
- The line will eventually serve Scripps College / Baker Center and other buildings in future
- Total Budget: \$670,000
- Fund Source: State Capital Appropriations



Construction Projects

University Airport RSA/MALSR

- Runway Safety Area (RSA) excavation, regrading and resurfacing
- Medium intensity airfield lighting system requirement (MALSR)
- Total Budget: \$1,120,000
 - \$ 1,064,000 FAA Grants
 - \$ 56,000 Airport Auxiliary



Construction Projects

FY2011 West Green Infrastructure and Landscape Project

- New fire lane access
- Improved handicapped accessibility
- Replace walkways and landscaping
- Replacement of underground utility lines
- Increase in original project budget due to poor soil conditions and underground challenges
- Revised Total Budget: 1,700,000
- Fund Source: Housing Auxiliary Reserve



Unfinished Business



OHIO
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Interoffice Communication

Date: May 24, 2010

To: The President and Board of Trustees

From: Michael Angelini
Interim Senior Vice President for Finance and Administration and Treasurer

Re: **Financial Ratio Analysis**

At the Board's request, the 5 Year Financial Ratio Analysis prepared for the April meeting will be first on the June Resources Committee agenda. The materials have been included again for your convenience.

I would welcome receiving any specific questions prior to the June meeting. Please contact me at (740) 593-2555 or angelini@ohio.edu.

I look forward to presenting a few of the FY 2009 ratio highlights at the upcoming June meeting.



OHIO
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Interoffice Communication

Date: March 15, 2010

To: The President and Board of Trustees

From: Michael Angelini ^{VTA}
Interim Senior Vice President for Finance and Administration and Treasurer

Re: **Financial Ratio Analysis**

Included with the board materials is the Financial Ratio Analysis for Ohio University (Ohio) and our national aspirational peers, excluding University of Delaware whose statements follow non-profit instead of governmental accounting standards. Three of our sister institutions in Ohio are included in the analysis as well, chosen based on their similarities to Ohio.

For each ratio, the current year calculation for Ohio is shown as well as information on how annual results have impacted the resulting calculation and our ranking among our peers. There are two charts for each ratio which graphically show the FY 2009 ranking of Ohio to the peers and five year ratio trend lines for Ohio compared to the peers.

Appendices are included which detail the calculations for each of the five years for each peer institution, five years of audited financial statement information for Ohio and FY 2008 bar graphs of Ohio compared to peers, for comparative purposes.

I will be happy to answer any questions you may have about the reports prior to or during the April meeting.



Ohio University Financial Ratio Analysis

**With 5 years of comparative data
with peer institutions**

June 30, 2005 through June 30, 2009

Contents:

Introduction:	2
Assessing Financial Health:	3
Primary Reserve Ratio:	4
Viability Ratio:	5
Net Income Ratio:	6
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Introduction:

In an effort to improve the University's financial position on several fronts, we have embarked on a continual project to assess the University's progress in key financial areas over the years (a longitudinal view) and as compared to its peer institutions using their audited financial statements as source data. The peer institutions were selected in the summer of 2004 with assistance from the Office of Institutional Research. The objective was to produce a list of institutional peers based on defined data and to identify available and reliable measures for benchmarks to be used in the University's strategic planning efforts. There were 10 peer institutions selected and they are:

Auburn University Main Campus **
Clemson University
Indiana University – Bloomington **
University of Connecticut
University of Delaware
University of Missouri – Columbia **
University of New Hampshire Main Campus **
University of North Carolina at Chapel Hill
University of Tennessee
Washington State University

The population of universities for the study was the 102 public doctoral/research-extensive universities, (now referred to as, "Research University (high research activity)") in the United States, as defined by the Carnegie Foundation for the Advancement of Teaching in its 2000 classification. According to the Carnegie Foundation, "These institutions typically offer a wide range of baccalaureate programs, and they are committed to graduate education through the doctorate. During the period studied, they awarded 50 or more doctoral degrees per year across at least 15 disciplines."

Variables were selected primarily from *U.S. News and World Report's* "America's Best Colleges" and the US Department of Education National Center for Education Statistics Integrated Postsecondary Education Data System (IPEDS). US News ranks colleges and universities based on measures related to undergraduate education, using data it collects from the institutions themselves and from other sources, such as IPEDS. The selection of variables was based on relevance to Ohio University's mission as well as reliability and availability of data. Nine broad categories were created:

Peer Assessment
Freshman Admissions Selectivity
Retention and Graduation Rates
Student Experience
Institutional Finances
Faculty Salary
Institutional Characteristics
Race/Ethnicity
Tuition and Financial Aid

** Financial statements of these schools do not isolate the activity of the benchmark campus site only, so the benchmark financial data is of a broader picture

Within these nine categories, 48 individual variables were used. For each variable, similarities were sought between Ohio University and each of the 102 public universities. Natural “break points” were identified for each variable, with scores both above and below Ohio University’s data point. For example, for freshman retention, universities were identified that had similar retention rates, both above and below Ohio University’s 84 percent rate at that time. For each university, a count was taken of the number of commonalities with Ohio University. A list of 29 universities was produced that had the most commonalities across the broadest range of categories and variables. Ohio University’s administrative officers reviewed this list and collaborated to identify the final 10.

The data for all of the universities are being updated annually on Institutional Research’s website. If needed, additional measures may be added as they become available to assist the strategic planning effort. Institutional Research’s website entitled, “Ohio University Peer University Study” is located at:

<http://www.ohiou.edu/instres/univ/peerstudy/index.html>

and includes the following links:

Listing of Peer Institutions and Web Links (PDF)
Peer Institution Comparisons by Type of Variable 2008-09 Update (PDF)
Data Definitions and Sources (PDF)
Peer Institutions and Carnegie Classifications (PDF)
NCES - IPEDS Peer Comparisons (PDF)

In addition to the peer institutions chosen by the administrative officers (minus the University of Delaware whose statements follow non-profit instead of governmental accounting), we are including 3 of our sister institutions in the State of Ohio for the purpose of this analysis. They were selected based on similarities such as size of student population, bond rating, residential composition, and competition for many of the same students. Those institutions are:

Kent State University
Miami University
University of Cincinnati

Assessing Financial Health:

“We believe the fundamental concept of assessing financial health by using a limited number of ratios has improved the understanding of the financial health of colleges and universities.” The preceding quote is from Strategic Financial Analysis for Higher Education, sixth edition ©2005 by Prager, Sealy, & Co., LLC; KPMG LLP; and BearingPoint Inc. and many of the following ratios are among those recommended by that document.

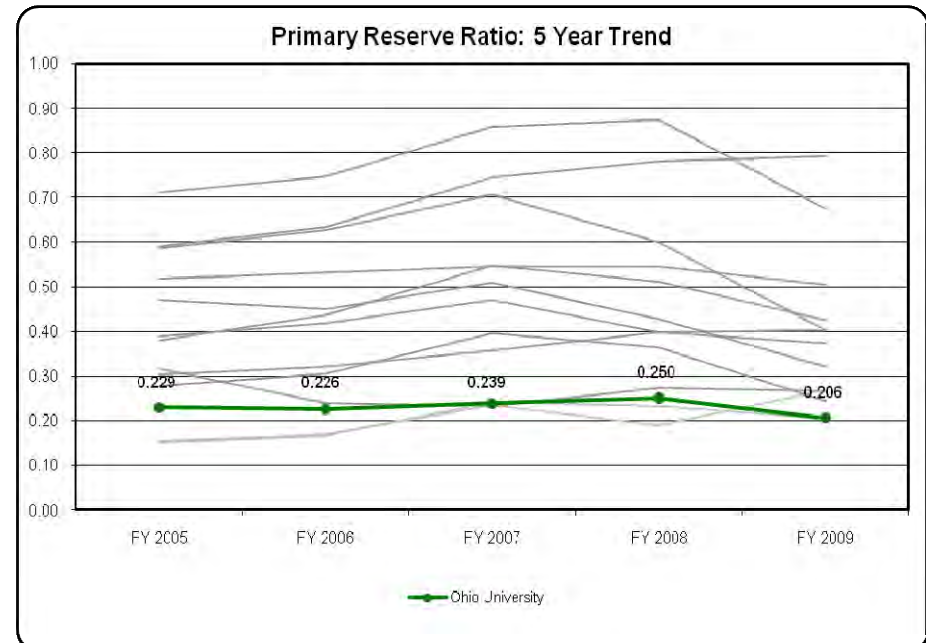
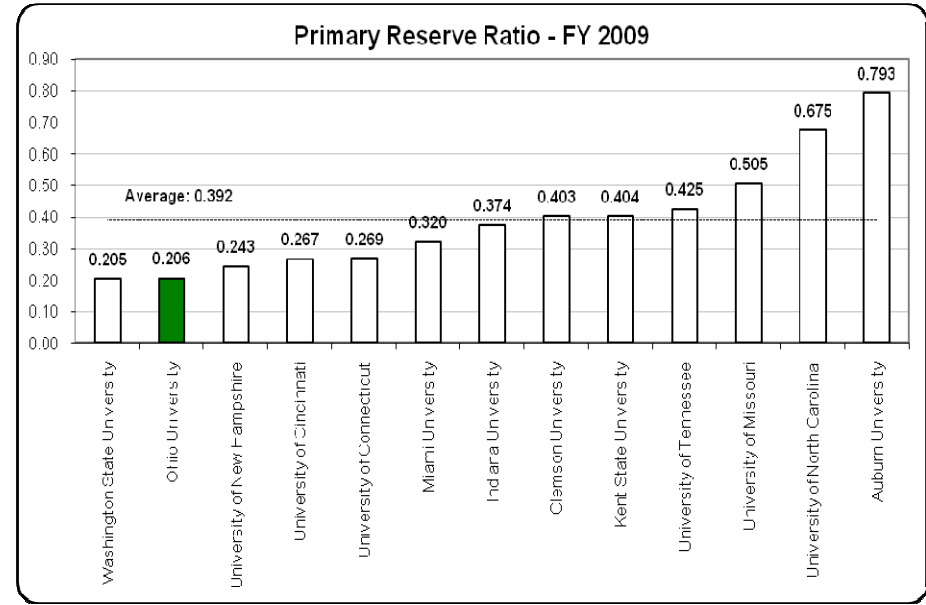
Any discussion of where we want to be, must ultimately determine where we are in order to determine strategy of how to get there. The analysis of each ratio will begin with how each is calculated, including a reference to line items of Ohio University’s audited financial data for frame of reference. Most numbers will come from the Statements of Net Assets (SNA) or the Statements of Revenues, Expenses and Changes in Net Assets (SRECNA), which are included as Appendix II. The analysis includes a short explanation of the meaning of each ratio presented here and some discussion of our relative performance when compared to the prior year and to our peer institutions. To enhance understanding we have graphed the presentation of each ratio. The first graph compares our ratio with those of our peer and chosen sister institutions for FY 2009 and shows the average of the group. The second graph shows the longitudinal view of the University’s performance over the last five years (FY 2005 through FY 2009) compared to the University’s peer (9 of them here) and 3 Ohio sister institutions.

All information in italics represents excerpts from Strategic Financial Analysis for Higher Education, sixth edition, referenced above.

Primary Reserve Ratio:

Expendable Net Assets		
Total Expenses		
Lines 31 + 32 of SNA	=	116,267,732
Lines 20 + 28 + 29 of SRECNA	=	563,568,909

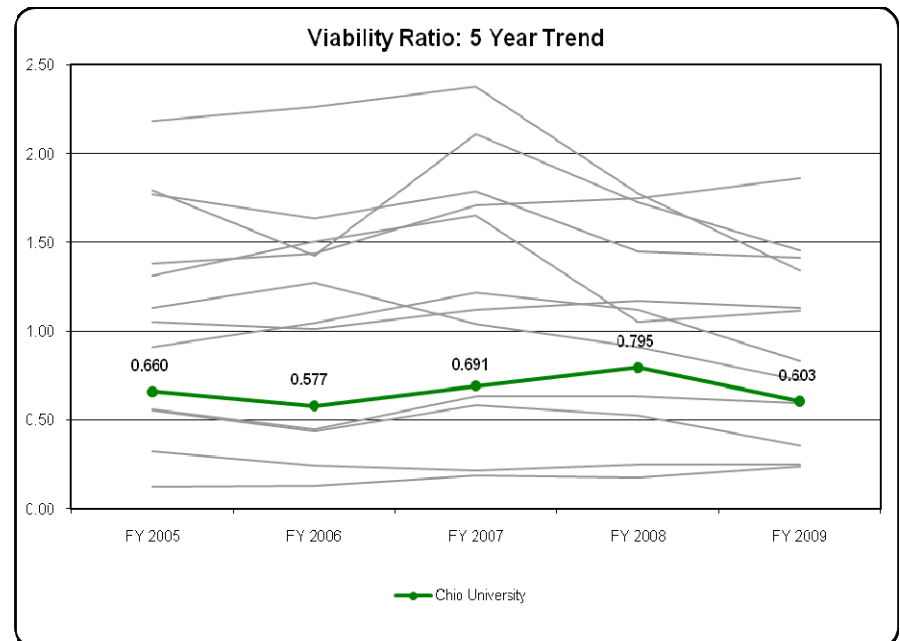
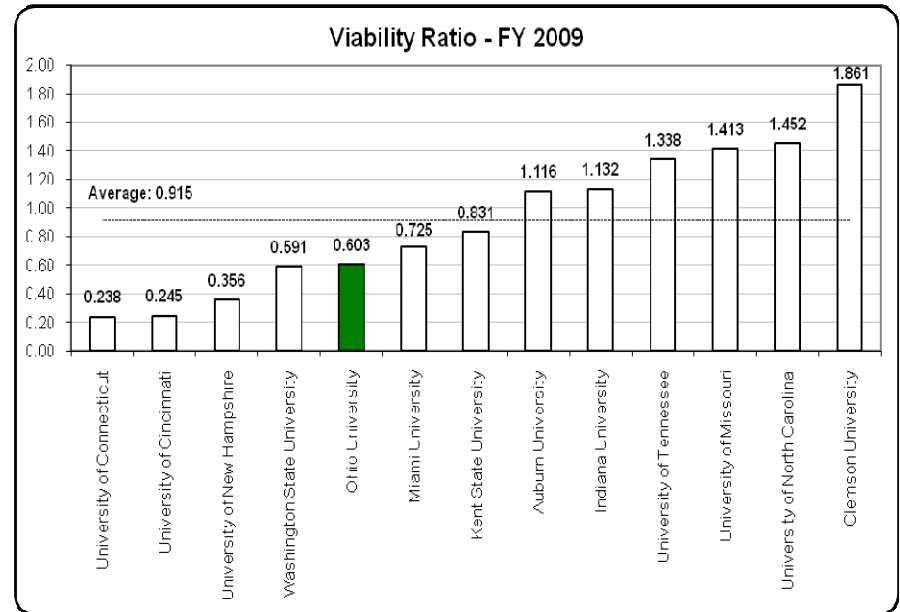
- The Primary Reserve Ratio measures the financial strength of the institution by comparing expendable net assets to total expenses. Expendable net assets represent those assets that the institution can access relatively quickly and spend to satisfy its debt obligations. This ratio provides a snapshot of financial strength and flexibility by indicating how long the institution could function using its expendable reserves without relying on additional net assets generated by operations. Trend analysis indicates whether an institution has increased its net worth in proportion to the rate of growth in its operating size." Increasing over time denotes strength.
- In order to improve the Primary Reserve Ratio, expendable net assets must increase, expenses decrease, or some combination of the two. Expendable net assets, specifically **Unrestricted Expendable Net Assets** (bolded for emphasis) are critical to cover unforeseen contingencies and to provide funds to invest in strategic priorities. The ratio, observed over a period of time, shows whether or not we have increased our net worth in relation to our expenses. The numerator is expendable net assets of the institution which includes both unrestricted and restricted net assets.
- According to the reference materials used, a Primary Reserve Ratio of .40x or better is advisable. At this level an institution has the ability to cover about 4.8 months of expenses from reserves, without the need to generate additional net assets through operations. We are in a position to cover about 2.5 months of expenses (down from FY 2008's number of 3.0) from reserves, whereas the group average would cover about 4.7 months (down from FY 2008's number of 5.4). In order to achieve the recommended ratio level we would need to increase expendable net assets by approximately \$109.2 million (up from last year's number of \$76.6 million). Our level of expendable net assets is more suited for an institution whose annual expenses are \$272.9 million less, or almost half as much, as ours.
- In summary, our Primary Reserve Ratio went down in FY 2009, the group's average went down, and we lost an additional place in the ranks, now being second from the bottom instead of third. It does appear from the trend line that we are experiencing less volatility over time than that of our peers.



Viability Ratio:

Expendable Net Assets	
Long-Term Debt (current and noncurrent portions)	
Lines 31 + 32 of SNA	= 116,267,732
Lines 18 + 19 + 23 + 24 of SNA	= 192,718,265

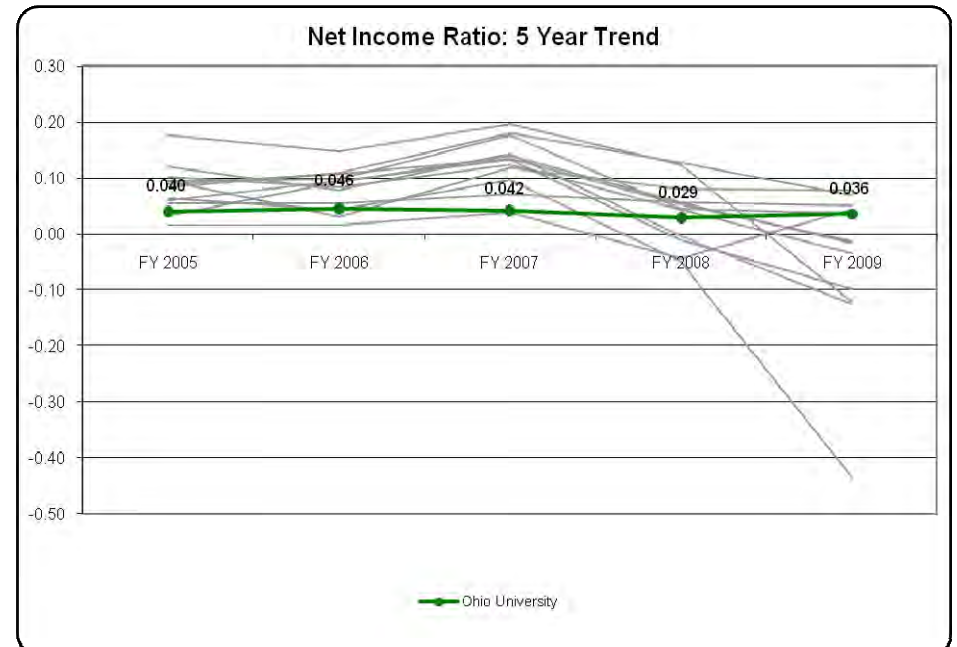
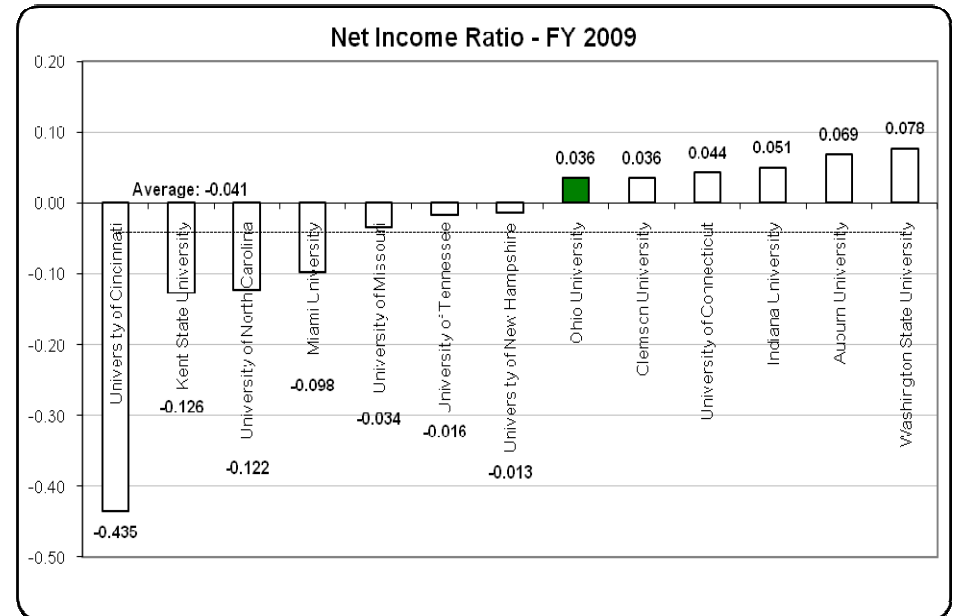
- *The Viability Ratio measures one of the most basic determinants of clear financial health: the availability of expendable net assets to cover debt should the institution need to settle its obligations as of the balance sheet date.*
- The calculation of the Viability Ratio is the same as the one used in the Senate Bill 6 calculation. A ratio of 1:1 implies that we have sufficient expendable net assets to pay off all our long-term debt. Due to the on-going nature of a public institution and the long-term nature of debt payoff, it is not necessary to have expendable net assets to cover all amounts borrowed for long-term purposes. According to the resources used for this study, the determination of the right level for this particular ratio is University-specific and we should determine our own desired level. For example, if we are in a major capital expansion phase, this ratio may very well be lower than normal.
- Although there is no absolute measure which determines when an institution is no longer financially viable, the Primary Reserve Ratio, when considered with the Viability Ratio, both begin to define our ability to respond to external adverse conditions with internal resources, make strategic one-time investments, and make strategic use of long term debt.
- Expendable net assets decreased from \$133.2 million in FY 2008 to \$116.3 million in FY 2009, whereas long-term debt increased from \$167.4 million to \$192.7 in the same time period. Both events affected the variance in a negative way, although not enough to change the Senate Bill 6 score value of 3. We continue to rank in the lower half of our peer institutions on the Viability Ratio, although we maintained our relative position from FY 2008. The group's average decreased from 1.026 to .915 and our rating decreased from .795 to .603.



Net Income Ratio:

Change in Net Assets Total Revenues		
Line 36 of SRECNA	=	20,771,844
Lines 9 + 22 through 27 + 35 of SRECNA	=	584,340,753

- The Net Income Ratio offers a measure of profitability and is the third ratio in the Senate Bill 6 series included in the composite score. The numerator is made up of the entire change in net assets and the denominator is all institutional revenues. This includes revenues received for capital needs.
- Our Net Income Ratio increased in FY 2009 – from .029 to .036 and we went up 3 places in our relative position among our peers. We were the lowest of the group experiencing a positive ratio. The average of the peer group decreased from .039 to -.041. Of the 7 institutions experiencing a negative ratio, 3 of them are the Ohio schools we have chosen to benchmark against. Investment losses were the single-most contributing factor to the increase in number of institutions experiencing net losses and the magnitude of those losses. The University of Cincinnati with the lowest Net Income Ratio experienced investment losses of \$329.6 million in FY 2009 compared to investment losses of \$96.6 million in FY 2008. Most of their endowments are held in their university as opposed to their foundation, skewing comparability to us where that is reversed.
- Compared to other institutions, the volatility of our Net Income Ratio as viewed from the trend line appears to be less.



Senate Bill 6 (SB 6) Composite Score:

- The Senate Bill 6 Composite Score is a calculation required by Ohio Revised Code to be computed by the Ohio Board of Regents on the audited financial statements of all public institutions of higher education in the State of Ohio. Its calculation is comprised of the Viability Ratio, Primary Reserve Ratio, and Net Income Ratio all assigned scores based on a range for each:

Score	Viability Ratio	Primary Reserve Ratio	Net Income Ratio
0	< 0	< -.1	< -.05
1	0 to .29	-.1 to .049	-.05 to 0
2	.30 to .59	.05 to .099	0 to .009
3	.6 to .99	.10 to .249	.01 to .029
4	1.0 to 2.5	.25 to .49	.03 to .049
5	> 2.5 or N/A	.5 or greater	.05 or greater

and further weighted as follows:

Viability Ratio – 30%
 Primary Reserve Ratio – 50%
 Net Income Ratio – 20%

Ohio University Calculation:

Primary Reserve Score:	3	* 50%	=	1.5
Viability Score:	3	* 30%	=	0.9
Net Income Score:	4	* 20%	=	0.8

SB 6 Composite Score: 3.2

- Ohio University's composite score decreased to 3.2 in FY 2009 from a score of 3.5 in FY 2008, primarily the result of a decrease by 1 in the Primary Reserve Ratio score which is 50% of the composite. The Viability Ratio score stayed the same and the Net Income Ratio score increased by 1, serving to partially offset the decrease in the score of the Primary Reserve Ratio.
- Among our peers we gained 2 positions from FY 2008, and are slightly below the average of 3.362, down from the average of 3.754 in FY 2008.
- Both Miami and Kent were at 4.7 in FY 2007. They are both now at 2.9. This demonstrates the impact that only two years can have on this composite ratio.
- Auburn has remained at a score of 4.7 for all the years under study. We are alternating to and from a score of 3.2 over the last 5 years.

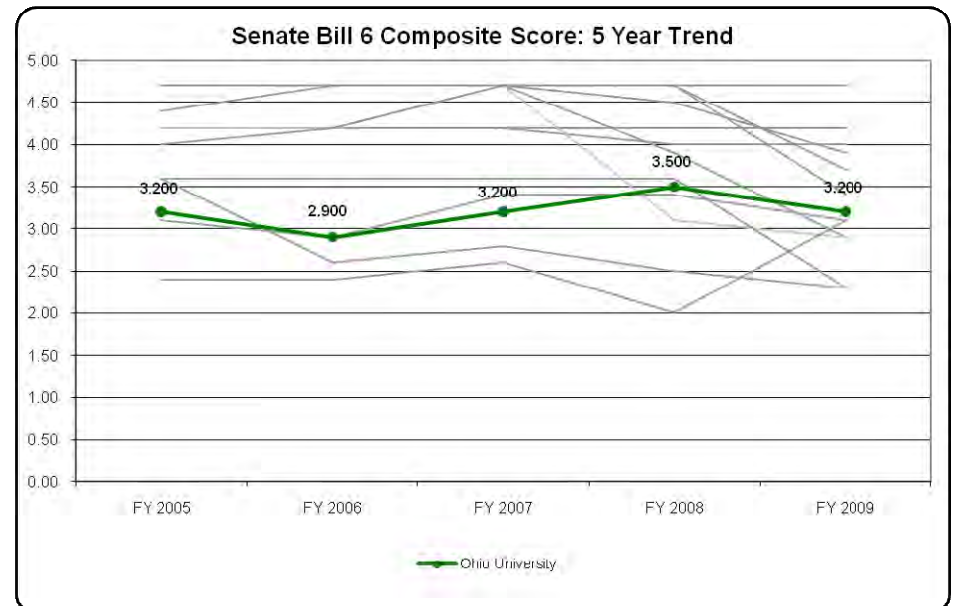
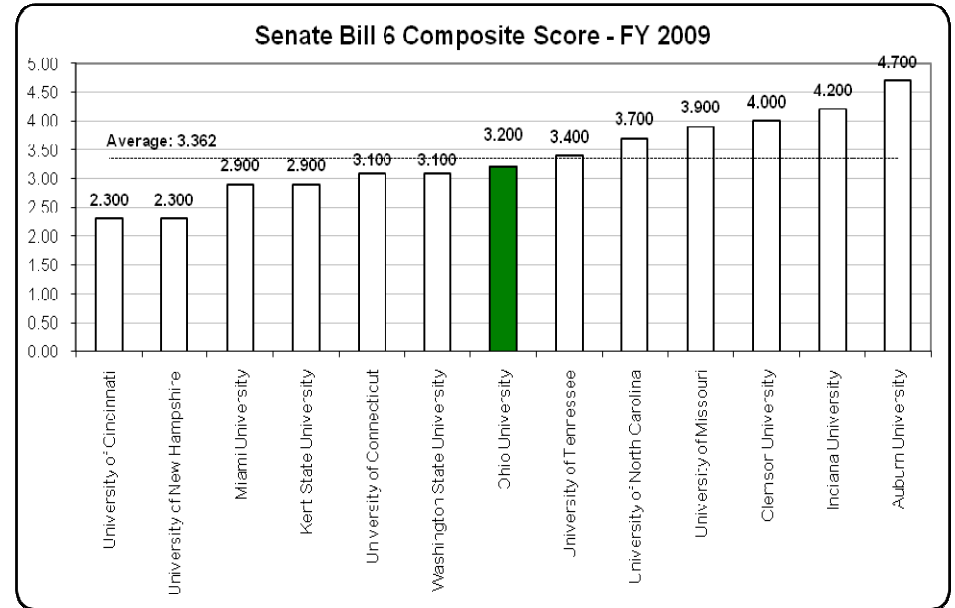


TABLE 1
FY 2009 FINANCIAL RATIO ANALYSIS
INSTITUTIONAL RATIOS AND SCORES

	Composite	Viability		Net Income		Primary Reserve	
Institution	Score	Ratio*	Score	Ratio	Score	Ratio	Score
UNIVERSITIES							
BOWLING GREEN	3.20	151.5%	4.00	-7.2%	0.00	33.7%	4.00
CENTRAL STATE	4.00	389.3%	5.00	16.1%	5.00	11.7%	3.00
CLEVELAND STATE	2.30	31.7%	2.00	-3.1%	1.00	24.0%	3.00
KENT STATE	2.90	83.1%	3.00	-12.6%	0.00	40.5%	4.00
MIAMI UNIV.	2.90	75.2%	3.00	-9.8%	0.00	32.0%	4.00
NEOUCOM	4.40	1230.9%	5.00	0.7%	2.00	58.1%	5.00
OHIO STATE	3.20	124.0%	4.00	-9.1%	0.00	41.4%	4.00
OHIO UNIVERSITY	3.20	60.3%	3.00	3.6%	4.00	20.6%	3.00
SHAWNEE STATE	3.10	87.0%	3.00	-1.5%	1.00	26.8%	4.00
UNIV. AKRON	2.00	21.4%	1.00	-1.8%	1.00	20.1%	3.00
UNIV. CINCINNATI	2.30	24.3%	1.00	-43.5%	0.00	26.8%	4.00
UNIV. TOLEDO	2.60	76.0%	3.00	-3.8%	1.00	24.3%	3.00
WRIGHT STATE	3.20	294.6%	5.00	-0.9%	1.00	24.6%	3.00
YOUNGSTOWN ST.	3.80	135.5%	4.00	2.1%	3.00	27.4%	4.00
COMMUNITY COLLEGES							
BELMONT TECH	5.00	N/A	5.00	6.8%	5.00	80.1%	5.00
CINCINNATI ST.	2.70	40.6%	2.00	2.5%	3.00	24.7%	3.00
CLARK STATE	3.10	97.6%	3.00	-0.4%	1.00	26.1%	4.00
COLUMBUS ST.	5.00	691.1%	5.00	15.1%	5.00	67.9%	5.00
COTC	4.50	481.7%	5.00	22.0%	5.00	38.0%	4.00
CUYAHOGA	3.30	62.5%	3.00	0.4%	2.00	40.4%	4.00
EDISON STATE	2.20	35.2%	2.00	1.4%	3.00	8.0%	2.00
HOCKING	3.70	170.1%	4.00	6.5%	5.00	18.4%	3.00
JAMES RHODES ST	3.10	240.5%	4.00	0.4%	2.00	24.2%	3.00
JEFFERSON	4.50	454.8%	5.00	9.1%	5.00	43.2%	4.00
LAKELAND	3.10	114.5%	4.00	0.2%	2.00	19.2%	3.00
LORAIN	4.50	698.7%	5.00	12.1%	5.00	42.3%	4.00
MARION TECH	4.10	N/A	5.00	2.8%	3.00	35.4%	4.00
NORTH CENTRAL	3.60	6646.4%	5.00	1.9%	3.00	14.1%	3.00
NORTHWEST ST.	4.30	23085.2%	5.00	3.3%	4.00	38.9%	4.00
OWENS STATE	3.40	7029.6%	5.00	0.1%	2.00	17.6%	3.00
RIO GRANDE	2.10	58.7%	2.00	-11.3%	0.00	10.6%	3.00
SINCLAIR	5.00	N/A	5.00	7.7%	5.00	60.7%	5.00
SOUTHERN ST.	3.70	112.8%	4.00	8.5%	5.00	21.8%	3.00
STARK STATE	4.00	N/A	5.00	10.4%	5.00	21.7%	3.00
TERRA STATE	4.10	N/A	5.00	2.4%	3.00	43.1%	4.00
WASHINGTON ST.	3.20	N/A	5.00	-4.5%	1.00	14.2%	3.00
ZANE STATE (MATC)	4.50	1194.6%	5.00	6.0%	5.00	31.0%	4.00

* The viability ratio is not calculated for campuses that do not have long-term plant debt. In such instances, a viability score of 5.0 is automatically assigned.

NOTE: Pursuant to the administrative rule (126:3-1-01) established by Senate Bill 6, a composite score of or below 1.75 for two consecutive years would result in a campus being placed on fiscal watch.

TABLE 2
FY 2009 INSTITUTIONAL FINANCIAL DATA

Institution	Expendable Net Assets	Plant Debt	Total Revenues, Operating + Nonoperating	Operating Expenses	Nonoperating Expenses	Change in Total Net Assets
UNIVERSITIES						
BOWLING GREEN	\$118,582,900	\$78,255,000	\$328,675,119	\$352,298,367	\$0	(\$23,623,248)
CENTRAL STATE	\$6,785,812	\$1,743,287	\$69,219,211	\$58,068,378	\$600	\$11,150,233
CLEVELAND STATE	\$65,545,884	\$207,067,009	\$264,927,521	\$273,255,255	\$0	(\$8,327,734)
KENT STATE	\$229,351,000	\$276,019,000	\$504,716,000	\$566,254,000	\$1,961,000	(\$63,499,000)
MIAMI UNIV.	\$168,659,660	\$224,325,090	\$479,177,410	\$526,342,106	\$0	(\$47,164,696)
NEOUCOM	\$24,525,101	\$1,992,413	\$42,492,307	\$42,176,762	\$0	\$315,545
OHIO STATE	\$1,687,056,000	\$1,360,245,000	\$3,744,619,000	\$4,076,905,000	\$7,470,000	(\$339,756,000)
OHIO UNIVERSITY	\$116,267,732	\$192,718,265	\$584,340,753	\$563,285,643	\$283,266	\$20,771,844
SHAWNEE STATE	\$15,239,467	\$17,515,000	\$55,968,678	\$56,770,276	\$24,840	(\$826,438)
UNIV. AKRON	\$89,301,073	\$418,195,077	\$436,462,687	\$443,958,827	\$359,573	(\$7,855,713)
UNIV. CINCINNATI	\$265,519,000	\$1,090,644,000	\$692,613,000	\$988,951,000	\$4,806,000	(\$301,144,000)
UNIV. TOLEDO	\$192,282,000	\$252,924,000	\$763,064,000	\$790,238,000	\$1,827,000	(\$29,001,000)
WRIGHT STATE	\$92,995,732	\$31,564,022	\$376,836,000	\$378,785,677	\$1,460,576	(\$3,410,253)
YOUNGSTOWN STATE	\$52,833,723	\$38,990,037	\$198,254,526	\$192,609,383	\$1,390,483	\$4,254,660
COMMUNITY COLLEGES						
BELMONT TECH	\$11,837,825	\$0	\$15,859,630	\$14,779,094	\$0	\$1,080,536
CINCINNATI STATE	\$18,967,866	\$46,774,109	\$78,733,830	\$76,772,871	\$0	\$1,960,959
CLARK STATE	\$7,707,278	\$7,900,000	\$29,396,867	\$29,476,404	\$26,838	(\$106,375)
COLUMBUS STATE	\$114,865,785	\$16,620,000	\$199,183,287	\$169,049,883	\$0	\$30,133,404
COTC	\$11,534,580	\$2,394,382	\$38,936,820	\$30,334,144	\$31,351	\$8,571,325
CUYAHOGA	\$111,339,945	\$178,119,296	\$276,682,533	\$275,669,968	\$27,156	\$985,409
EDISON STATE	\$1,557,768	\$4,422,095	\$19,790,739	\$19,523,539	\$0	\$267,200
HOCKING	\$10,359,056	\$6,089,638	\$60,308,597	\$56,383,385	\$0	\$3,925,212
JAMES RHODES	\$6,876,313	\$2,859,527	\$28,506,111	\$28,382,925	\$18,333	\$104,853
JEFFERSON	\$5,512,571	\$1,211,968	\$14,045,405	\$12,766,142	\$0	\$1,279,263
LAKELAND	\$12,699,606	\$11,096,151	\$66,295,066	\$66,175,082	\$0	\$119,984
LORAIN	\$42,169,110	\$6,035,000	\$113,952,638	\$99,730,718	\$408,442	\$13,813,478
MARION TECH	\$4,993,729	\$0	\$14,526,194	\$14,114,709	\$0	\$411,485
NORTH CENTRAL	\$3,410,140	\$51,308	\$24,719,024	\$24,252,750	\$0	\$466,274
NORTHWEST STATE	\$9,303,350	\$40,300	\$24,704,035	\$23,889,785	\$2,141	\$812,109
OWENS STATE	\$19,436,379	\$276,495	\$110,474,181	\$110,409,945	\$0	\$64,236
RIO GRANDE	\$1,324,298	\$2,256,498	\$11,182,152	\$12,447,128	\$0	(\$1,264,976)
SINCLAIR	\$93,775,360	\$0	\$167,344,549	\$154,487,170	\$0	\$12,857,379
SOUTHERN STATE	\$6,061,342	\$5,371,694	\$30,458,598	\$27,866,740	\$0	\$2,591,858
STARK STATE	\$14,493,404	\$0	\$74,709,081	\$66,883,781	\$68,785	\$7,556,515
TERRA STATE	\$7,392,877	\$0	\$17,614,184	\$17,152,622	\$44,202	\$417,360
WASHINGTON STATE	\$2,849,579	\$0	\$19,263,994	\$20,121,363	\$0	(\$857,369)
ZANE STATE (MATC)	\$7,814,005	\$654,117	\$26,840,375	\$25,224,265	\$0	\$1,616,110

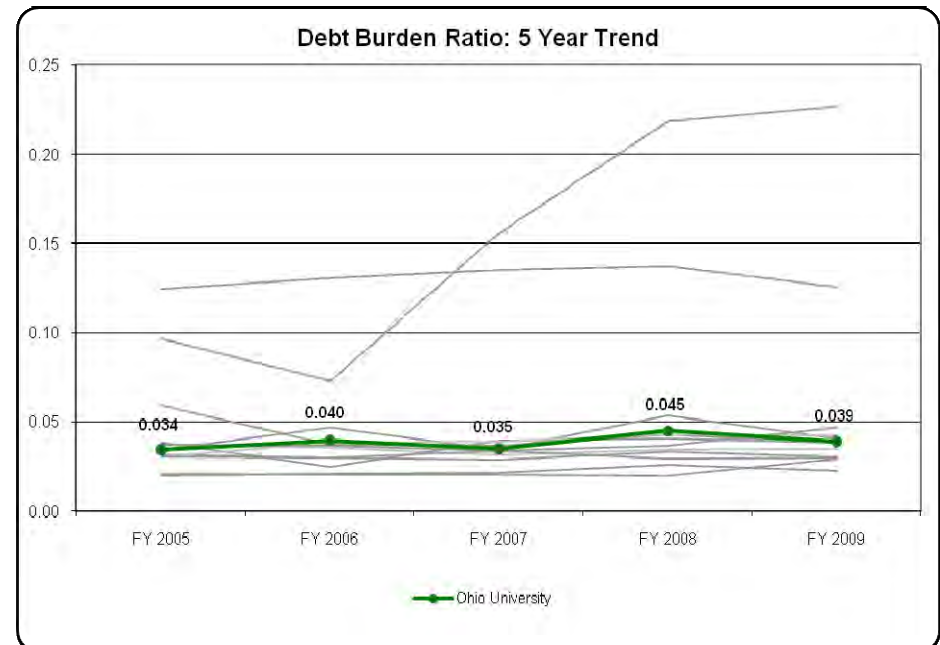
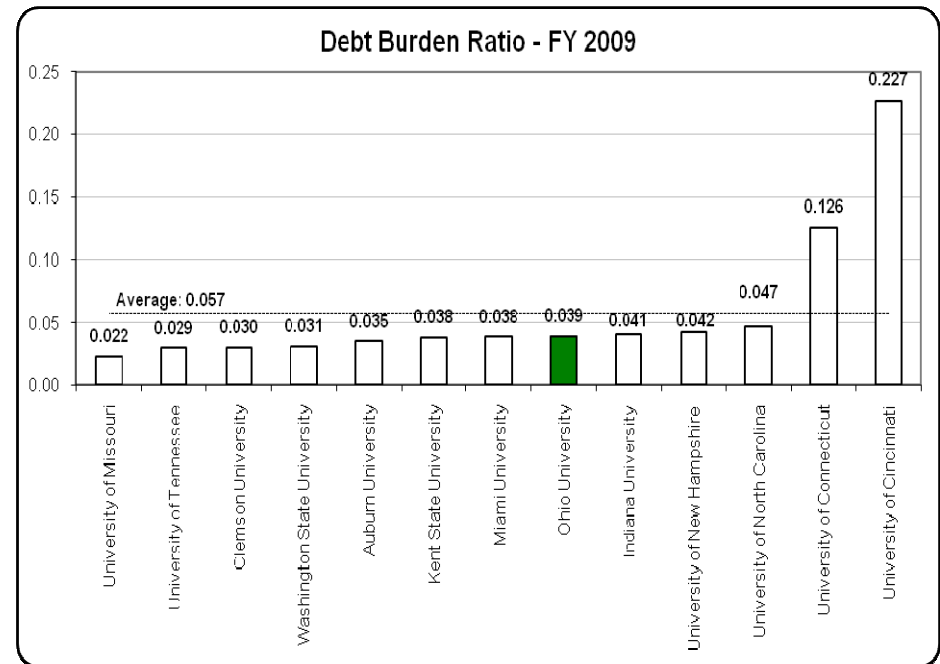
Debt Burden Ratio:

Debt Service	
Total Expenditures	
Debt Principal and Interest Payments, less Refinancing	= 21,106,011
Lines 20+28+29-18 of SRECNA + Debt Principal Payments	= 543,107,370

- *The Debt Burden Ratio is a key tool in measuring debt affordability and should be considered as a key financial indicator for any institution using debt. This ratio examines the institution's dependence on borrowed funds as a source of financing its mission and the relative cost of borrowing to overall expenditures. It compares the level of current debt service with the institution's total expenditures.*
- Debt service (the numerator) includes both principal and interest payments available from the Statement of Cash Flows, although principal repayment amounts through refinancing should be factored out as anomalies. The footnotes to the financial statements also include information for the purpose of calculating this ratio as well as providing for a better understanding of the University's outstanding debt. In FY 2009, footnote 7 entitled, "Bonds and Notes Payable" provides that information.
- The denominator is calculated by including operating and nonoperating expenses less depreciation expense plus debt service principal payments.

The Debt Burden Ratio also serves to highlight that financial decisions, such as incurring debt, have an impact on the University's ability to fund other initiatives out of its budget. An increasing rate shows an emphasis on debt service, which is usually related to capital investment in physical plant, rather than operational types of expenditures.

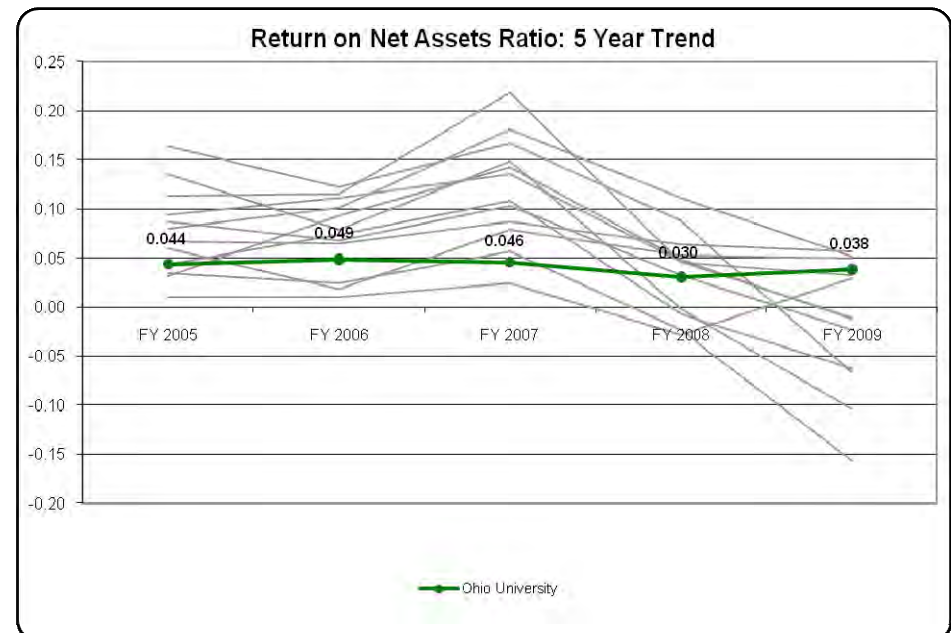
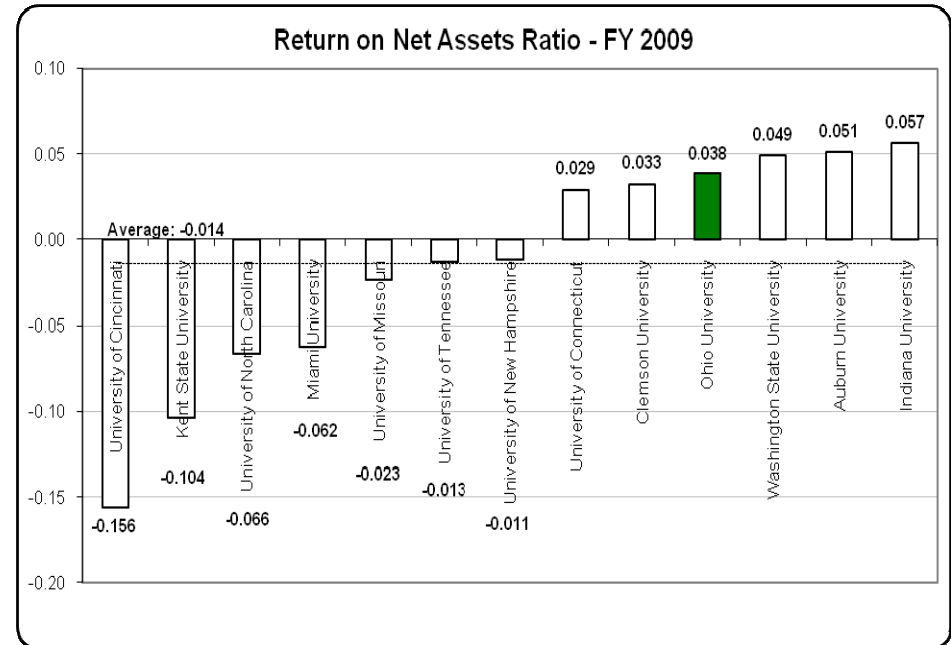
- It is suggested in Strategic Financial Analysis for Higher Education that a rate of 7% be an upper limit and that it might be feasible to operate for a time beyond that limit. The Ohio Office of Budget and Management has used a ratio of 5% as an upper limit. This suggests that Ohio University has room for additional debt, based only upon its current Debt Burden Ratio. A low Debt Burden Ratio could imply that the institution is forgoing necessary investment in plant. Any such investment should directly support the strategic priorities of the university.
- The group average dropped slightly from a .058 in FY 2008 to a .057 in FY 2009, Ohio University's calculation dropped from an amount of .045 to an amount of .039 and dropped 2 rankings, which for this ratio is a positive move.
- The University of Connecticut has been involved in a major capital asset expansion in recent years which explains its position on the chart. It is also important to note that a large percentage of its debt service payments are funded by the State of Connecticut through special legislation. The University of Cincinnati continues to have the highest Debt Burden Ratio.



Return on Net Assets Ratio:

Change in Net Assets Total Net Assets (prior year)		
Line 36 of SRECNA	=	20,771,844
Line 33 of SNA	=	542,732,355

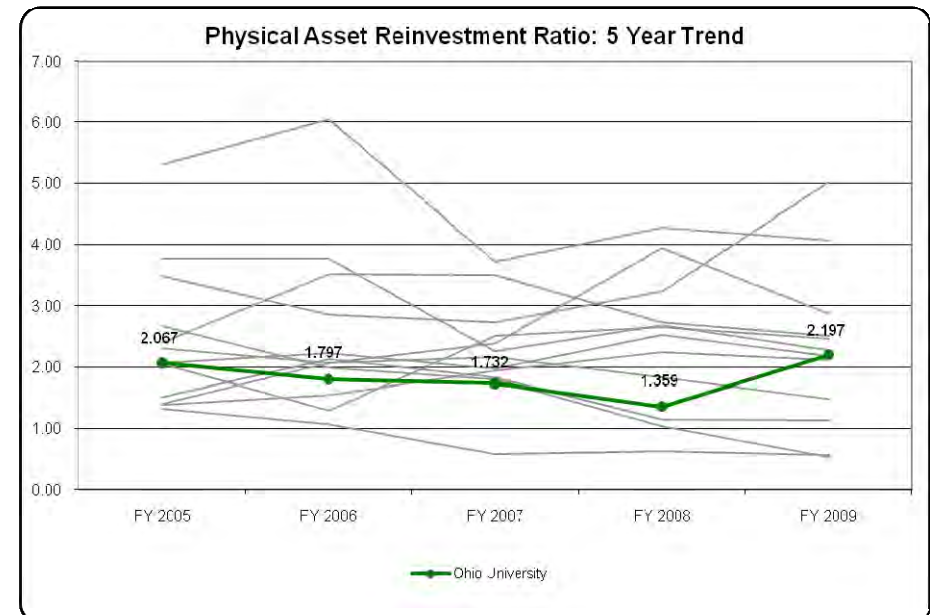
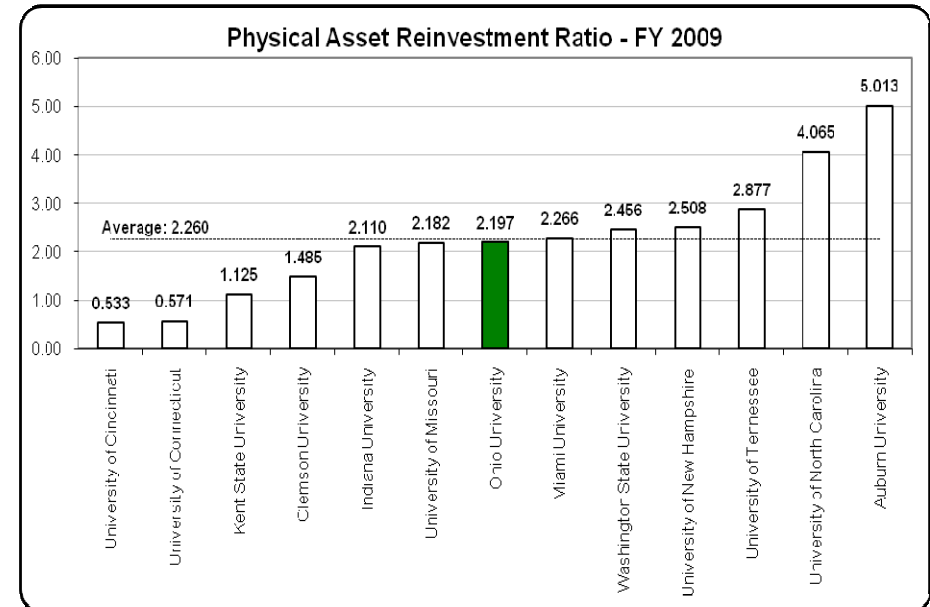
- The Return on Net Assets "ratio determines whether the institution is financially better off than in previous years by measuring total economic return. This ratio furnishes a broad measure of the change in an institution's total wealth over a single year and is based on the level and change in total net assets, regardless of asset classification. Thus, the ratio provides the most comprehensive measure of the growth or decline in total wealth of an institution over a specific period of time."
- For FY 2009 this ratio indicates the institution is better off than in the previous year, going from a ratio of .030 in FY 2008 to .038 in FY 2009. As you can see from the line graph, all our peers went down except for the University of Connecticut, primarily due to a further increase in investment losses in FY 2009.
- Among our peers we went up 5 positions in the rankings, our most prominent relative climb of all the ratios under study, with the group average decreasing from .035 in FY 2008 to -.014 in FY 2009.
- In order to ensure positive and sufficient returns on net assets we must be mindful of both operating and capital budget revenue streams and ensure the adequacy and effectiveness of budgetary and financial controls.



Physical Asset Reinvestment Ratio:

Capital Expenditures	
Depreciation Expense	
“Total capital assets” “Additions” (Footnote 5)	= 72,663,394
Line 18 of SRECNA	= 33,075,444

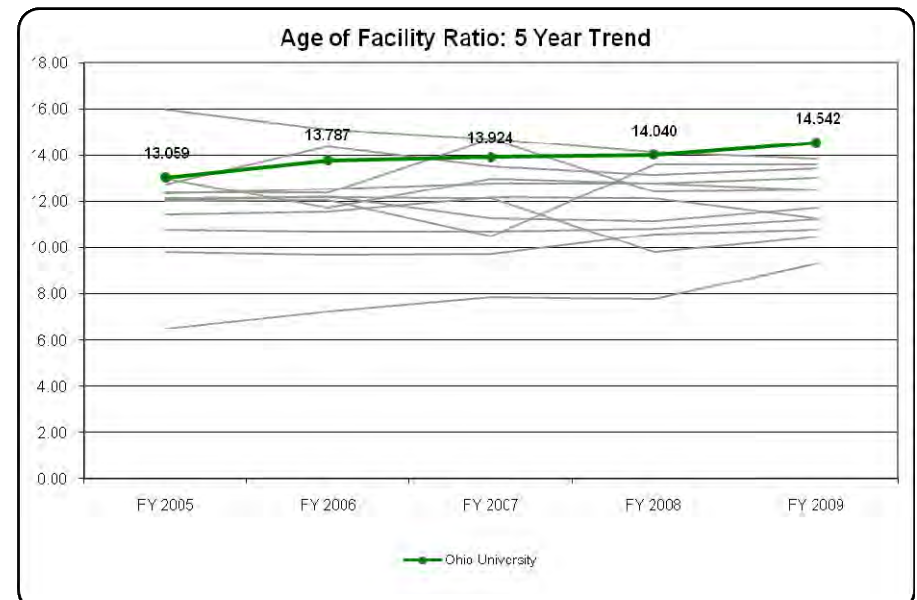
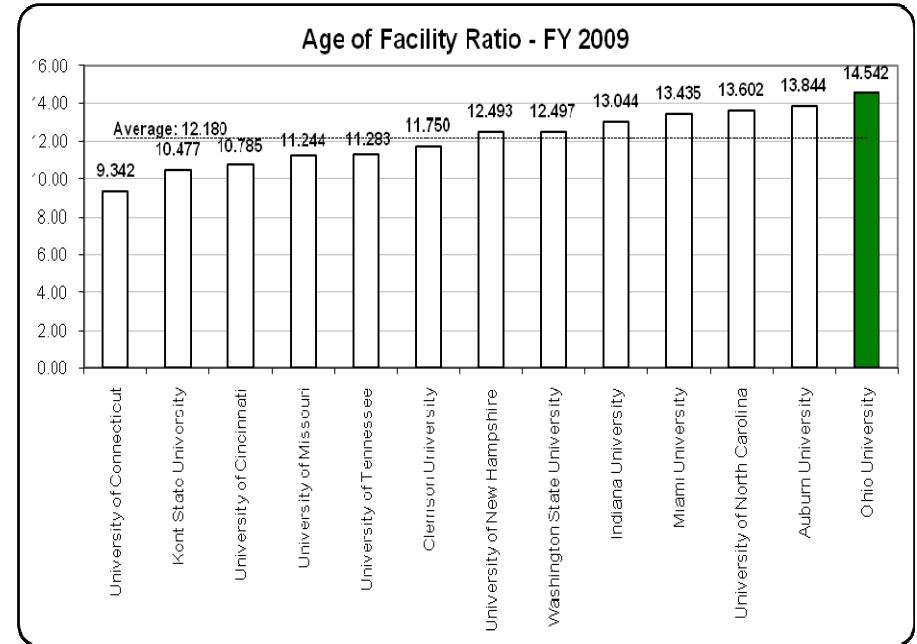
- The Physical Asset Reinvestment "ratio calculates the extent capital renewal is occurring compared with physical asset usage, represented as depreciation expense. A ratio above 1:1 indicates an increasing investment in physical assets, whereas a lower ratio potentially indicates an under-investment in campus facilities. Since this ratio measures current outlays for physical plant against depreciation expense using historical values, institutions should consider even a higher ratio than 1:1 or use an estimate of replacement value depreciation. Since facilities investment is highly variable from year to year, this ratio should be evaluated on a multiyear basis."
- The numerator can also be found in the Statement of Cash Flows under the section, "Cash Flows from Capital Financing Activities" and on the line entitled, "Purchases of capital assets".
- While State capital funding is not keeping up with overall depreciation, total investment in plant continues to occur at a faster rate than depreciation due to debt issued to fund construction projects/acquisitions and internal funding. The University and auxiliary 10 year capital plan provides for an average investment of \$32 million per year. This compares to our annual current depreciation of \$33.1 million.
- Our rating for this ratio increased to 2.197 in FY 2009 compared to 1.359 in FY 2008, moving us up 3 positions in the ranking among our peers. The peer average decreased to 2.260 in FY 2009 from 2.328 in FY 2008.
- It is important to note that for this ratio, the numerator includes all capital expenditures, including that for equipment. By the same token, the denominator includes all depreciation expense, including that for equipment. Footnote 5 of the audited financial statements includes additional detail about the University's capital assets.
- An increase to the Physical Asset Reinvestment Ratio does not suggest that deferred maintenance is not occurring. In fact, if additions to plant are in areas different from the usage or not in line with the University's strategic initiatives, deferred maintenance will be occurring.



Age of Facility Ratio:

Accumulated Depreciation		
Depreciation Expense		
"Total Accumulated Depreciation" (Footnote 5)	=	480,992,591
Line 18 of SRECNA	=	33,075,444

- The Age of Facility Ratio "measures the average age of total plant facilities by measuring the relationship of current depreciation to total depreciation. This ratio is important because it provides a rough sense of the age of the facilities and the potential need for considerable future resources to be invested in plant to cover deferred maintenance. Since deferred maintenance is not recorded as an unfunded liability in the financial statements, the Age of Facilities Ratio is based on historical accumulated depreciation."
- The group average of this ratio increased to 12.180 in FY 2009 from 11.942 in FY 2008. The age of our facilities increased to 14.542 years from 14.040 in FY 2008 and we moved up one position to having the highest Age of Facility Ratio among the benchmark institutions. According to the article by Prager, Sealy, & Co., LLC, KPMG LLP, and BearingPoint Inc, a benchmark for research institutions in higher education is ten years or less.
- It is important to note that for this ratio, the numerator includes accumulated depreciation on all capital expenditures, including that for equipment. By the same token, the denominator includes all depreciation expense, including that for equipment. Footnote 5 of the audited financial statements includes additional detail about the University's capital assets.



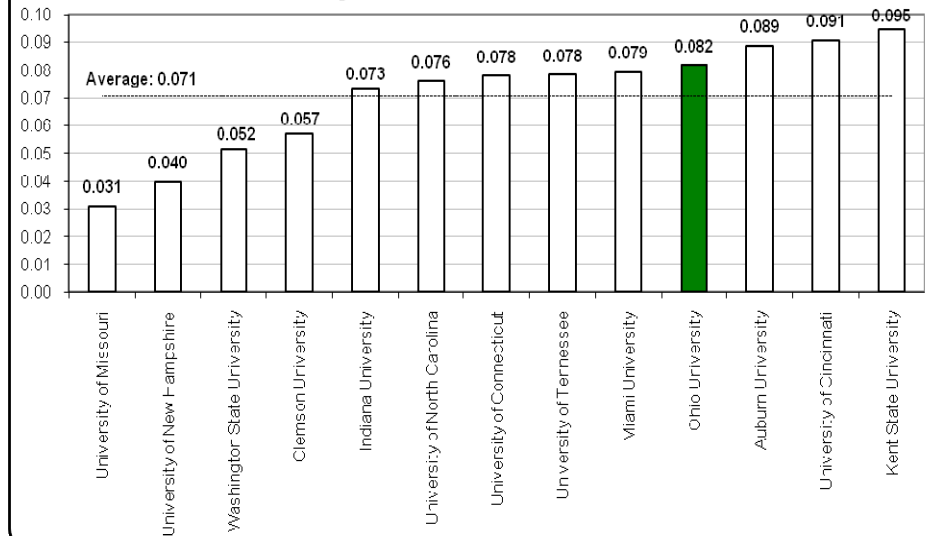
Facility Maintenance Ratio:

Operation and Maintenance of Plant Expenses
Operating Revenues + Non-operating Revenues

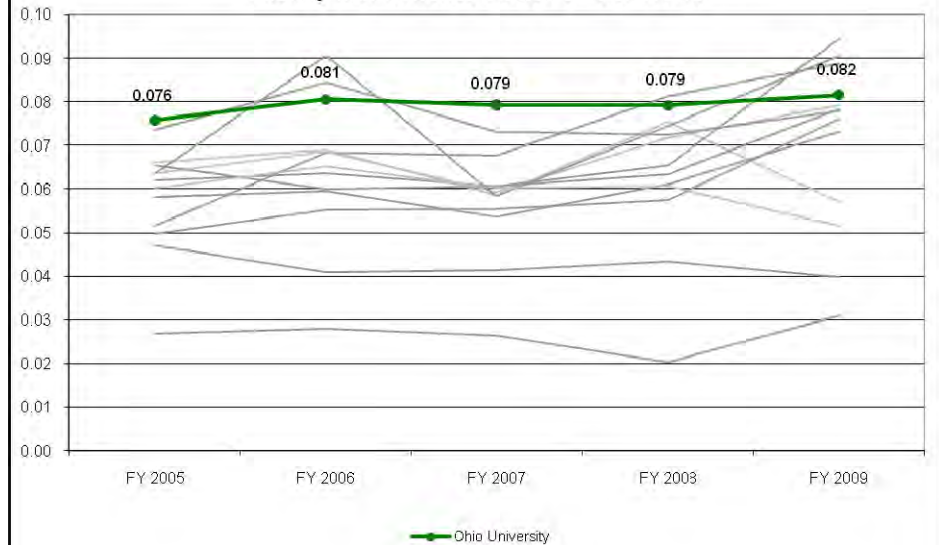
Line 16 of SRECNA	=	44,771,516
Line 9+Lines 22 through 27 of SRECNA	=	548,623,852

- *"The Facilities Maintenance Ratio assumes that the institution must generate a sufficient stream of income to support its operations and maintain its plant. 'Operations and maintenance of plant' includes all current operating expenses related to the general operation and maintenance of the physical plant. It includes utilities and maintenance, fire protection, property insurance, security and transportation, as well as the plant portion of salaries and staff benefits. Principal and interest payments on plant are excluded. Depreciation is also excluded."*
- It is suggested that the Facilities Maintenance Ratio be viewed on a longitudinal basis only because of differences in how institutions record and report operation and maintenance of plant expense.
- A declining trend would suggest that we are not keeping up with our maintenance needs. When comparing ourselves to other institutions we should select those "with a similar age of plant, in the same geographic region and with the same programmatic focus." In addition, research institutions may need to cast a wider net for appropriate benchmark institutions with similar research effort because of the likely higher expense to maintain state of the art facilities to attract researchers and their federal grants.
- Our Facility Maintenance Ratio increased slightly in FY 2009 from FY 2008. The group average increased from .064 to .071 and we dropped 2 positions among our peers. Because there is thinking that older facilities tend to result in the need for higher operation and maintenance of plant costs, it seems reasonable that we would be among the highest ratios given our highest Age of Facility Ratio.

Facility Maintenance Ratio - FY 2009



Facility Maintenance Ratio: 5 Year Trend

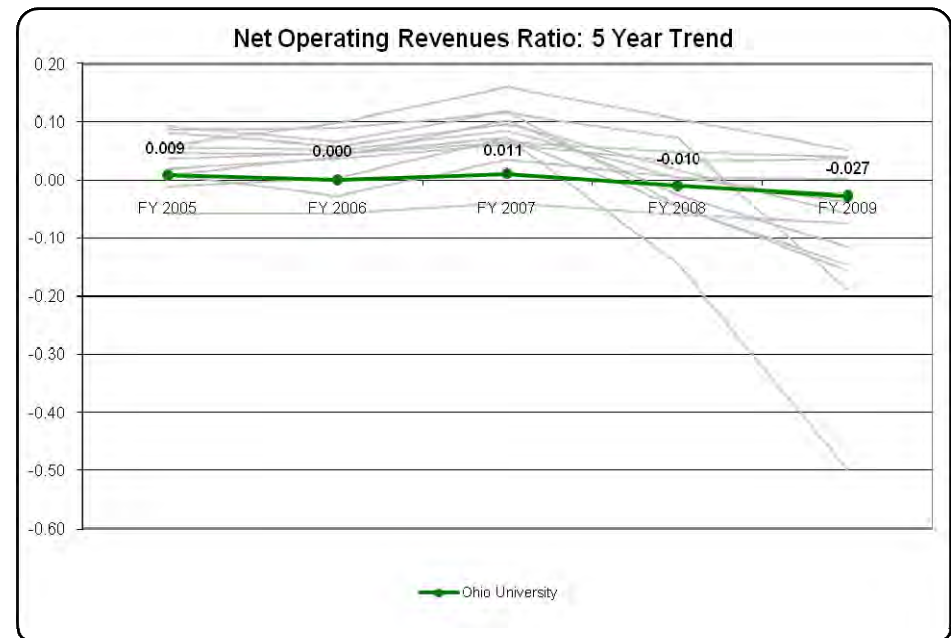
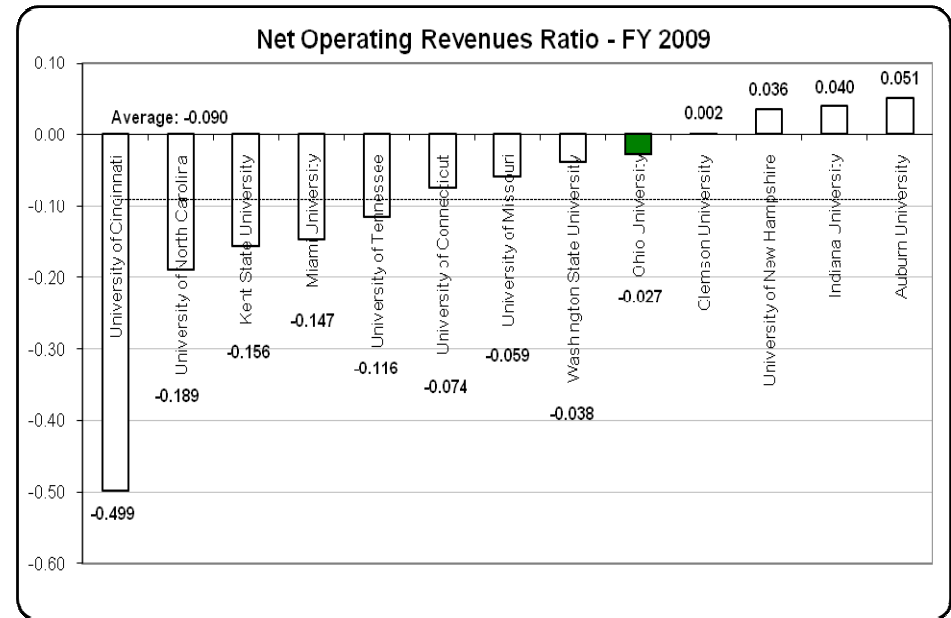


Net Operating Revenues Ratio:

$$\frac{\text{Operating Income (Loss) + Net Non-operating Revenues}}{\text{Operating Revenues + Non-operating Revenues}}$$

Line 31 of SRECNA	=	-14,945,057
Line 9+Lines 22 through 27 of SRECNA	=	548,623,852

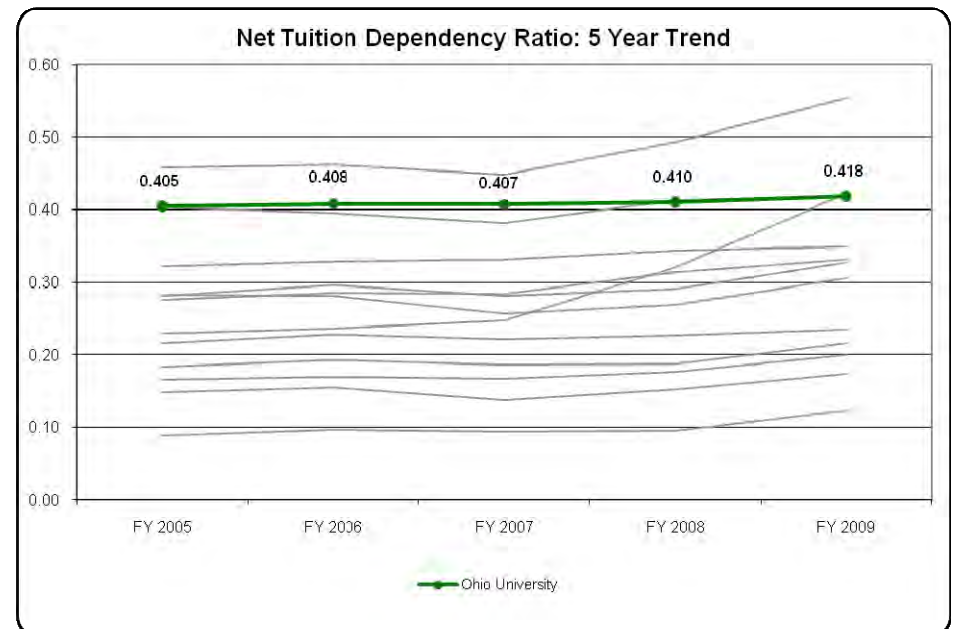
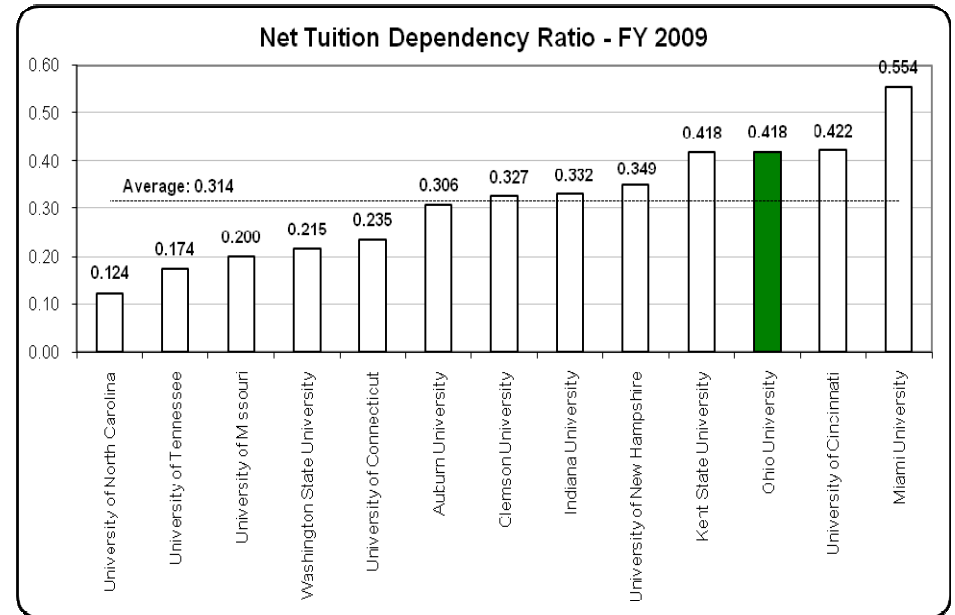
- The Net Operating Revenues Ratio *“is a primary indicator, explaining how the surplus from operating activities affects the behavior of the other three core ratios. A large surplus or deficit directly impacts the amount of funds an institution adds to or subtracts from net assets, thereby affecting the Primary Reserve Ratio, the Return on Net Assets Ratio and the Viability Ratio.”*
- A positive ratio indicates an operating surplus for the year whereas a negative ratio indicates an operating loss. The magnitude of positive operating surpluses can signify financial strength if an institution is not foregoing mission critical investments in order to achieve them. By contrast, operating deficits should be closely monitored as they cannot be sustained over time and may indicate that structural changes are necessary to obtain operating surpluses
- Our performance in this ratio has fluctuated widely from deficits to surpluses to virtually zero in FY 2006 when we ended the year with an operating surplus of \$44,147. Primarily due to greater reductions in investment income over the past year, the group average for this ratio went from -.002 to -.090. A number of institutions, including us, experienced a negative Net Operating Revenues Ratio this year. Our relative ranking moved up 3 positions from FY 2008.
- The University of Cincinnati with the lowest Net Operating Revenues Ratio experienced investment losses of \$329.6 million in FY 2009 compared to investment losses of \$96.6 million in FY 2008. Most of their endowments are held in their university as opposed to their foundation, skewing comparability to us where that is reversed.



Net Tuition Dependency Ratio:

Net Tuition and Fees		
Operating Revenues + Non-operating Revenues		
Line 1 of SRECNA	=	229,594,649
Line 9+Lines 22 through 27 of SRECNA	=	548,623,852

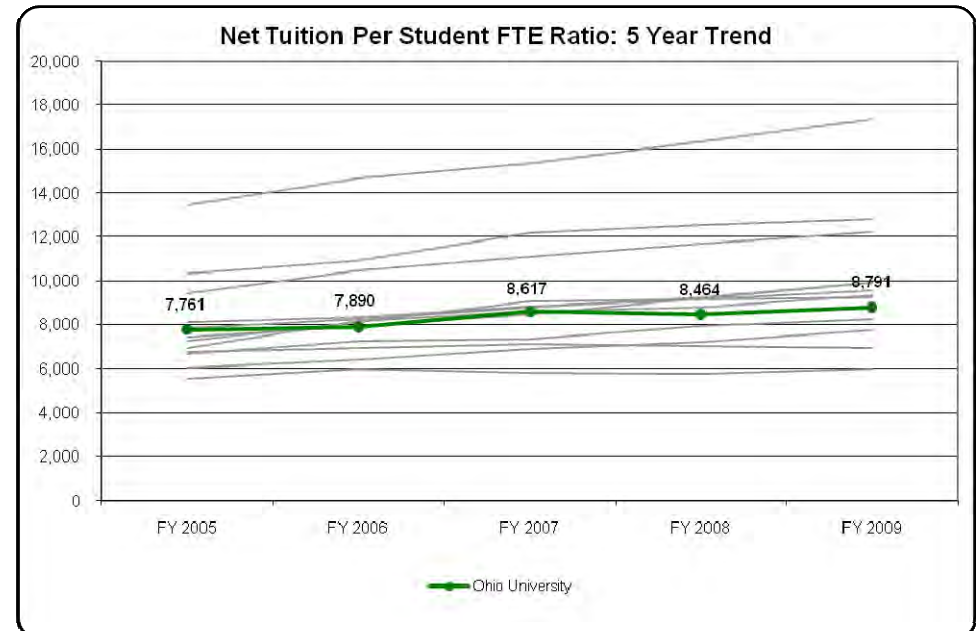
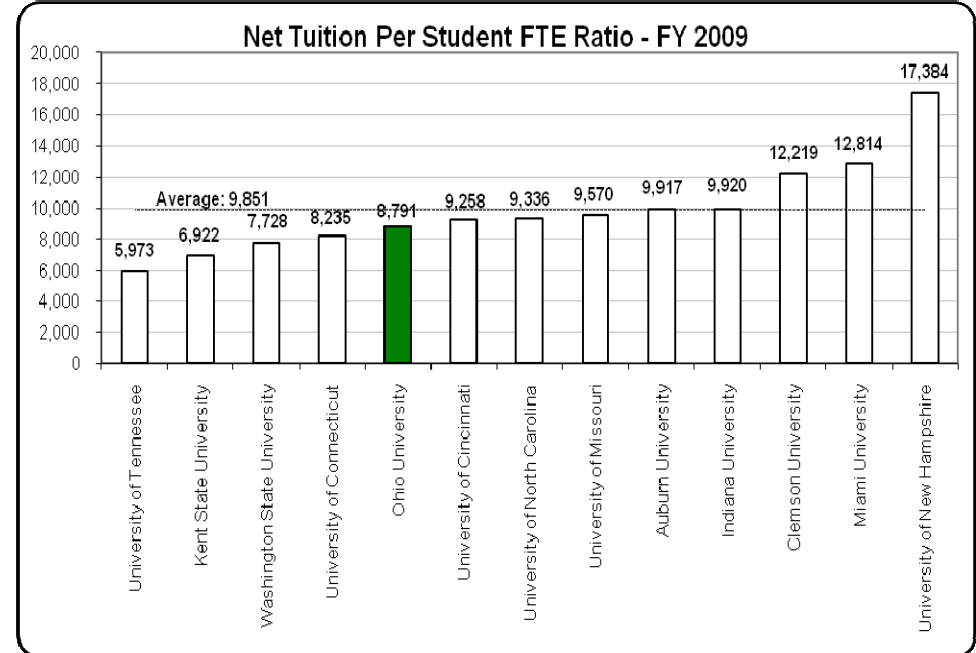
- The Net Tuition Dependency Ratio shows the relative importance of our largest revenue stream to operating and non-operating revenues. An increasing trend in this ratio is not necessarily desirable as it shows an increasing reliance on tuition and fees, on which we are already very dependent, to pay our bills. Clearly this is a revenue stream which needs conservative budgeting or a backstop of reserve funds to deal with unanticipated decreases in enrollment. Diversification of revenue streams is also desirable to mitigate the negative impact of fluctuations in any one revenue source.
- The school with the greatest dependency on net tuition is Miami of Ohio. It is interesting to note that the 4 schools with the highest dependency on net tuition and fees are all Ohio schools. Our ratio increased slightly from .410 in FY 2008 to .418 in FY 2009 and we maintained our relative ranking among our peers. The group average also increased from .284 in FY 2008 to .314 in FY 2009.



Net Tuition Per Student FTE Ratio:

Net Tuition and Fees	
Full-Time Equivalent Students calculated by Institutional Research	
Line 1 of SRECNA	= 229,594,649
FTE Students (Fall Quarter) calculated by Institutional Research	= 26,116

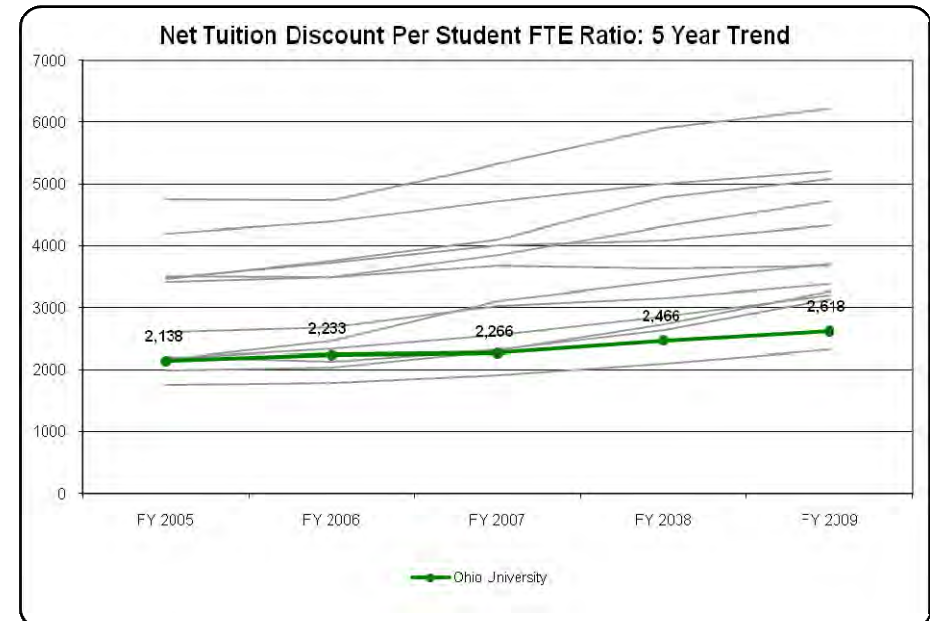
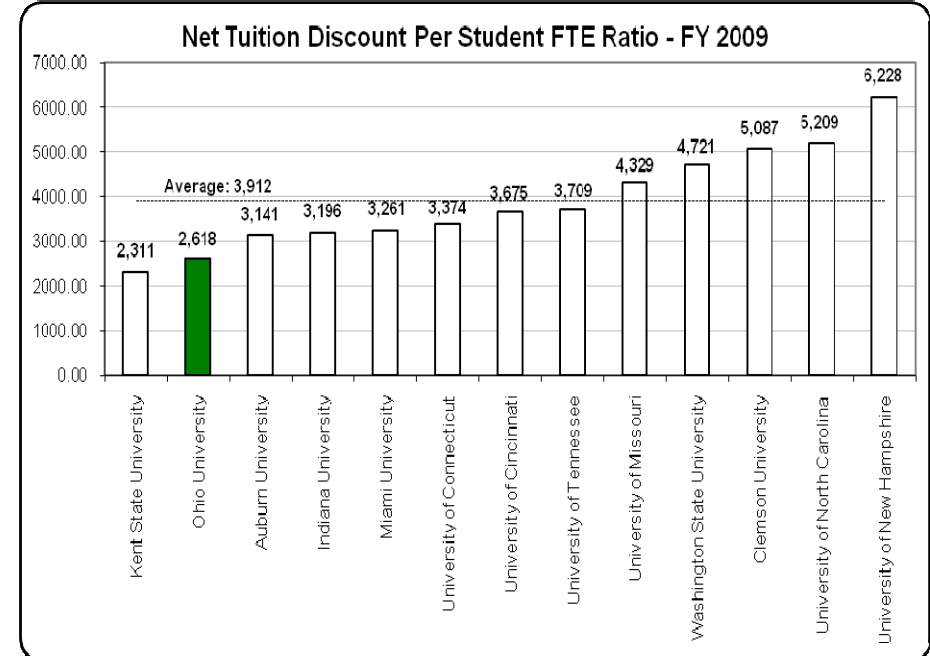
- Generally an increase in Net Tuition and Fees to Student FTE's is desirable in that it indicates that there are more fee-paying customers. This ratio should be analyzed and followed as it relates to the University's tuition discounting strategy which needs to maintain some balance between attractive aid packages and the need for tuition and fee revenues.
- We maintained our relative position when compared to FY 2008. Our ratio increased by 3.9% and the group average increased by 4.6%.



Net Tuition Discount Per Student FTE Ratio:

Student Aid Full-Time Equivalent Students
Line 17 of SRECNA + Scholarship Discounts & Allowances (Financial Statement pg. 14) Full-Time Equivalent Students (Fall Quarter) calculated by Institutional Research
68,369,443
26,116

- This ratio calculates the amount of institutional aid (excluding fee waivers to graduate students which are considered benefits) provided on the basis of student full time equivalents.
- The same as with the Net Tuition per Student FTE Ratio, we maintained our relative position when compared to FY 2008.
- Tuition discounting is an appropriate strategy, but must be used with knowledge of the impact to institutional resources and the intended benefit. Some schools have used tuition discounting to improve or otherwise modify the student profile, encourage students to fill classes at unpopular times, take enough classes to graduate in four years or place a college education within the reach of those who might not otherwise be able to afford it.



Quotes in italics are from *Strategic Financial Analysis for Higher Education*, sixth edition ©2005 by Prager, Sealy, & Co., LLC; KPMG LLP; and BearingPoint Inc.

Appendix I: Longitudinal View Ratio Detail by Institution

Ratio Analysis - A Longitudinal View

Ratios obtained from "Strategic Financial Analysis for Higher Education" - Sixth Edition
(A joint project of KPMG, Prager, Sealy & Co., LLC and BearingPoint)

Auburn University

			FY 2009		FY 2008		FY 2007		FY 2006		FY 2005	
1	Primary Reserve Ratio	Expendable Net Assets	632,744,541	0.793	611,080,939	0.781	536,110,831	0.745	414,970,175	0.634	377,967,120	0.591
		Total Expenses	798,192,965		782,662,177		719,280,404		654,344,959		639,768,243	
		SB6 Primary Reserve Ratio Score:	5		5		5		5		5	
2	Viability Ratio	Expendable Net Assets	632,744,541	1.116	611,080,939	1.054	536,110,831	1.652	414,970,175	1.506	377,967,120	1.314
		Long-Term Debt	567,035,037		579,684,670		324,492,311		275,487,904		287,634,981	
		SB6 Viability Ratio Score:	4		4		4		4		4	
3	Net Income Ratio	Change in Net Assets	59,201,358	0.069	114,878,599	0.128	159,082,769	0.181	80,286,746	0.109	58,760,015	0.084
		Total Revenues	857,394,323		897,540,776		878,363,173		734,631,705		698,528,258	
		SB6 Net Income Ratio Score:	5		5		5		5		5	
4	SB6 Composite Score	50% * Primary Reserve Score + 30% * Viability Ratio Score + 20% * Net Income Ratio Score	4.7					4.7				
5	Debt Burden Ratio	Debt Service	26,746,699	0.035	25,776,930	0.034	22,065,818	0.032	22,428,843	0.035	23,112,172	0.037
		Total Expenditures	769,273,290		755,719,561		694,754,075		632,451,798		620,427,553	
6	Return on Net Assets Ratio	Change in Net Assets	59,201,358	0.051	114,878,599	0.111	159,082,769	0.182	80,286,746	0.101	58,760,015	0.080
		Total Net Assets (prior year)	1,150,418,225		1,035,539,626		876,456,857		796,170,111		737,410,096	
7	Physical Asset Reinvestment Ratio	Capital Expenditures	221,493,168	5.013	133,338,157	3.231	101,249,905	2.727	97,441,498	2.850	106,762,585	3.484
		Depreciation Expense	44,187,852		41,270,457		37,134,786		34,186,357		30,640,610	
8	Age of Facility Ratio	Accumulated Depreciation	611,718,000	13.844	582,919,000	14.124	546,909,000	14.728	516,768,000	15.116	488,979,000	15.959
		Depreciation Expense	44,187,852		41,270,457		37,134,786		34,186,357		30,640,610	
9	Facility Maintenance Ratio	Operations and Maintenance of Plant Expenses	74,617,604	0.089	70,922,913	0.081	57,911,968	0.068	49,601,632	0.068	35,083,483	0.052
		Operating Revenues + Non-operating Revenues	841,457,011		873,622,047		855,628,265		725,915,133		679,755,397	
10	Net Operating Revenues Ratio	Operating Income (Loss) + Net Non-operating Revenues	43,264,046	0.051	90,959,870	0.104	136,347,861	0.159	71,570,174	0.099	39,987,154	0.059
		Operating Revenues + Non-operating Revenues	841,457,011		873,622,047		855,628,265		725,915,133		679,755,397	
11	Net Tuition Dependency Ratio	Net Tuition and Fees	257,628,293	0.306	235,307,172	0.269	219,527,520	0.257	204,501,267	0.282	192,315,259	0.283
		Operating Revenues + Non-operating Revenues	841,457,011		873,622,047		855,628,265		725,915,133		679,755,397	
12	Net Tuition Per Student FTE Ratio	Net Tuition and Fees	257,628,293	9,917	235,307,172	9,238	219,527,520	8,809	204,501,267	8,251	192,315,259	7,826
		Full-Time Equivalent Students	25,977		25,470		24,922		24,786		24,572	
13	Net Tuition Discount Per Student FTE Ratio	Student Aid	81,604,730	3,141	67,189,396	2,638	57,883,554	2,323	52,825,071	2,131	54,143,772	2,203
		Full-Time Equivalent Students	25,977		25,470		24,922		24,786		24,572	

Ratio Analysis - A Longitudinal View

Ratios obtained from "Strategic Financial Analysis for Higher Education" - Sixth Edition
(A joint project of KPMG, Prager, Sealy & Co., LLC and BearingPoint)

Clemson University

			FY 2009		FY 2008		FY 2007		FY 2006		FY 2005	
1	Primary Reserve Ratio	Expendable Net Assets	252,951,685		257,484,669		270,755,835		224,088,051		194,944,913	
		Total Expenses	626,929,868	0.403	646,642,240	0.398	576,219,998	0.470	536,066,409	0.418	500,595,068	0.389
		SB6 Primary Reserve Ratio Score:	4		4		4		4		4	
2	Viability Ratio	Expendable Net Assets	252,951,685		257,484,669		270,755,835		224,088,051		194,944,913	
		Long-Term Debt	135,904,431	1.861	147,299,895	1.748	158,430,237	1.709	156,005,464	1.436	141,329,979	1.379
		SB6 Viability Ratio Score:	4		4		4		4		4	
3	Net Income Ratio	Change in Net Assets	23,474,128		31,132,274		123,678,496		58,593,205		51,833,048	
		Total Revenues	650,403,996	0.036	677,774,514	0.046	699,898,494	0.177	594,659,614	0.099	552,428,116	0.094
		SB6 Net Income Ratio Score:	4		4		5		5		5	
4	SB6 Composite Score	50% * Primary Reserve Score + 30% * Viability Ratio Score + 20% * Net Income Ratio Score	4.0		4.0		4.2		4.2		4.2	
5	Debt Burden Ratio	Debt Service	18,186,256		18,350,099		18,759,822		15,402,750		15,316,226	
		Total Expenditures	605,134,452	0.030	625,248,697	0.029	558,022,421	0.034	519,452,560	0.030	485,038,885	0.032
6	Return on Net Assets Ratio	Change in Net Assets	23,474,128		31,132,274		123,678,496		58,593,205		51,833,048	
		Total Net Assets (prior year)	721,070,195	0.033	689,937,921	0.045	566,259,425	0.218	507,666,220	0.115	455,833,172	0.114
7	Physical Asset Reinvestment Ratio	Capital Expenditures	49,530,893		59,720,352		64,721,928		53,232,144		56,472,887	
		Depreciation Expense	33,364,460	1.485	32,697,466	1.826	29,946,385	2.161	25,829,166	2.061	24,473,694	2.307
8	Age of Facility Ratio	Accumulated Depreciation	392,045,359		365,023,323		337,876,577		315,969,060		295,695,535	
		Depreciation Expense	33,364,460	11.750	32,697,466	11.164	29,946,385	11.283	25,829,166	12.233	24,473,694	12.082
9	Facility Maintenance Ratio	Operations and Maintenance of Plant Expenses	35,868,956		48,826,130		36,810,593		39,057,059		35,025,515	
		Operating Revenues + Non-operating Revenues	627,868,194	0.057	648,377,695	0.075	628,347,901	0.059	564,833,318	0.069	530,499,400	0.066
10	Net Operating Revenues Ratio	Operating Income (Loss) + Net Non-operating Revenues	1,236,465		1,735,455		52,771,753		28,766,909		29,904,332	
		Operating Revenues + Non-operating Revenues	627,868,194	0.002	648,377,695	0.003	628,347,901	0.084	564,833,318	0.051	530,499,400	0.056
11	Net Tuition Dependency Ratio	Net Tuition and Fees	205,487,619		188,529,574		176,239,577		166,912,198		149,404,669	
		Operating Revenues + Non-operating Revenues	627,868,194	0.327	648,377,695	0.291	628,347,901	0.280	564,833,318	0.296	530,499,400	0.282
12	Net Tuition Per Student FTE Ratio	Net Tuition and Fees	205,487,619		188,529,574		176,239,577		166,912,198		149,404,669	
		Full-Time Equivalent Students	16,818	12,219	16,128	11,690	15,872	11,104	15,934	10,475	15,833	9,436
13	Net Tuition Discount Per Student FTE Ratio	Student Aid	85,558,637		77,186,849		65,140,701		59,947,053		54,788,683	
		Full-Time Equivalent Students	16,818	5,087	16,128	4,786	15,872	4,104	15,934	3,762	15,833	3,460

Ratio Analysis - A Longitudinal View

Ratios obtained from "Strategic Financial Analysis for Higher Education" - Sixth Edition
(A joint project of KPMG, Prager, Sealy & Co., LLC and BearingPoint)

Indiana University

			FY 2009		FY 2008		FY 2007		FY 2006		FY 2005
1	Primary Reserve Ratio	Expendable Net Assets	923,078,000		927,690,000		814,947,000		692,927,000		629,448,000
		Total Expenses	2,466,683,000	0.374	2,323,694,000	0.399	2,275,059,000	0.358	2,161,404,000	0.321	2,078,122,000
		SB6 Primary Reserve Ratio Score:	4		4		4		4		4
2	Viability Ratio	Expendable Net Assets	923,078,000		927,690,000		814,947,000		692,927,000		629,448,000
		Long-Term Debt	815,782,000	1.132	791,718,000	1.172	728,767,000	1.118	684,371,000	1.013	598,978,000
		SB6 Viability Ratio Score:	4		4		4		4		4
3	Net Income Ratio	Change in Net Assets	132,071,000		139,336,000		175,143,000		122,820,000		119,142,000
		Total Revenues	2,598,754,000	0.051	2,463,030,000	0.057	2,450,202,000	0.071	2,284,224,000	0.054	2,197,264,000
		SB6 Net Income Ratio Score:	5		5		5		5		5
4	SB6 Composite Score	50% * Primary Reserve Score + 30% * Viability Ratio Score + 20% * Net Income Ratio Score	4.2		4.2		4.2		4.2		4.2
5	Debt Burden Ratio	Debt Service	97,699,000		122,666,000		75,200,000		97,069,000		68,990,000
		Total Expenditures	2,397,845,000	0.041	2,293,428,000	0.053	2,204,576,000	0.034	2,081,777,000	0.047	2,021,903,000
6	Return on Net Assets Ratio	Change in Net Assets	132,071,000		139,336,000		175,143,000		122,820,000		119,142,000
		Total Net Assets (prior year)	2,331,964,000	0.057	2,192,628,000	0.064	2,017,485,000	0.087	1,894,665,000	0.065	1,775,523,000
7	Physical Asset Reinvestment Ratio	Capital Expenditures	254,898,000		261,030,000		216,797,000		168,651,000		144,840,000
		Depreciation Expense	120,819,000	2.110	116,683,000	2.237	111,860,000	1.938	109,224,000	1.544	104,700,000
8	Age of Facility Ratio	Accumulated Depreciation	1,576,004,000		1,494,871,000		1,432,341,000		1,371,901,000		1,292,576,000
		Depreciation Expense	120,819,000	13.044	116,683,000	12.811	111,860,000	12.805	109,224,000	12.560	104,700,000
9	Facility Maintenance Ratio	Operations and Maintenance of Plant Expenses	188,011,000		149,161,000		130,480,000		134,578,000		127,020,000
		Operating Revenues + Non-operating Revenues	2,568,526,000	0.073	2,439,948,000	0.061	2,434,277,000	0.054	2,263,090,000	0.059	2,180,490,000
10	Net Operating Revenues Ratio	Operating Income (Loss) + Net Non-operating Revenues	101,843,000		116,254,000		159,218,000		101,686,000		102,368,000
		Operating Revenues + Non-operating Revenues	2,568,526,000	0.040	2,439,948,000	0.048	2,434,277,000	0.065	2,263,090,000	0.045	2,180,490,000
11	Net Tuition Dependency Ratio	Net Tuition and Fees	852,834,000		764,075,000		692,278,000		644,547,000		600,260,000
		Operating Revenues + Non-operating Revenues	2,568,526,000	0.332	2,439,948,000	0.313	2,434,277,000	0.284	2,263,090,000	0.285	2,180,490,000
12	Net Tuition Per Student FTE Ratio	Net Tuition and Fees	852,834,000		764,075,000		692,278,000		644,547,000		600,260,000
		Full-Time Equivalent Students	85,969	9,920	83,238	9,179	81,602	8,484	81,432	7,915	80,970
13	Net Tuition Discount Per Student FTE Ratio	Student Aid	274,734,000		237,516,000		208,312,000		190,204,000		176,431,000
		Full-Time Equivalent Students	85,969	3,196	83,238	2,853	81,602	2,553	81,432	2,336	80,970

Ratio Analysis - A Longitudinal View

Ratios obtained from "Strategic Financial Analysis for Higher Education" - Sixth Edition
(A joint project of KPMG, Prager, Sealy & Co., LLC and BearingPoint)

Kent State University

			FY 2009		FY 2008		FY 2007		FY 2006		FY 2005
1	Primary Reserve Ratio	Expendable Net Assets	229,351,000	0.404	310,696,000	0.599	332,829,000	0.706	289,080,000	0.628	254,663,000
		Total Expenses	568,215,000		518,729,000		471,606,000		460,271,000		434,236,000
		SB6 Primary Reserve Ratio Score:	4		5		5		5		5
2	Viability Ratio	Expendable Net Assets	229,351,000	0.831	310,696,000	1.119	332,829,000	1.218	289,080,000	1.046	254,663,000
		Long-Term Debt	276,019,000		277,532,000		273,153,000		276,441,000		279,692,000
		SB6 Viability Ratio Score:	3		4		4		4		3
3	Net Income Ratio	Change in Net Assets	(63,499,000)	(0.126)	(1,483,000)	(0.003)	79,549,000	0.144	38,776,000	0.078	59,112,000
		Total Revenues	504,716,000		517,246,000		551,155,000		499,047,000		493,348,000
		SB6 Net Income Ratio Score:	0		1		5		5		5
4	SB6 Composite Score	50% * Primary Reserve Score + 30% * Viability Ratio Score + 20% * Net Income Ratio Score									
			2.9		3.9		4.7		4.7		4.4
5	Debt Burden Ratio	Debt Service	20,329,000	0.038	19,516,000	0.040	17,625,000	0.039	10,702,000	0.025	15,702,000
		Total Expenditures	533,679,000		483,546,000		446,613,000		436,008,000		411,819,000
6	Return on Net Assets Ratio	Change in Net Assets	(63,499,000)	(0.104)	(1,483,000)	(0.002)	79,549,000	0.149	38,776,000	0.078	59,112,000
		Total Net Assets (prior year)	611,155,000		612,638,000		533,089,000		494,313,000		435,201,000
7	Physical Asset Reinvestment Ratio	Capital Expenditures	45,206,000	1.125	46,186,000	1.146	53,313,000	1.822	58,375,000	2.136	38,767,000
		Depreciation Expense	40,190,000		40,315,000		29,263,000		27,334,000		25,552,000
8	Age of Facility Ratio	Accumulated Depreciation	421,060,000	10.477	395,346,000	9.806	355,816,000	12.159	333,212,000	12.190	309,795,000
		Depreciation Expense	40,190,000		40,315,000		29,263,000		27,334,000		25,552,000
9	Facility Maintenance Ratio	Operations and Maintenance of Plant Expenses	46,471,000	0.095	32,470,000	0.065	32,432,000	0.061	31,271,000	0.064	29,663,000
		Operating Revenues + Non-operating Revenues	491,590,000		496,881,000		534,204,000		492,367,000		478,435,000
10	Net Operating Revenues Ratio	Operating Income (Loss) + Net Non-operating Revenues	(76,625,000)	(0.156)	(21,848,000)	(0.044)	62,958,000	0.118	32,096,000	0.065	44,199,000
		Operating Revenues + Non-operating Revenues	491,590,000		496,881,000		534,204,000		492,367,000		478,435,000
11	Net Tuition Dependency Ratio	Net Tuition and Fees	205,682,000	0.418	205,035,000	0.413	203,544,000	0.381	194,589,000	0.395	193,052,000
		Operating Revenues + Non-operating Revenues	491,590,000		496,881,000		534,204,000		492,367,000		478,435,000
12	Net Tuition Per Student FTE Ratio	Net Tuition and Fees	205,682,000	6,922	205,035,000	7,025	203,544,000	7,106	194,589,000	6,946	193,052,000
		Full-Time Equivalent Students	29,715		29,188		28,646		28,015		28,498
13	Net Tuition Discount Per Student FTE Ratio	Student Aid	68,665,000	2,311	61,228,000	2,098	54,747,000	1,911	49,928,000	1,782	49,639,000
		Full-Time Equivalent Students	29,715		29,188		28,646		28,015		28,498

Ratio Analysis - A Longitudinal View

Ratios obtained from "Strategic Financial Analysis for Higher Education" - Sixth Edition
(A joint project of KPMG, Prager, Sealy & Co., LLC and BearingPoint)

Miami University

			FY 2009		FY 2008		FY 2007		FY 2006		FY 2005						
1	Primary Reserve Ratio	Expendable Net Assets	168,659,660	0.320	216,142,070	0.428	245,244,441	0.510	203,346,757	0.450	198,777,656	0.472					
		Total Expenses	526,342,106		505,516,456		481,273,761		451,402,651		421,399,202						
		SB6 Primary Reserve Ratio Score:	4		4		5		4		4						
2	Viability Ratio	Expendable Net Assets	168,659,660	0.725	216,142,070	0.910	245,244,441	1.042	203,346,757	1.273	198,777,656	1.133					
		Long-Term Debt	232,733,775		237,431,124		235,357,582		159,727,329		175,385,953						
		SB6 Viability Ratio Score:	3		3		4		4		4						
3	Net Income Ratio	Change in Net Assets	(47,164,696)	(0.098)	(5,544,916)	(0.011)	74,091,778	0.133	47,135,302	0.095	26,817,151	0.060					
		Total Revenues	479,177,410		499,971,540		555,365,539		498,537,953		448,216,353						
		SB6 Net Income Ratio Score:	0		1		5		5		5						
4	SB6 Composite Score	50% * Primary Reserve Score + 30% * Viability Ratio Score + 20% * Net Income Ratio Score	<table><tr><td>2.9</td><td>3.1</td><td>4.7</td><td>4.2</td><td>4.2</td></tr></table>										2.9	3.1	4.7	4.2	4.2
2.9	3.1	4.7	4.2	4.2													
5	Debt Burden Ratio	Debt Service	19,180,807	0.038	20,571,677	0.043	16,715,410	0.036	16,061,529	0.037	24,705,752	0.060					
		Total Expenditures	500,504,043		480,656,769		459,705,264		434,385,604		414,901,062						
6	Return on Net Assets Ratio	Change in Net Assets	(47,164,696)	(0.062)	(5,544,916)	(0.007)	74,091,778	0.108	47,135,302	0.074	26,817,151	0.044					
		Total Net Assets (prior year)	755,184,525		760,729,441		686,637,663		639,502,361		612,685,210						
7	Physical Asset Reinvestment Ratio	Capital Expenditures	76,214,917	2.266	85,945,078	2.683	65,956,199	2.261	98,150,312	3.764	104,672,293	3.770					
		Depreciation Expense	33,639,294		32,034,307		29,169,659		26,073,751		27,762,912						
8	Age of Facility Ratio	Accumulated Depreciation	451,928,917	13.435	421,327,683	13.152	394,097,490	13.511	375,373,337	14.397	354,389,803	12.765					
		Depreciation Expense	33,639,294		32,034,307		29,169,659		26,073,751		27,762,912						
9	Facility Maintenance Ratio	Operations and Maintenance of Plant Expenses	36,353,214	0.079	34,701,632	0.072	30,777,705	0.059	32,477,264	0.069	27,795,950	0.064					
		Operating Revenues + Non-operating Revenues	459,049,503		483,382,451		518,404,100		473,698,832		436,832,215						
10	Net Operating Revenues Ratio	Operating Income (Loss) + Net Non-operating Revenues	(67,292,603)	(0.147)	(22,134,005)	(0.046)	37,130,339	0.072	22,296,181	0.047	15,433,013	0.035					
		Operating Revenues + Non-operating Revenues	459,049,503		483,382,451		518,404,100		473,698,832		436,832,215						
11	Net Tuition Dependency Ratio	Net Tuition and Fees	254,515,340	0.554	238,587,901	0.494	232,516,956	0.449	219,068,233	0.462	200,035,176	0.458					
		Operating Revenues + Non-operating Revenues	459,049,503		483,382,451		518,404,100		473,698,832		436,832,215						
12	Net Tuition Per Student FTE Ratio	Net Tuition and Fees	254,515,340	12,814	238,587,901	12,552	232,516,956	12,178	219,068,233	10,908	200,035,176	10,332					
		Full-Time Equivalent Students	19,862		19,008		19,093		20,083		19,362						
13	Net Tuition Discount Per Student FTE Ratio	Student Aid	64,774,211	3,261	51,820,777	2,726	44,021,072	2,306	40,769,415	2,030	38,351,025	1,981					
		Full-Time Equivalent Students	19,862		19,008		19,093		20,083		19,362						

Ratio Analysis - A Longitudinal View

Ratios obtained from "Strategic Financial Analysis for Higher Education" - Sixth Edition
(A joint project of KPMG, Prager, Sealy & Co., LLC and BearingPoint)

Ohio University

			FY 2009		FY 2008		FY 2007		FY 2006		FY 2005
1	Primary Reserve Ratio	Expendable Net Assets	116,267,732		133,157,539		126,327,532		111,343,967		110,491,996
		Total Expenses	563,568,909	0.206	531,743,751	0.250	529,109,252	0.239	493,692,281	0.226	481,483,016
		SB6 Primary Reserve Ratio Score:	3		4		3		3		3
2	Viability Ratio	Expendable Net Assets	116,267,732		133,157,539		126,327,532		111,343,967		110,491,996
		Long-Term Debt	192,718,265	0.603	167,403,027	0.795	182,914,606	0.691	192,862,349	0.577	167,529,147
		SB6 Viability Ratio Score:	3		3		3		2		3
3	Net Income Ratio	Change in Net Assets	20,771,844		15,938,573		23,267,484		23,547,588		20,257,781
		Total Revenues	584,340,753	0.036	547,682,324	0.029	552,376,736	0.042	517,239,869	0.046	501,740,797
		SB6 Net Income Ratio Score:	4		3		4		4		4
4	SB6 Composite Score	50% * Primary Reserve Score + 30% * Viability Ratio Score + 20% * Net Income Ratio Score	3.2		3.5		3.2		2.9		3.2
5	Debt Burden Ratio	Debt Service	21,106,011		23,168,665		17,715,125		18,900,824		15,773,164
		Total Expenditures	543,107,370	0.039	515,155,885	0.045	508,740,547	0.035	475,666,970	0.040	460,469,682
6	Return on Net Assets Ratio	Change in Net Assets	20,771,844		15,938,573		23,267,484		23,547,588		20,257,781
		Total Net Assets (prior year)	542,732,355	0.038	526,793,782	0.030	506,289,862	0.046	482,742,274	0.049	462,484,493
7	Physical Asset Reinvestment Ratio	Capital Expenditures	72,663,394		43,905,610		53,081,762		52,884,868		60,087,054
		Depreciation Expense	33,075,444	2.197	32,308,560	1.359	30,652,754	1.732	29,427,367	1.797	29,076,351
8	Age of Facility Ratio	Accumulated Depreciation	480,992,591		453,618,817		426,805,545		405,710,557		379,719,520
		Depreciation Expense	33,075,444	14.542	32,308,560	14.040	30,652,754	13.924	29,427,367	13.787	29,076,351
9	Facility Maintenance Ratio	Operations and Maintenance of Plant Expenses	44,771,516		41,675,475		42,401,934		39,770,454		36,823,032
		Operating Revenues + Non-operating Revenues	548,623,852	0.082	526,237,256	0.079	534,900,897	0.079	493,736,428	0.081	485,791,675
10	Net Operating Revenues Ratio	Operating Income (Loss) + Net Non-operating Revenues	(14,945,057)	(0.027)	(5,506,495)	(0.010)	5,791,645	0.011	44,147	0.000	4,308,659
		Operating Revenues + Non-operating Revenues	548,623,852		526,237,256		534,900,897		493,736,428		485,791,675
11	Net Tuition Dependency Ratio	Net Tuition and Fees	229,594,649		215,984,213		217,740,577		201,446,914		196,518,557
		Operating Revenues + Non-operating Revenues	548,623,852	0.418	526,237,256	0.410	534,900,897	0.407	493,736,428	0.408	485,791,675
12	Net Tuition Per Student FTE Ratio	Net Tuition and Fees	229,594,649		215,984,213		217,740,577		201,446,914		196,518,557
		Full-Time Equivalent Students	26,116	8,791	25,518	8,464	25,267	8,617	25,532	7,890	25,320
13	Net Tuition Discount Per Student FTE Ratio	Student Aid	68,369,443		62,922,901		57,249,045		57,010,432		54,144,595
		Full-Time Equivalent Students	26,116	2,618	25,518	2,466	25,267	2,266	25,532	2,233	25,320

Ratio Analysis - A Longitudinal View

Ratios obtained from "Strategic Financial Analysis for Higher Education" - Sixth Edition
(A joint project of KPMG, Prager, Sealy & Co., LLC and BearingPoint)

University of Cincinnati

			FY 2009		FY 2008		FY 2007		FY 2006		FY 2005	
1	Primary Reserve Ratio	Expendable Net Assets	265,519,000	0.267	267,025,000	0.274	226,277,000	0.232	233,046,000	0.240	282,435,000	0.317
		Total Expenses	993,757,000		975,905,000		977,037,000		970,874,000		892,316,000	
		SB6 Primary Reserve Ratio Score:	4		4		3		3		4	
2	Viability Ratio	Expendable Net Assets	265,519,000	0.245	267,025,000	0.247	226,277,000	0.211	233,046,000	0.241	282,435,000	0.321
		Long-Term Debt	1,082,985,000		1,082,473,000		1,069,889,000		966,516,000		879,257,000	
		SB6 Viability Ratio Score:	1		1		1		1		2	
3	Net Income Ratio	Change in Net Assets	(301,144,000)	(0.435)	(45,225,000)	(0.049)	105,091,000	0.097	44,478,000	0.044	61,432,000	0.064
		Total Revenues	692,613,000		930,680,000		1,082,128,000		1,015,352,000		953,748,000	
		SB6 Net Income Ratio Score:	0		1		5		4		5	
4	SB6 Composite Score	50% * Primary Reserve Score + 30% * Viability Ratio Score + 20% * Net Income Ratio Score										
			2.3		2.5		2.8		2.6		3.6	
5	Debt Burden Ratio	Debt Service	250,664,000	0.227	234,279,000	0.219	155,421,000	0.156	67,113,000	0.073	83,931,000	0.097
		Total Expenditures	1,103,626,000		1,071,887,000		998,896,000		918,208,000		867,829,000	
6	Return on Net Assets Ratio	Change in Net Assets	(301,144,000)	(0.156)	(45,225,000)	(0.023)	105,091,000	0.056	44,478,000	0.024	61,432,000	0.035
		Total Net Assets (prior year)	1,925,515,000		1,970,740,000		1,865,649,000		1,821,171,000		1,759,739,000	
7	Physical Asset Reinvestment Ratio	Capital Expenditures	49,789,000	0.533	90,514,000	1.031	156,665,000	1.793	157,014,000	1.985	190,845,000	2.661
		Depreciation Expense	93,393,000		87,765,000		87,360,000		79,096,000		71,708,000	
8	Age of Facility Ratio	Accumulated Depreciation	1,007,250,000	10.785	927,969,000	10.573	850,686,000	9.738	768,017,000	9.710	704,180,000	9.820
		Depreciation Expense	93,393,000		87,765,000		87,360,000		79,096,000		71,708,000	
9	Facility Maintenance Ratio	Operations and Maintenance of Plant Expenses	60,118,000	0.091	63,560,000	0.075	61,499,000	0.058	88,322,000	0.091	56,156,000	0.064
		Operating Revenues + Non-operating Revenues	663,016,000		852,422,000		1,053,709,000		975,007,000		882,495,000	
10	Net Operating Revenues Ratio	Operating Income (Loss) + Net Non-operating Revenues	(330,741,000)	(0.499)	(123,483,000)	(0.145)	76,672,000	0.073	4,133,000	0.004	(9,821,000)	(0.011)
		Operating Revenues + Non-operating Revenues	663,016,000		852,422,000		1,053,709,000		975,007,000		882,495,000	
11	Net Tuition Dependency Ratio	Net Tuition and Fees	279,822,000	0.422	272,910,000	0.320	260,605,000	0.247	230,778,000	0.237	202,036,000	0.229
		Operating Revenues + Non-operating Revenues	663,016,000		852,422,000		1,053,709,000		975,007,000		882,495,000	
12	Net Tuition Per Student FTE Ratio	Net Tuition and Fees	279,822,000	9,258	272,910,000	9,168	260,605,000	9,056	230,778,000	8,095	202,036,000	7,250
		Full-Time Equivalent Students	30,224		29,768		28,778		28,507		27,869	
13	Net Tuition Discount Per Student FTE Ratio	Student Aid	111,070,000	3,675	107,952,000	3,626	105,984,000	3,683	99,259,000	3,482	97,455,000	3,497
		Full-Time Equivalent Students	30,224		29,768		28,778		28,507		27,869	

Ratio Analysis - A Longitudinal View

Ratios obtained from "Strategic Financial Analysis for Higher Education" - Sixth Edition
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University of Connecticut

			FY 2009		FY 2008		FY 2007		FY 2006		FY 2005
1	Primary Reserve Ratio	Expendable Net Assets	264,999,978		177,412,682		202,689,499		141,621,655		126,972,588
		Total Expenses	985,647,318	0.269	937,972,827	0.189	861,930,142	0.235	835,628,650	0.169	815,393,482
		SB6 Primary Reserve Ratio Score:	4		3		3		3		3
2	Viability Ratio	Expendable Net Assets	264,999,978		177,412,682		202,689,499		141,621,655		126,972,588
		Long-Term Debt	1,114,099,588	0.238	1,035,651,843	0.171	1,110,150,139	0.183	1,086,939,824	0.130	1,045,090,989
		SB6 Viability Ratio Score:	1		1		1		1		1
3	Net Income Ratio	Change in Net Assets	40,381,626		(39,552,708)		33,997,935		14,194,697		13,937,948
		Total Revenues	921,099,241	0.044	898,303,924	(0.044)	895,928,077	0.038	849,823,347	0.017	829,331,430
		SB6 Net Income Ratio Score:	4		1		4		3		3
4	SB6 Composite Score	50% * Primary Reserve Score + 30% * Viability Ratio Score + 20% * Net Income Ratio Score	3.1		2.0		2.6		2.4		2.4
5	Debt Burden Ratio	Debt Service	121,593,228		125,418,351		113,731,395		106,162,050		97,942,825
		Total Expenditures	967,950,401	0.126	911,115,889	0.138	839,744,317	0.135	811,063,494	0.131	786,823,375
6	Return on Net Assets Ratio	Change in Net Assets	40,381,626		(39,552,708)		33,997,935		14,194,697		13,937,948
		Total Net Assets (prior year)	1,378,096,850	0.029	1,417,649,558	(0.028)	1,383,651,623	0.025	1,369,456,926	0.010	1,355,518,978
7	Physical Asset Reinvestment Ratio	Capital Expenditures	51,171,301		63,552,008		51,083,253		92,433,392		111,149,257
		Depreciation Expense	89,556,846	0.571	100,186,738	0.634	88,030,170	0.580	86,528,795	1.068	84,508,242
8	Age of Facility Ratio	Accumulated Depreciation	836,663,231		778,713,542		692,655,745		626,628,022		549,132,195
		Depreciation Expense	89,556,846	9.342	100,186,738	7.773	88,030,170	7.868	86,528,795	7.242	84,508,242
9	Facility Maintenance Ratio	Operations and Maintenance of Plant Expenses	71,478,092		64,110,720		60,611,434		65,676,823		54,321,765
		Operating Revenues + Non-operating Revenues	917,285,570	0.078	883,501,338	0.073	827,718,636	0.073	778,287,950	0.084	738,447,469
10	Net Operating Revenues Ratio	Operating Income (Loss) + Net Non-operating Revenues	(67,923,315)		(53,596,652)		(32,378,096)		(45,849,762)		(43,361,651)
		Operating Revenues + Non-operating Revenues	917,285,570	(0.074)	883,501,338	(0.061)	827,718,636	(0.039)	778,287,950	(0.059)	738,447,469
11	Net Tuition Dependency Ratio	Net Tuition and Fees	215,641,536		199,720,598		183,468,732		177,210,259		159,054,150
		Operating Revenues + Non-operating Revenues	917,285,570	0.235	883,501,338	0.226	827,718,636	0.222	778,287,950	0.228	738,447,469
12	Net Tuition Per Student FTE Ratio	Net Tuition and Fees	215,641,536		199,720,598		183,468,732		177,210,259		159,054,150
		Full-Time Equivalent Students	26,186	8.235	25,242	7.912	24,948	7.354	24,444	7.250	23,836
13	Net Tuition Discount Per Student FTE Ratio	Student Aid	88,338,691		79,449,231		75,428,307		65,519,865		62,012,648
		Full-Time Equivalent Students	26,186	3.374	25,242	3.147	24,948	3.023	24,444	2.680	23,836

Ratio Analysis - A Longitudinal View

Ratios obtained from "Strategic Financial Analysis for Higher Education" - Sixth Edition
(A joint project of KPMG, Prager, Sealy & Co., LLC and BearingPoint)

University of Missouri

			FY 2009		FY 2008		FY 2007		FY 2006		FY 2005	
1	Primary Reserve Ratio	Expendable Net Assets	1,212,004,000		1,272,375,000		1,185,955,000		1,106,973,000		1,021,414,000	
		Total Expenses	2,399,368,000	0.505	2,333,712,000	0.545	2,173,239,000	0.546	2,079,315,000	0.532	1,968,559,000	0.519
		SB6 Primary Reserve Ratio Score:	5		5		5		5		5	
2	Viability Ratio	Expendable Net Assets	1,212,004,000		1,272,375,000		1,185,955,000		1,106,973,000		1,021,414,000	
		Long-Term Debt	857,961,000	1.413	879,559,000	1.447	662,139,000	1.791	677,233,000	1.635	575,708,000	1.774
		SB6 Viability Ratio Score:	4		4		4		4		4	
3	Net Income Ratio	Change in Net Assets	(78,999,000)	(0.034)	107,320,000	0.044	308,225,000	0.124	190,947,000	0.084	224,986,000	0.103
		Total Revenues	2,320,369,000		2,441,032,000		2,481,464,000		2,270,262,000		2,193,545,000	
		SB6 Net Income Ratio Score:	1		4		5		5		5	
4	SB6 Composite Score	50% * Primary Reserve Score + 30% * Viability Ratio Score + 20% * Net Income Ratio Score	3.9		4.5		4.7		4.7		4.7	
5	Debt Burden Ratio	Debt Service	51,168,000		58,637,000		44,508,000		40,652,000		36,854,000	
		Total Expenditures	2,289,682,000	0.022	2,266,353,000	0.026	2,069,355,000	0.022	1,982,968,000	0.021	1,879,886,000	0.020
6	Return on Net Assets Ratio	Change in Net Assets	(78,999,000)	(0.023)	107,320,000	0.032	308,225,000	0.103	190,947,000	0.068	224,986,000	0.087
		Total Net Assets (prior year)	3,443,776,000		3,323,122,000		2,994,981,000		2,804,034,000		2,579,048,000	
7	Physical Asset Reinvestment Ratio	Capital Expenditures	286,156,000		317,944,000		234,535,000		247,092,000		211,567,000	
		Depreciation Expense	131,167,000	2.182	125,996,000	2.523	119,069,000	1.970	110,924,000	2.228	102,414,000	2.066
8	Age of Facility Ratio	Accumulated Depreciation	1,474,871,000		1,365,417,000		1,276,881,000		1,186,532,000		1,103,938,000	
		Depreciation Expense	131,167,000	11.244	125,996,000	10.837	119,069,000	10.724	110,924,000	10.697	102,414,000	10.779
9	Facility Maintenance Ratio	Operations and Maintenance of Plant Expenses	70,002,000		48,202,000		63,432,000		62,100,000		57,390,000	
		Operating Revenues + Non-operating Revenues	2,265,900,000	0.031	2,375,164,000	0.020	2,403,151,000	0.026	2,210,364,000	0.028	2,141,452,000	0.027
10	Net Operating Revenues Ratio	Operating Income (Loss) + Net Non-operating Revenues	(133,468,000)	(0.059)	41,452,000	0.017	229,912,000	0.096	131,049,000	0.059	172,893,000	0.081
		Operating Revenues + Non-operating Revenues	2,265,900,000		2,375,164,000		2,403,151,000		2,210,364,000		2,141,452,000	
11	Net Tuition Dependency Ratio	Net Tuition and Fees	453,164,000		417,205,000		401,305,000		374,926,000		355,516,000	
		Operating Revenues + Non-operating Revenues	2,265,900,000	0.200	2,375,164,000	0.176	2,403,151,000	0.167	2,210,364,000	0.170	2,141,452,000	0.166
12	Net Tuition Per Student FTE Ratio	Net Tuition and Fees	453,164,000		417,205,000		401,305,000		374,926,000		355,516,000	
		Full-Time Equivalent Students	47,351	9,570	45,559	9,157	45,372	8,845	45,045	8,323	43,784	8,120
13	Net Tuition Discount Per Student FTE Ratio	Student Aid	204,982,000		186,218,000		181,962,000		167,571,000		151,979,000	
		Full-Time Equivalent Students	47,351	4,329	45,559	4,087	45,372	4,010	45,045	3,720	43,784	3,471

Ratio Analysis - A Longitudinal View

Ratios obtained from "Strategic Financial Analysis for Higher Education" - Sixth Edition
(A joint project of KPMG, Prager, Sealy & Co., LLC and BearingPoint)

University of New Hampshire

			FY 2009		FY 2008		FY 2007		FY 2006		FY 2005	
1	Primary Reserve Ratio	Expendable Net Assets	169,225,000	0.243	240,968,000	0.365	242,718,000	0.395	180,871,000	0.306	154,861,000	0.279
		Total Expenses	695,178,000		660,874,000		614,558,000		591,320,000		555,386,000	
		SB6 Primary Reserve Ratio Score:	3		4		4		4		4	
2	Viability Ratio	Expendable Net Assets	169,225,000	0.356	240,968,000	0.526	242,718,000	0.579	180,871,000	0.433	154,861,000	0.555
		Long-Term Debt	474,878,000		458,195,000		419,044,000		417,479,000		279,081,000	
		SB6 Viability Ratio Score:	2		2		2		2		2	
3	Net Income Ratio	Change in Net Assets	(9,233,000)	(0.013)	36,999,000	0.053	95,420,000	0.134	70,652,000	0.107	54,334,000	0.089
		Total Revenues	685,945,000		697,873,000		709,978,000		661,972,000		609,720,000	
		SB6 Net Income Ratio Score:	1		5		5		5		5	
4	SB6 Composite Score	50% * Primary Reserve Score + 30% * Viability Ratio Score + 20% * Net Income Ratio Score	2.3					3.6				
5	Debt Burden Ratio	Debt Service	27,884,000	0.042	26,820,000	0.043	22,573,000	0.039	21,221,000	0.038	16,202,000	0.031
		Total Expenditures	660,243,000		629,081,000		583,188,000		556,227,000		529,416,000	
6	Return on Net Assets Ratio	Change in Net Assets	(9,233,000)	(0.011)	36,999,000	0.046	95,420,000	0.136	70,652,000	0.112	54,334,000	0.094
		Total Net Assets (prior year)	835,874,000		798,875,000		703,455,000		632,803,000		578,469,000	
7	Physical Asset Reinvestment Ratio	Capital Expenditures	110,022,000	2.508	108,213,000	2.727	128,321,000	3.507	133,339,000	3.516	78,090,000	2.390
		Depreciation Expense	43,873,000		39,683,000		36,594,000		37,920,000		32,672,000	
8	Age of Facility Ratio	Accumulated Depreciation	548,093,000	12.493	508,313,000	12.809	476,058,000	13.009	445,579,000	11.751	424,573,000	12.995
		Depreciation Expense	43,873,000		39,683,000		36,594,000		37,920,000		32,672,000	
9	Facility Maintenance Ratio	Operations and Maintenance of Plant Expenses	28,391,000	0.040	29,513,000	0.043	27,109,000	0.041	25,058,000	0.041	26,696,000	0.047
		Operating Revenues + Non-operating Revenues	713,663,000		679,453,000		655,315,000		610,375,000		566,477,000	
10	Net Operating Revenues Ratio	Operating Income (Loss) + Net Non-operating Revenues	25,485,000	0.036	20,579,000	0.030	40,757,000	0.062	22,192,000	0.036	11,091,000	0.020
		Operating Revenues + Non-operating Revenues	713,663,000		679,453,000		655,315,000		610,375,000		566,477,000	
11	Net Tuition Dependency Ratio	Net Tuition and Fees	249,133,000	0.349	233,344,000	0.343	216,814,000	0.331	200,523,000	0.329	182,075,000	0.321
		Operating Revenues + Non-operating Revenues	713,663,000		679,453,000		655,315,000		610,375,000		566,477,000	
12	Net Tuition Per Student FTE Ratio	Net Tuition and Fees	249,133,000	17,384	233,344,000	16,344	216,814,000	15,357	200,523,000	14,639	182,075,000	13,454
		Full-Time Equivalent Students	14,331		14,277		14,119		13,698		13,533	
13	Net Tuition Discount Per Student FTE Ratio	Student Aid	89,257,000	6,228	84,210,000	5,898	75,153,000	5,323	64,905,000	4,738	64,255,000	4,748
		Full-Time Equivalent Students	14,331		14,277		14,119		13,698		13,533	

Ratio Analysis - A Longitudinal View

Ratios obtained from "Strategic Financial Analysis for Higher Education" - Sixth Edition
(A joint project of KPMG, Prager, Sealy & Co., LLC and BearingPoint)

University of North Carolina

			FY 2009		FY 2008		FY 2007		FY 2006		FY 2005					
1	Primary Reserve Ratio	Expendable Net Assets	1,537,434,317	0.675	1,871,250,329	0.873	1,707,615,952	0.858	1,378,646,617	0.748	1,212,262,408					
		Total Expenses	2,276,790,882		2,142,601,605		1,991,292,347		1,842,583,328		1,703,723,624					
		SB6 Primary Reserve Ratio Score:	5		5		5		5		5					
2	Viability Ratio	Expendable Net Assets	1,537,434,317	1.452	1,871,250,329	1.725	1,707,615,952	2.112	1,378,646,617	1.428	1,212,262,408					
		Long-Term Debt	1,059,165,142		1,084,676,533		808,641,350		965,497,188		676,450,117					
		SB6 Viability Ratio Score:	4		4		4		4		4					
3	Net Income Ratio	Change in Net Assets	(246,993,593)	(0.122)	300,398,908	0.123	487,866,614	0.197	320,122,870	0.148	366,680,106					
		Total Revenues	2,029,797,289		2,443,000,513		2,479,158,961		2,162,706,198		2,070,403,730					
		SB6 Net Income Ratio Score:	0		5		5		5		5					
4	SB6 Composite Score	50% * Primary Reserve Score + 30% * Viability Ratio Score + 20% * Net Income Ratio Score	<table><tr><td>3.7</td><td>4.7</td><td>4.7</td><td>4.7</td><td>4.7</td></tr></table>									3.7	4.7	4.7	4.7	4.7
3.7	4.7	4.7	4.7	4.7												
5	Debt Burden Ratio	Debt Service	106,395,635	0.047	77,474,845	0.037	65,450,710	0.034	66,465,239	0.036	62,251,839					
		Total Expenditures	2,263,032,179		2,100,884,648		1,932,240,498		1,826,337,942		1,683,229,363					
6	Return on Net Assets Ratio	Change in Net Assets	(246,993,593)	(0.066)	300,398,908	0.088	487,866,614	0.167	320,122,870	0.123	366,680,106					
		Total Net Assets (prior year)	3,716,267,655		3,415,868,747		2,928,002,133		2,607,879,263		2,241,199,157					
7	Physical Asset Reinvestment Ratio	Capital Expenditures	287,565,273	4.065	283,860,475	4.274	301,452,335	3.730	389,465,953	6.041	318,730,947					
		Depreciation Expense	70,747,110		66,412,469		80,826,849		64,475,131		60,101,910					
8	Age of Facility Ratio	Accumulated Depreciation	962,302,490	13.602	903,682,527	13.607	850,005,324	10.516	778,142,797	12.069	722,076,417					
		Depreciation Expense	70,747,110		66,412,469		80,826,849		64,475,131		60,101,910					
9	Facility Maintenance Ratio	Operations and Maintenance of Plant Expenses	145,549,504	0.076	133,030,656	0.058	124,991,133	0.055	111,720,362	0.055	92,860,245					
		Operating Revenues + Non-operating Revenues	1,914,510,657		2,311,071,937		2,252,317,545		2,025,215,594		1,863,185,319					
10	Net Operating Revenues Ratio	Operating Income (Loss) + Net Non-operating Revenues	(362,280,225)	(0.189)	168,470,332	0.073	261,025,198	0.116	182,632,266	0.090	159,461,695					
		Operating Revenues + Non-operating Revenues	1,914,510,657		2,311,071,937		2,252,317,545		2,025,215,594		1,863,185,319					
11	Net Tuition Dependency Ratio	Net Tuition and Fees	236,960,221	0.124	218,763,485	0.095	210,651,518	0.094	195,882,460	0.097	164,456,925					
		Operating Revenues + Non-operating Revenues	1,914,510,657		2,311,071,937		2,252,317,545		2,025,215,594		1,863,185,319					
12	Net Tuition Per Student FTE Ratio	Net Tuition and Fees	236,960,221	9,336	218,763,485	8,785	210,651,518	8,593	195,882,460	8,144	164,456,925					
		Full-Time Equivalent Students	25,381		24,902		24,513		24,053		23,767					
13	Net Tuition Discount Per Student FTE Ratio	Student Aid	132,219,422	5,209	124,493,528	4,999	115,728,462	4,721	105,590,661	4,390	99,693,279					
		Full-Time Equivalent Students	25,381		24,902		24,513		24,053		23,767					

Ratio Analysis - A Longitudinal View

Ratios obtained from "Strategic Financial Analysis for Higher Education" - Sixth Edition
(A joint project of KPMG, Prager, Sealy & Co., LLC and BearingPoint)

University of Tennessee

			FY 2009		FY 2008		FY 2007		FY 2006		FY 2005
1	Primary Reserve Ratio	Expendable Net Assets	696,272,950	0.425	825,965,494	0.512	835,085,347	0.547	630,477,126	0.436	542,708,406
		Total Expenses	1,640,028,546		1,612,583,709		1,527,274,255		1,447,547,008		1,424,031,367
		SB6 Primary Reserve Ratio Score:	4		5		5		4		4
2	Viability Ratio	Expendable Net Assets	696,272,950	1.338	825,965,494	1.777	835,085,347	2.375	630,477,126	2.266	542,708,406
		Long-Term Debt	520,274,355		464,710,272		351,580,935		278,201,499		248,056,659
		SB6 Viability Ratio Score:	4		4		4		4		4
3	Net Income Ratio	Change in Net Assets	(26,337,960)	(0.016)	96,610,564	0.057	248,834,899	0.140	147,863,362	0.093	48,556,324
		Total Revenues	1,613,690,586		1,709,194,273		1,776,109,154		1,595,410,370		1,472,587,691
		SB6 Net Income Ratio Score:	1		5		5		5		4
4	SB6 Composite Score	50% * Primary Reserve Score + 30% * Viability Ratio Score + 20% * Net Income Ratio Score			3.4		4.7		4.7		4.2
											4.0
5	Debt Burden Ratio	Debt Service	46,505,783	0.029	30,394,683	0.020	29,870,957	0.020	27,958,846	0.020	28,580,397
		Total Expenditures	1,582,663,876		1,552,597,535		1,474,090,022		1,396,384,042		1,369,283,417
6	Return on Net Assets Ratio	Change in Net Assets	(26,337,960)	(0.013)	96,610,564	0.049	248,834,899	0.143	147,863,362	0.093	48,556,324
		Total Net Assets (prior year)	2,085,018,193		1,988,407,629		1,739,572,730		1,591,709,368		1,543,153,044
7	Physical Asset Reinvestment Ratio	Capital Expenditures	240,961,118	2.877	286,602,029	3.950	162,613,761	2.375	141,264,104	2.073	93,914,238
		Depreciation Expense	83,767,548		72,561,012		68,469,191		68,158,518		67,320,593
8	Age of Facility Ratio	Accumulated Depreciation	945,178,935	11.283	879,850,294	12.126	833,800,499	12.178	789,658,104	11.586	770,078,624
		Depreciation Expense	83,767,548		72,561,012		68,469,191		68,158,518		67,320,593
9	Facility Maintenance Ratio	Operations and Maintenance of Plant Expenses	115,034,775	0.078	99,573,409	0.063	103,055,193	0.061	90,225,578	0.060	93,516,252
		Operating Revenues + Non-operating Revenues	1,469,709,720		1,571,973,765		1,697,662,662		1,506,311,962		1,428,633,283
10	Net Operating Revenues Ratio	Operating Income (Loss) + Net Non-operating Revenues	(170,318,826)	(0.116)	(40,609,944)	(0.026)	174,393,542	0.103	58,764,955	0.039	11,254,543
		Operating Revenues + Non-operating Revenues	1,469,709,720		1,571,973,765		1,697,662,662		1,506,311,962		1,428,633,283
11	Net Tuition Dependency Ratio	Net Tuition and Fees	255,578,126	0.174	239,567,346	0.152	231,621,036	0.136	232,960,224	0.155	210,613,440
		Operating Revenues + Non-operating Revenues	1,469,709,720		1,571,973,765		1,697,662,662		1,506,311,962		1,428,633,283
12	Net Tuition Per Student FTE Ratio	Net Tuition and Fees	255,578,126	5.973	239,567,346	5.747	231,621,036	5.805	232,960,224	5.989	210,613,440
		Full-Time Equivalent Students	42,790		41,686		39,902		38,900		37,939
13	Net Tuition Discount Per Student FTE Ratio	Student Aid	158,725,271	3.709	142,802,258	3.426	123,862,412	3.104	95,452,325	2.454	82,200,565
		Full-Time Equivalent Students	42,790		41,686		39,902		38,900		37,939

Ratio Analysis - A Longitudinal View

Ratios obtained from "Strategic Financial Analysis for Higher Education" - Sixth Edition
(A joint project of KPMG, Prager, Sealy & Co., LLC and BearingPoint)

Washington State University

			FY 2009		FY 2008		FY 2007		FY 2006		FY 2005
1	Primary Reserve Ratio	Expendable Net Assets	171,672,239		192,468,990		179,117,017		119,046,686		102,257,322
		Total Expenses	835,527,818	0.205	828,390,299	0.232	743,246,625	0.241	710,401,427	0.168	675,623,699
		SB6 Primary Reserve Ratio Score:	3		3		3		3		3
2	Viability Ratio	Expendable Net Assets	171,672,239		192,468,990		179,117,017		119,046,686		102,257,322
		Long-Term Debt	290,573,000	0.591	304,913,461	0.631	282,418,081	0.634	266,732,995	0.446	182,191,160
		SB6 Viability Ratio Score:	2		3		3		2		2
3	Net Income Ratio	Change in Net Assets	71,129,833		72,044,725		100,068,593		23,186,148		70,395,349
		Total Revenues	906,657,651	0.078	900,435,024	0.080	843,315,218	0.119	733,587,575	0.032	746,019,048
		SB6 Net Income Ratio Score:	5		5		5		4		5
4	SB6 Composite Score	50% * Primary Reserve Score + 30% * Viability Ratio Score + 20% * Net Income Ratio Score	3.1		3.4		3.4		2.9		3.1
5	Debt Burden Ratio	Debt Service	23,738,252		25,732,785		20,306,721		19,608,444		18,917,522
		Total Expenditures	776,928,066	0.031	774,306,424	0.033	702,411,003	0.029	653,665,390	0.030	623,227,899
6	Return on Net Assets Ratio	Change in Net Assets	71,129,833		72,044,725		100,068,593		23,186,148		70,395,349
		Total Net Assets (prior year)	1,439,092,806	0.049	1,367,048,081	0.053	1,266,979,488	0.079	1,243,793,340	0.019	1,173,397,991
7	Physical Asset Reinvestment Ratio	Capital Expenditures	168,230,592		170,727,490		126,554,676		73,017,984		107,027,933
		Depreciation Expense	68,493,251	2.456	64,557,828	2.645	50,595,028	2.501	56,279,000	1.297	52,395,800
8	Age of Facility Ratio	Accumulated Depreciation	855,954,415		801,697,645		743,643,009		697,359,451		648,588,737
		Depreciation Expense	68,493,251	12.497	64,557,828	12.418	50,595,028	14.698	56,279,000	12.391	52,395,800
9	Facility Maintenance Ratio	Operations and Maintenance of Plant Expenses	41,529,164		50,622,102		46,464,661		45,140,441		41,031,227
		Operating Revenues + Non-operating Revenues	804,920,013	0.052	833,250,385	0.061	770,245,941	0.060	691,732,338	0.065	681,019,370
10	Net Operating Revenues Ratio	Operating Income (Loss) + Net Non-operating Revenues	(30,607,805)	(0.038)	4,860,086	0.006	26,999,316	0.035	(18,669,089)	(0.027)	5,395,671
		Operating Revenues + Non-operating Revenues	804,920,013		833,250,385		770,245,941		691,732,338		681,019,370
11	Net Tuition Dependency Ratio	Net Tuition and Fees	173,288,111		155,785,301		143,481,304		133,647,940		124,748,937
		Operating Revenues + Non-operating Revenues	804,920,013	0.215	833,250,385	0.187	770,245,941	0.186	691,732,338	0.193	681,019,370
12	Net Tuition Per Student FTE Ratio	Net Tuition and Fees	173,288,111		155,785,301		143,481,304		133,647,940		124,748,937
		Full-Time Equivalent Students	22,423	7.728	21,578	7.220	20,820	6.892	20,827	6.417	20,612
13	Net Tuition Discount Per Student FTE Ratio	Student Aid	105,852,865		92,908,680		80,314,717		72,501,091		70,257,789
		Full-Time Equivalent Students	22,423	4.721	21,578	4.306	20,820	3.858	20,827	3.481	20,612

Appendix II: Ohio University Audited Financial Data

OHIO UNIVERSITY (A Component Unit of the State of Ohio)

STATEMENTS OF NET ASSETS

As of June 30		2009		2008		2007		2006		2005						
		Primary Institution		Primary Institution		Primary Institution		Primary Institution		Primary Institution						
ASSETS																
CURRENT ASSETS:																
1	Cash and cash equivalents	\$	39,033,891	4.48%	\$	48,850,210	5.96%	\$	37,117,319	4.57%	\$	31,594,535	3.98%	\$	33,308,241	4.51%
2	Investments		99,709,943	11.43%		112,219,274	13.70%		111,750,833	13.75%		98,134,548	12.35%		94,249,146	12.76%
3	Accounts and pledges receivable - net		52,379,198	6.01%		43,309,109	5.29%		44,486,015	5.47%		35,341,172	4.45%		33,466,417	4.53%
4	Accrued interest and dividends receivable		372,275	0.04%		384,594	0.05%		352,870	0.04%		300,445	0.04%		348,537	0.05%
5	Notes receivable - net		2,581,708	0.30%		2,001,368	0.24%		3,365,266	0.41%		3,414,177	0.43%		3,278,663	0.44%
6	Prepaid expenses and deferred charges		15,429,271	1.77%		13,300,265	1.62%		16,172,819	1.99%		19,120,275	2.41%		16,319,601	2.21%
7	Inventories		2,062,398	0.24%		2,263,482	0.28%		1,977,771	0.24%		1,866,260	0.23%		1,793,527	0.24%
8	Total current assets		211,568,684	24.26%		222,328,302	27.14%		215,222,893	26.47%		189,771,412	23.89%		182,764,132	24.74%
NONCURRENT ASSETS:																
9	Restricted cash and cash equivalents		29,749,815	3.41%		2,086,503	0.25%		14,663,754	1.80%		45,425,214	5.72%		22,247,912	3.01%
10	Endowment investments		13,912,057	1.60%		16,237,286	1.98%		16,818,390	2.07%		15,167,182	1.91%		11,970,621	1.62%
11	Notes receivable - net		11,912,171	1.37%		12,737,648	1.55%		11,650,443	1.43%		10,717,210	1.35%		11,030,241	1.49%
12	Capital assets - net		604,963,765	69.38%		565,835,713	69.08%		554,662,276	68.23%		533,356,958	67.13%		510,704,592	69.14%
13	Total noncurrent assets		660,537,808	75.74%		596,897,150	72.86%		597,794,863	73.53%		604,666,564	76.11%		555,953,366	75.26%
14	TOTAL ASSETS	\$	872,106,492	100.00%	\$	819,225,452	100.00%	\$	813,017,756	100.00%	\$	794,437,976	100.00%	\$	738,717,498	100.00%
LIABILITIES AND NET ASSETS																
CURRENT LIABILITIES:																
15	Accounts payable and accrued liabilities	\$	47,307,506	15.33%	\$	44,234,027	16.00%	\$	42,579,902	15.02%	\$	38,619,310	13.41%	\$	37,825,767	14.78%
16	Deferred revenue		32,520,439	10.54%		30,607,236	11.07%		24,523,487	8.65%		23,063,617	8.00%		19,251,612	7.52%
17	Refunds and other liabilities		4,249,469	1.38%		3,453,259	1.25%		4,810,021	1.70%		1,880,191	0.65%		2,016,686	0.79%
18	Capital lease obligations		383,390	0.12%		89,615	0.03%		86,942	0.03%		54,526	0.02%		55,047	0.02%
19	Bonds and notes payable		14,445,000	4.68%		16,620,000	6.01%		20,770,000	7.33%		14,099,160	4.89%		19,412,739	7.58%
20	Deposits held in custody for others		1,238,139	0.40%		1,235,280	0.45%		1,562,329	0.55%		1,142,466	0.40%		1,292,220	0.51%
21	Total current liabilities		100,143,943	32.45%		96,239,417	34.81%		94,332,681	33.28%		78,859,270	27.37%	-	79,854,071	31.20%
NONCURRENT LIABILITIES:																
22	Compensated absences		12,857,622	4.17%		13,460,923	4.87%		12,787,146	4.51%		13,772,319	4.78%		12,667,269	4.95%
23	Capital lease obligations		1,114,875	0.36%		348,412	0.13%		242,664	0.09%		37,823	0.01%		64,100	0.03%
23	Other long-term liabilities		3,089,962	1.00%		2,464,160	0.89%		0	0.00%		-	0.00%		-	0.00%
24	Bonds and notes payable		176,775,000	57.28%		150,345,000	54.38%		161,815,000	57.08%		178,670,840	62.01%		147,997,261	57.82%
25	Bonds premium - net		6,094,501	1.97%		5,178,561	1.87%		5,661,054	2.00%		6,141,111	2.13%		5,143,700	2.01%
26	Refundable advances for federal student loans		8,526,390	2.76%		8,456,624	3.06%		8,621,865	3.04%		10,666,751	3.70%		10,248,823	3.99%
27	Total noncurrent liabilities		208,458,350	67.55%		180,253,680	65.19%		189,127,729	66.72%		209,288,844	72.63%		176,121,153	68.80%
28	Total liabilities		308,602,293	100.00%		276,493,097	100.00%		283,460,410	100.00%		288,148,114	100.00%		255,975,224	100.00%
NET ASSETS																
29	Invested in capital assets - net of related debt		433,324,410	76.90%		393,337,530	72.47%		386,411,424	72.96%		379,778,713	75.01%		360,279,657	74.63%
Restricted:																
30	Nonexpendable		13,912,057	2.47%		16,237,286	2.99%		16,818,390	3.18%		15,167,182	3.00%		11,970,621	2.48%
31	Expendable		38,368,587	6.81%		46,085,751	8.49%		40,874,666	7.72%		39,584,791	7.82%		47,976,632	9.94%
32	Unrestricted		77,899,145	13.82%		87,071,788	16.04%		85,452,866	16.14%		71,759,176	14.17%		62,515,364	12.95%
33	Total net assets		563,504,199	100.00%		542,732,355	100.00%		529,557,346	100.00%		506,289,862	100.00%		482,742,274	100.00%
34	TOTAL LIABILITIES AND NET ASSETS	\$	872,106,492		\$	819,225,452		\$	813,017,756		\$	794,437,976		\$	738,717,498	

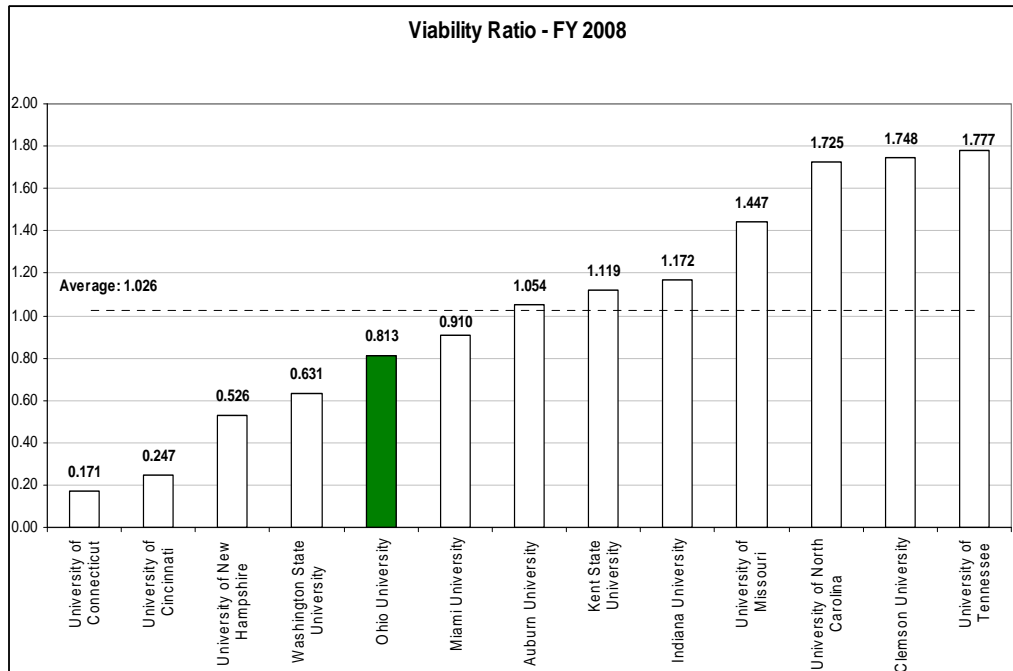
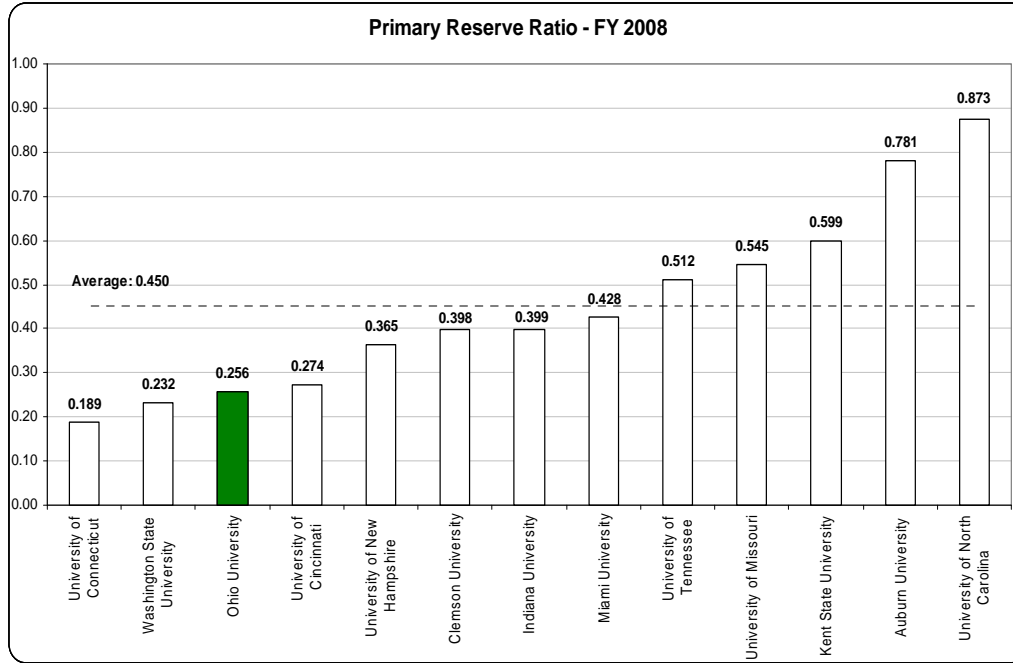
OHIO UNIVERSITY
(A Component Unit of the State of Ohio)

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

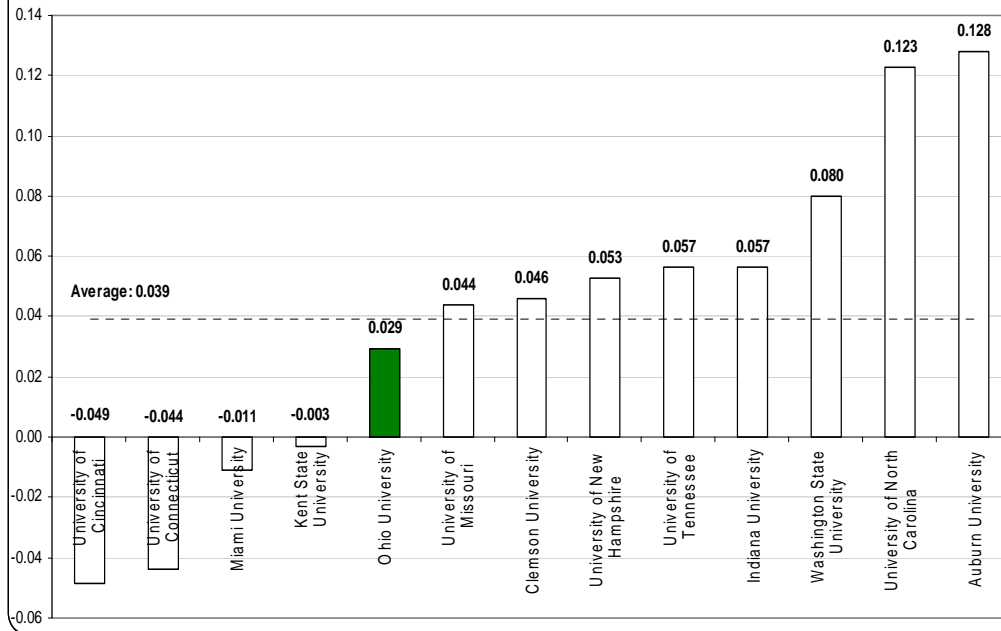
For the year ended June 30

	2009	2008	2007	2006	2005
	Primary Institution	Primary Institution	Primary Institution	Primary Institution	Primary Institution
OPERATING REVENUES:					
1 Student tuition and fees - net of scholarship allowances	\$ 229,594,649	\$ 215,984,213	\$ 217,740,577	\$ 201,446,914	\$ 196,518,557
2 Federal grants and contracts	24,674,768	26,209,405	27,404,263	30,122,163	28,124,693
3 State grants and contracts	7,355,636	5,105,983	7,294,112	6,278,728	6,092,961
4 Local grants and contracts	471,422	437,340	383,291	498,917	569,141
5 Private grants and contracts	8,262,336	8,028,607	8,180,953	6,893,069	8,023,817
6 Sales and services	10,331,376	9,619,377	10,113,479	10,419,607	10,461,067
7 Auxiliary enterprises - net of scholarship allowances	75,094,902	69,154,022	65,090,980	59,479,387	54,502,659
8 Other sources	14,291,055	11,504,445	10,208,019	7,901,879	5,553,653
9 Total operating revenues	370,076,144	346,043,392	346,415,674	323,040,664	309,846,548
OPERATING EXPENSES:					
Educational and general:					
10 Instruction and departmental research	214,971,589	202,895,906	203,991,047	187,478,442	179,633,550
11 Separately budgeted research	33,495,239	32,995,537	32,457,968	33,712,270	33,222,564
12 Public service	23,453,952	21,917,621	20,961,207	20,129,885	19,726,387
13 Academic support	59,343,563	58,703,123	58,184,520	55,429,877	52,460,139
14 Student services	28,533,312	26,912,492	24,451,160	24,573,546	20,178,218
15 Institutional support	32,769,600	28,522,321	27,313,425	23,461,283	31,928,677
16 Operation and maintenance of plant	44,771,516	41,675,475	42,401,934	39,770,454	36,823,032
17 Student aid	10,878,749	9,344,798	10,250,507	8,329,253	9,833,690
18 Depreciation	33,075,444	32,308,560	30,652,754	29,427,367	29,076,351
19 Auxiliary enterprises	73,500,573	68,845,947	70,306,093	64,784,092	61,874,393
20 Total operating expenses	554,793,537	524,121,780	520,970,615	487,096,469	474,757,001
21 OPERATING INCOME (LOSS)	(184,717,393)	(178,078,388)	(174,554,941)	(164,055,805)	(164,910,453)
NONOPERATING REVENUES AND EXPENSES:					
22 State appropriations	155,105,565	144,999,895	137,197,682	137,369,481	139,620,276
23 Federal grants	27,068,204	23,487,928	20,694,075	17,199,027	20,607,847
24 State grants	7,924,417	7,142,428	6,593,195	5,563,372	5,619,623
25 Local grants	2,301	7,206	1,785	2,450	5,007
26 Private gifts	3,879,535	3,966,477	4,556,275	2,282,439	1,909,437
27 Investment income - net of investment expense	(15,432,314)	589,930	19,442,211	8,278,995	8,182,937
28 Interest on capital asset - related debt	(8,492,106)	(7,447,971)	(7,431,076)	(6,425,686)	(5,530,775)
29 Disposal and write-offs of plant facilities	(283,266)	(174,000)	(707,561)	(170,126)	(1,195,240)
30 Net nonoperating revenues	169,772,336	172,571,893	180,346,586	164,099,952	169,219,112
31 INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS OR LOSSES	(14,945,057)	(5,506,495)	5,791,645	44,147	4,308,659
OTHER REVENUES, EXPENSES, GAINS, OR LOSSES					
32 State capital appropriations	24,900,161	17,603,472	14,024,105	20,766,812	12,408,134
33 Capital grants and gifts	10,810,781	3,829,024	3,444,433	2,531,424	3,534,963
34 Additions to permanent endowments	5,959	12,572	7,301	205,205	6,025
35 Total other revenues	35,716,901	21,445,068	17,475,839	23,503,441	15,949,122
36 INCREASE IN NET ASSETS	20,771,844	15,938,573	23,267,484	23,547,588	20,257,781
NET ASSETS					
37 Beginning of year	542,732,355	526,793,782	506,289,862	482,742,274	462,484,493
38 End of year	\$ 563,504,199	\$ 542,732,355	\$ 529,557,346	\$ 506,289,862	\$ 482,742,274

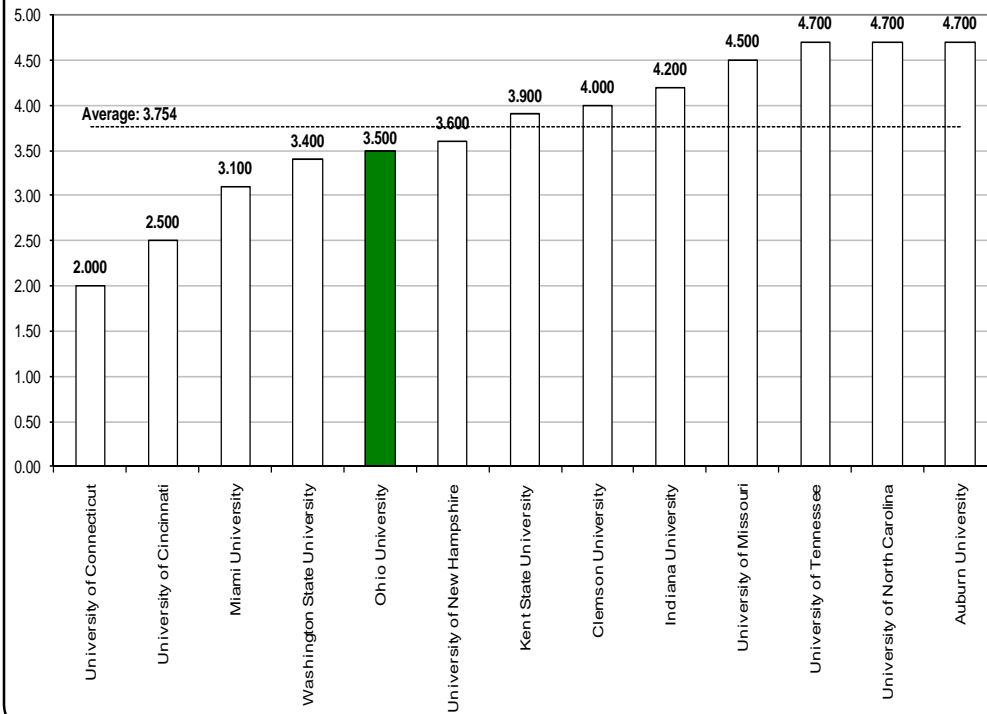
Appendix III: FY 2008 Ratios for Comparative Purposes



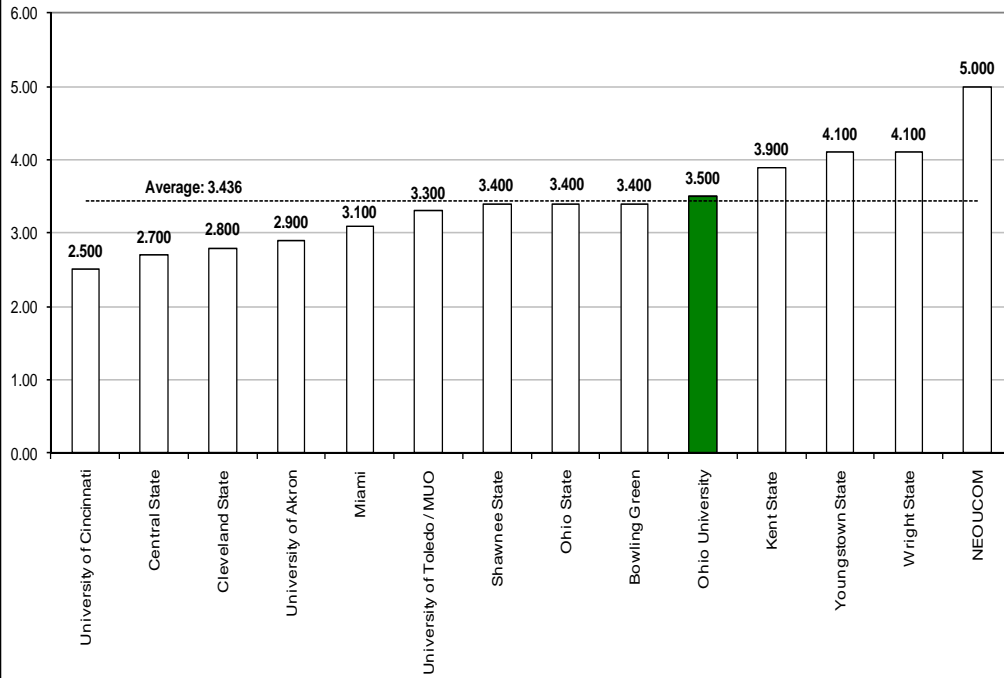
Net Income Ratio - FY 2008



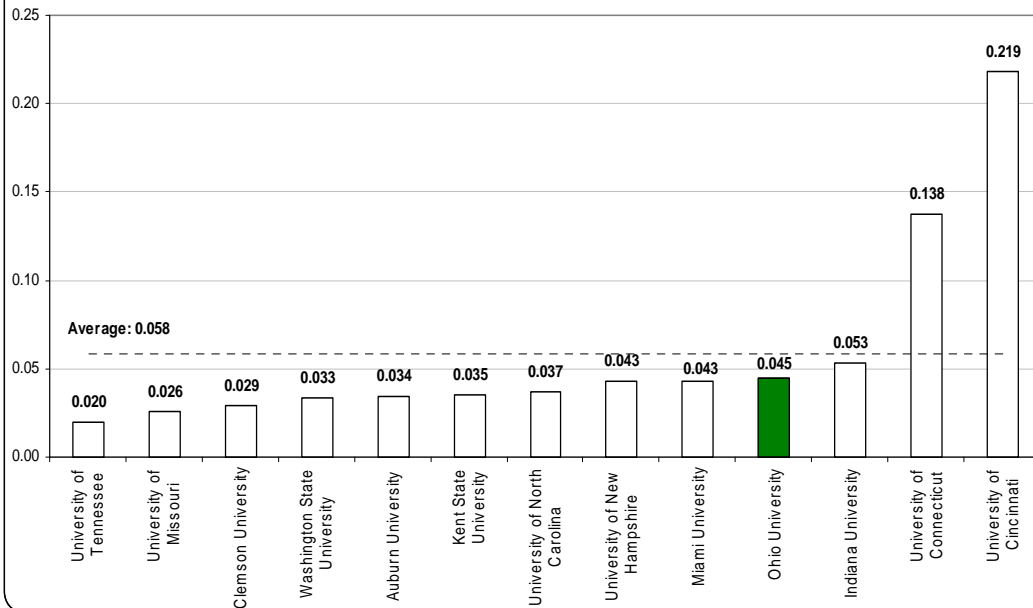
Senate Bill 6 Composite Score Peer Schools - FY 2008



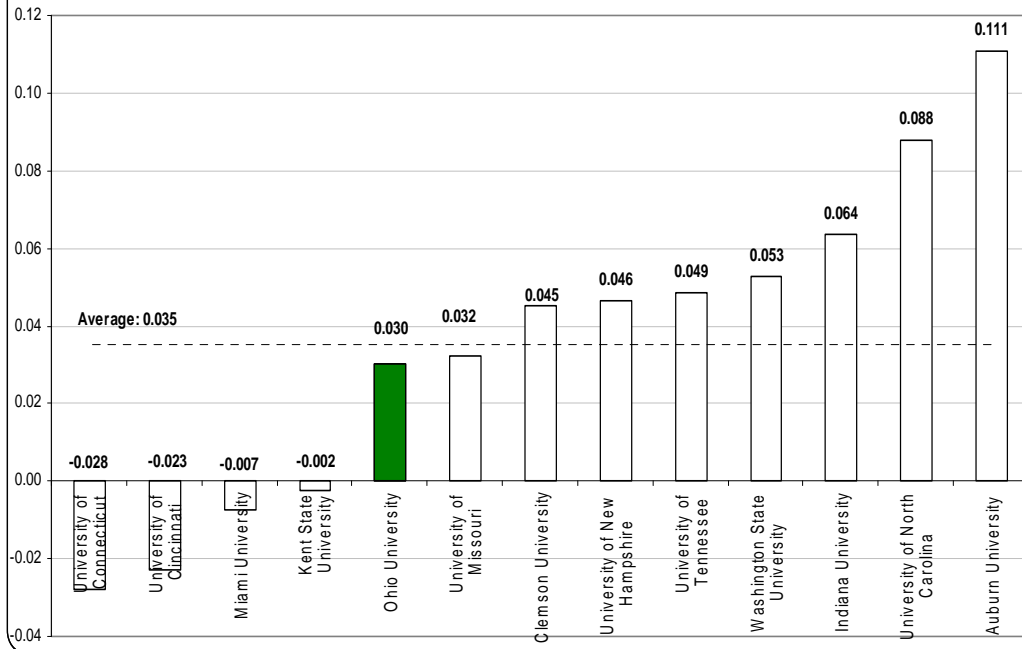
Senate Bill 6 Composite Score Ohio Schools - FY 2008



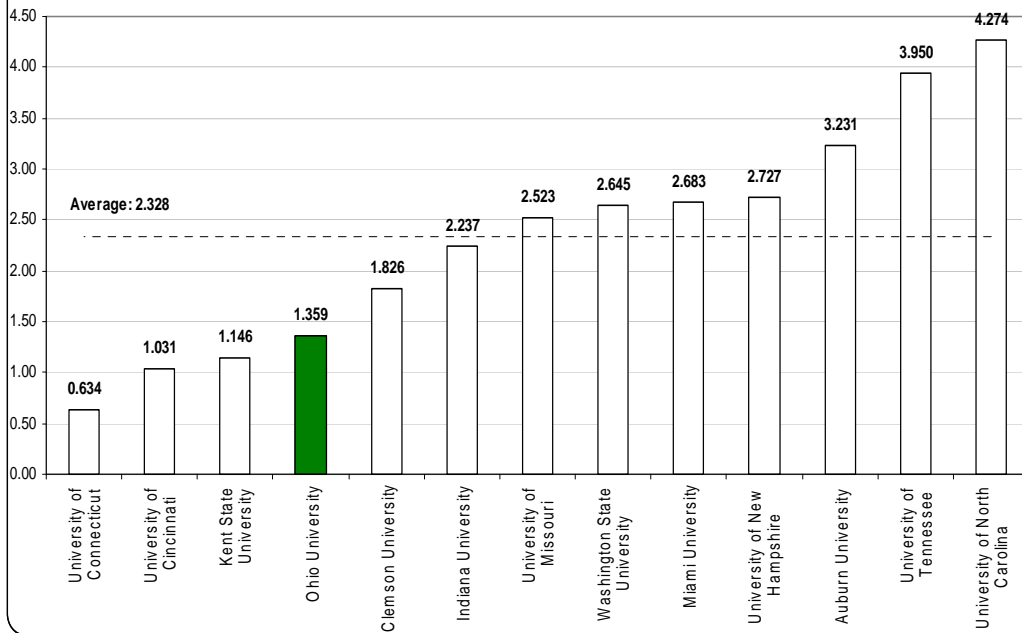
Debt Burden Ratio - FY 2008



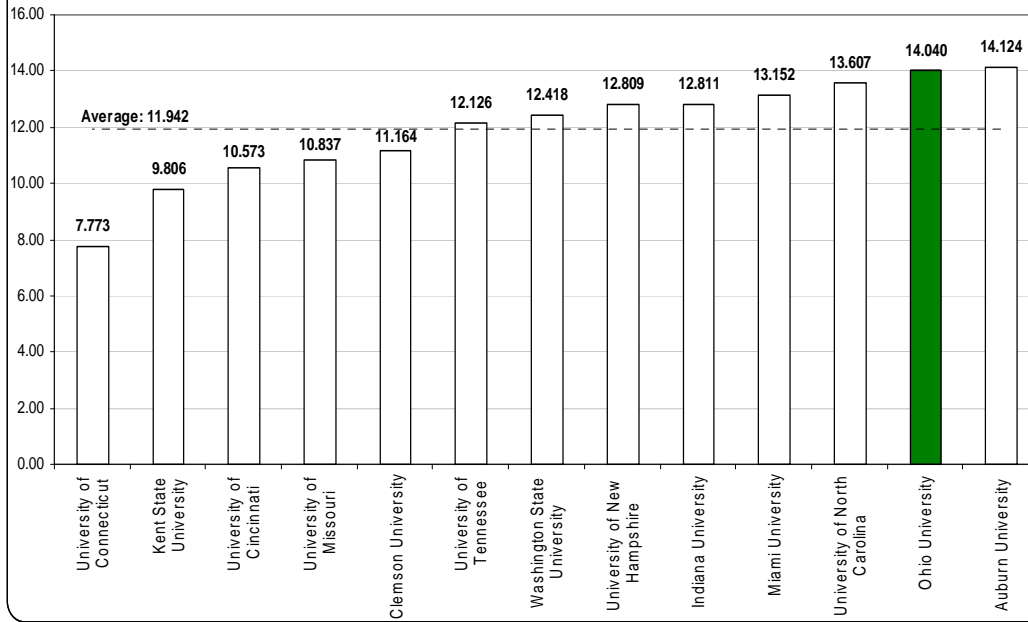
Return on Net Assets Ratio - FY 2008



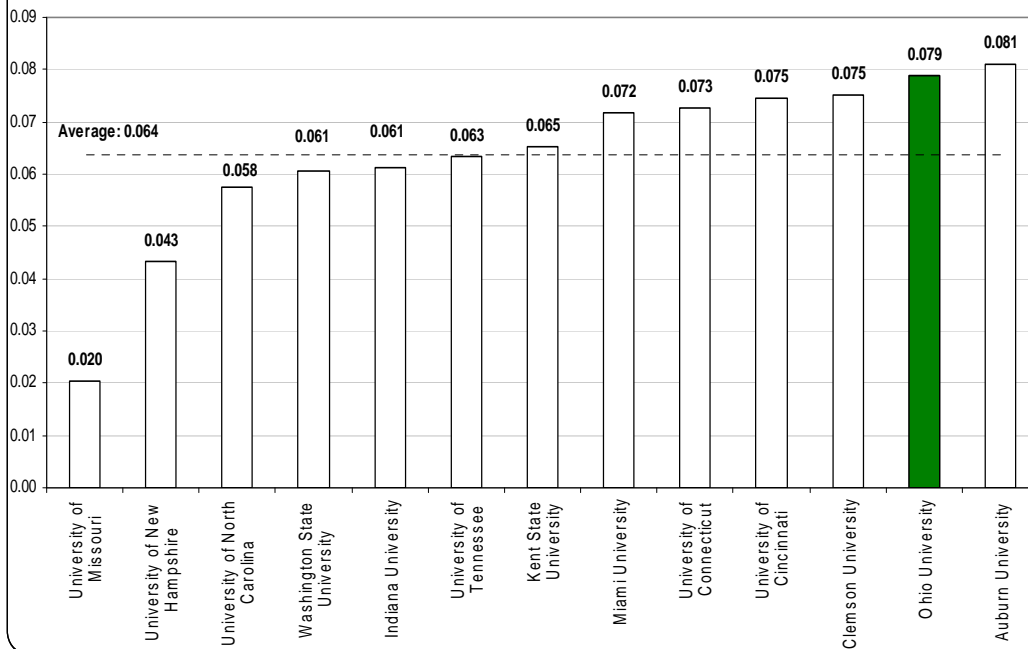
Physical Asset Reinvestment Ratio - FY 2008



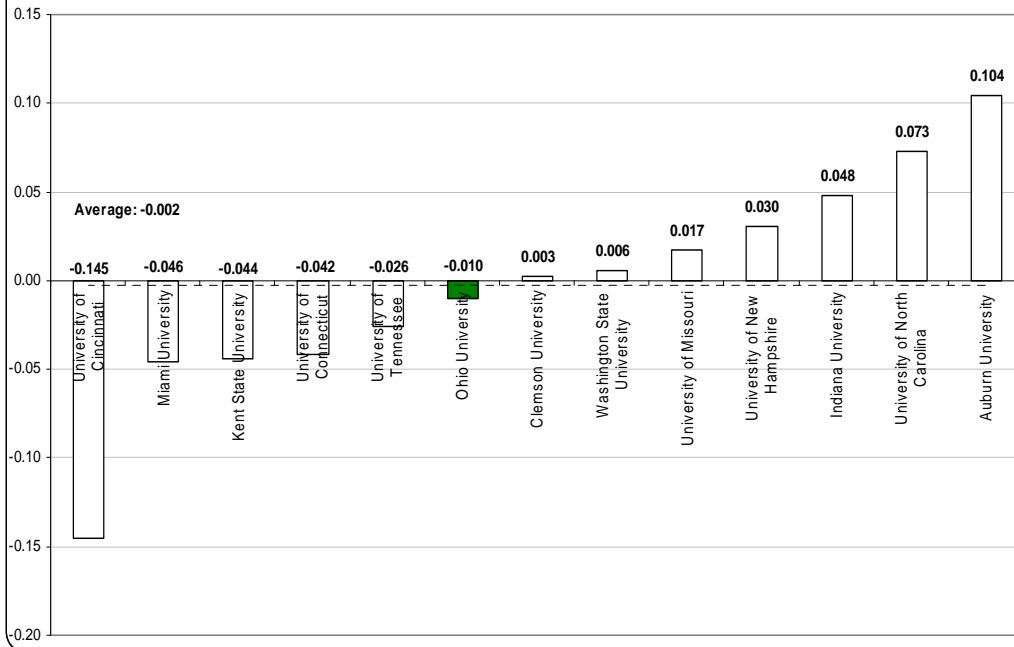
Age of Facility Ratio - FY 2008



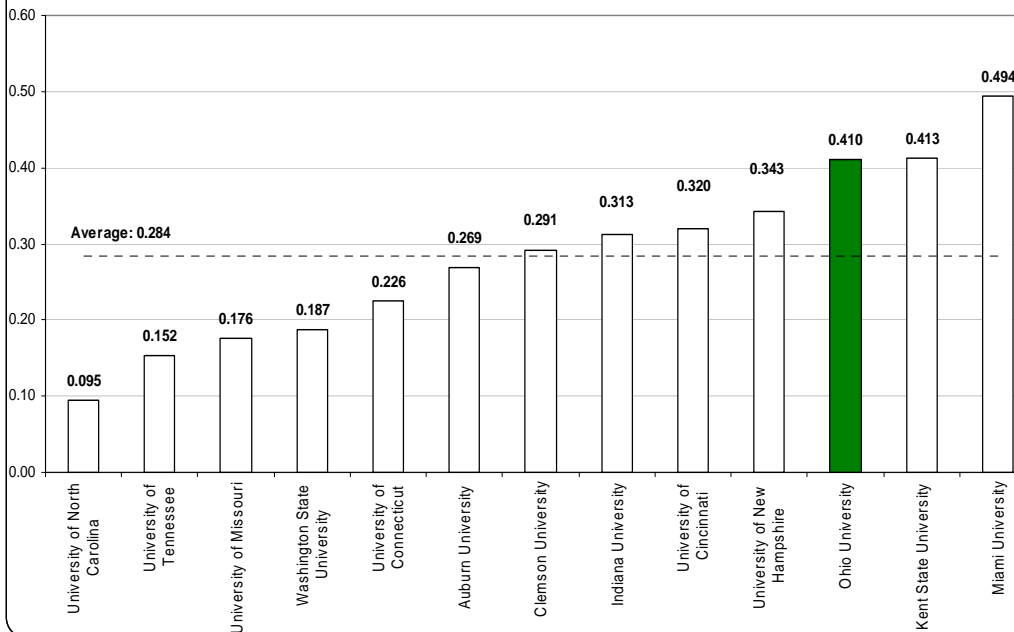
Facility Maintenance Ratio - FY 2008



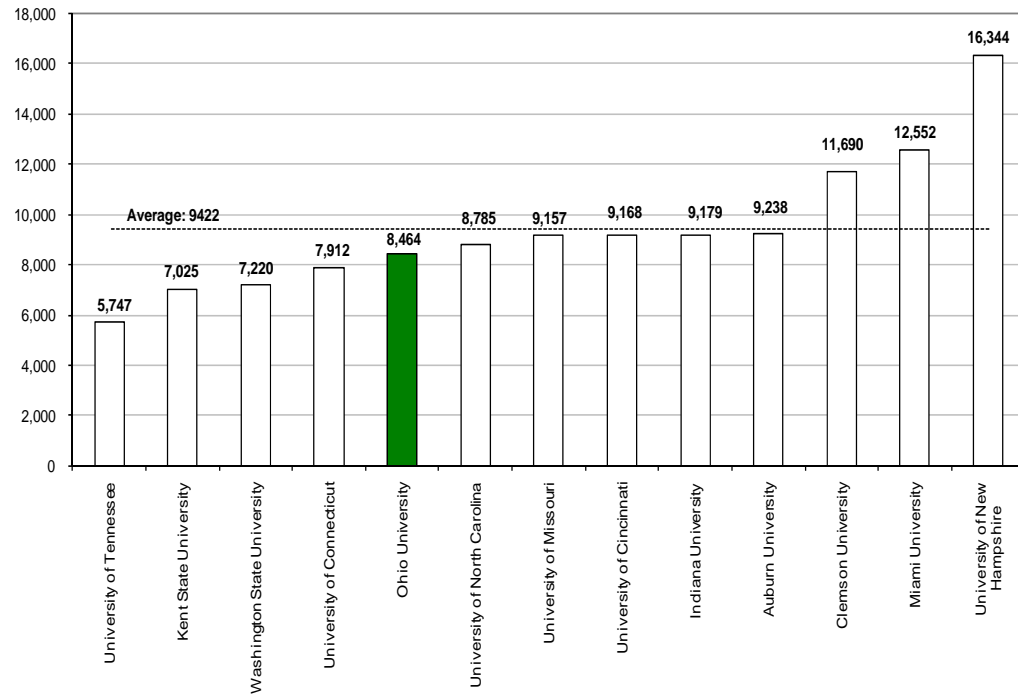
Net Operating Revenues Ratio - FY 2008



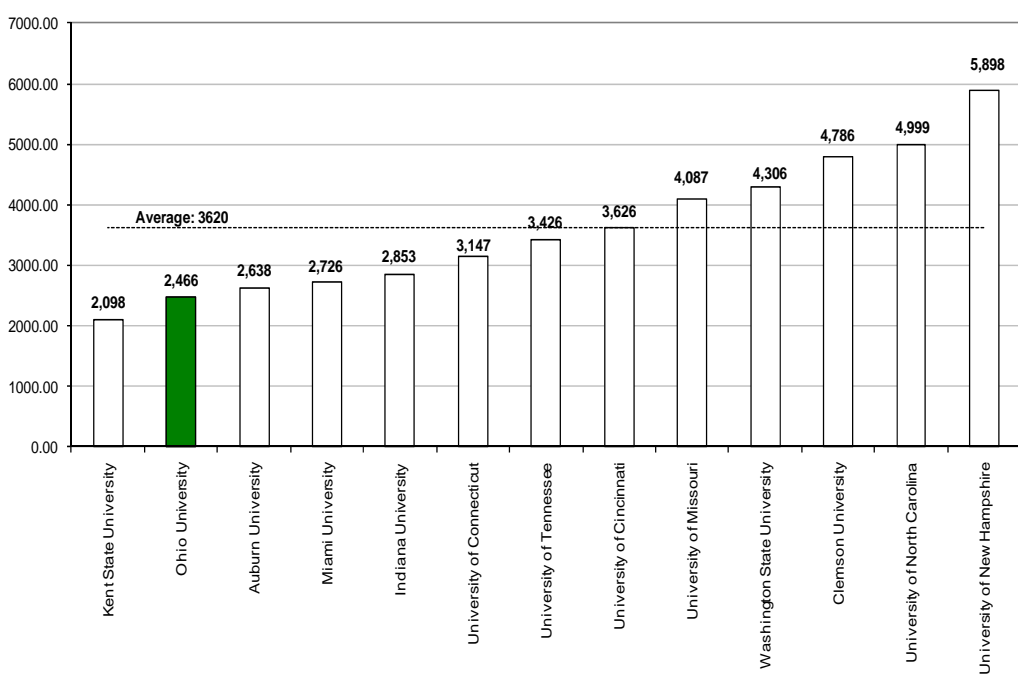
Net Tuition Dependency Ratio - FY 2008



Net Tuition Per Student FTE Ratio - FY 2008



Net Tuition Discount Per Student FTE Ratio - FY 2008

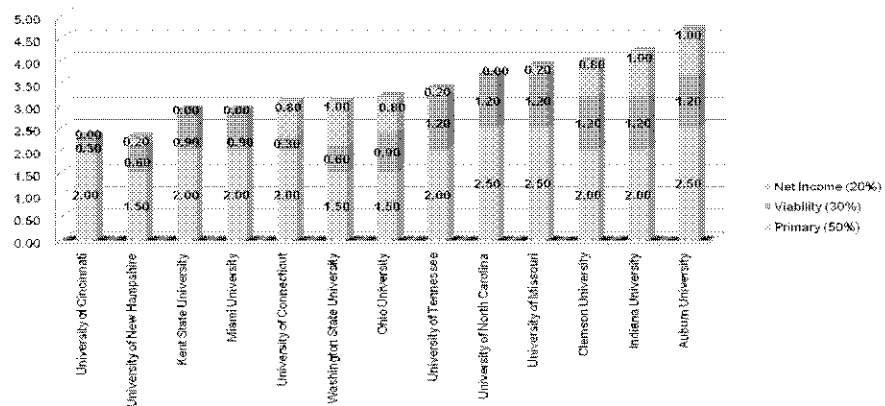


5 Year Ratio Analysis SB6, National and Ohio Peers

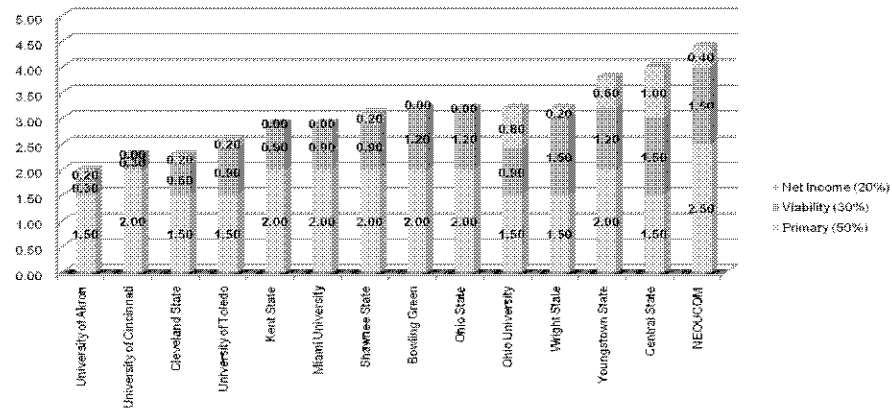
Tab



Senate Bill 6 Ratios Aspirational Peer Schools – FY 2009



Senate Bill 6 Ratios Ohio Schools – FY 2009





Memorandum

Date: May 24, 2010

To: The President and Board of Trustees

From: Michael Angelini,
Interim Senior Vice President for Finance and Administration and Treasurer

Re: **FY 2010 Budget Updates**

An update of the FY 2010 performance against budget and progress on efforts to improve the University's financial strength will be presented at the upcoming June Resources Committee meeting.

Included in these agenda materials are:

- March 2010 Interim Financial Reports
- Health Claims Cost History and Projections
- Budget Update - presentation slides cover FY 2010 update as well as FY 2011 budget summary information

Highlights from these reports will be discussed at the upcoming board meeting.

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

INTERIM FINANCIAL REPORT

Period Ending March 2010

FY 2010 BUDGET OUTLOOK

TOTAL UNIVERSITY:

Year-to-date, budget-to-actual the university is projecting a net under-attainment of \$560,000 on the Athens campus. The College of Osteopathic Medicine's total revenues are on target, while UORC anticipates the five Regional Campus revenues will exceed the FY 2010 budget by up approximately \$6 million.

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 April meeting of the Board of Trustees, the Athens Campus has resolved previously reported related issues. Below is a revised view of the issues (both potential and realized).

	Projected Material Year- end Variances	Disposition
<u>Revenue:</u>		
State Share of Instruction (SSI)	-\$2.2 million	Reflects final State Budget
SSI Deferred Payment	-\$4.8 million	
Investment Income (Realized & Unrealized)	\$6.3 million	Annual Investment Income to support fund balance
Tuition Increase effective Winter Qtr		
Tuition	\$3.1 million	
Additional Revenue due to Enrollments*	\$2.4 million	
Subtotal	\$4.8 million	
<u>Expense:</u>		
Scholarships & Financial Aid	\$0.94 million	Support for OCOG-eligible and full scholarship students
Health Benefits over-expenditure	\$2.5million	Managerial Reserve to offset unfavorable variance
ERIP Payments & Severance	\$1.1 million	
Utilities favorable to budget	-\$0.47 million	Net of Support for Efficiency Projects
15 Park Place Renovation	\$0.47 million	
Participation in Bowl Game & Other Misc.	\$0.35 million	
Subtotal	\$5.36 million	
<u>Net:</u>	\$ (0.56 million)	

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 through March remained stable, however, April personal income tax receipts were recorded below estimate by \$229.1 million or 16.3% for the month and total sources were \$742.2 million below for the year. The combination of favorable variances in other revenue categories and under-expenditures are anticipated to cover that shortfall.

The Office of Budget & Management recently released its economic outlook for the coming year, highlighting projected deficits of \$8 billion.

Federal Stimulus Funding: Of the \$8.2 billion that the state is expected to receive during this three-year program, approximately \$3.6 billion has been received and \$3.5 billion has been expended. The State also announced a shift between State GRF and stimulus funding in support of the SSI allocation for the remainder of FY 2010; there is no change in the total SSI distribution. Additional shifts may be anticipated in FY 2011, as well.

RESPONSE TO THE CURRENT AND STRUCTURAL FINANCIAL ISSUES

The September 2009 report included a summary of the University's response to various financial issues. In addition to the implementation of spending controls, 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 to address the current risk immediately; and the establishment of multi-year savings targets to resolve the current structural financial issues impacting the University's expendable net assets.

Issues to be Addressed		Amount of Issue	Amount Resolved
1	Carry-forward into FY 2010 v. Fund Balance*	\$12,549,802	Risk Addressed thru Freeze Target
2	ICA Cumulative Deficit	\$ 6,553,491	\$2.0 million of Deficit Resolved thru Savings Target
3	ICA Current Year Projected Loss	\$ 947,000	
4	Airport Auxiliary Deficit	\$ 1,013,899	Deficit Resolved thru Savings Target
	Total	\$ 21,064,192	Immediate Risk Addressed thru Freeze

*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 established 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. In FY 2010, the savings target totaled just over \$3 million, which will fully offset the cumulative Airport Auxiliary deficit and just over \$2.0 million of the ICA deficit.

The University is optimistic that the above issues will be fully resolved prior to implementation of the fifth year of this plan.

The March 2010 report focuses on areas of substantive change for the Total University, with notes regarding each campus as appropriate.

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

TOTAL UNIVERSITY:

Year-to-date, budget-to-actual the university is projecting a net under-attainment of \$560,000 on the Athens campus, which will be offset by the use of the Health Benefits Managerial Reserve to support over-expenditures due to unfavorable claims experience. The College of Osteopathic Medicine's total revenues are on target, while UORC anticipates the five Regional Campus revenues will exceed the FY 2010 budget by up approximately \$6 million.

Revenues:

- ☐ **Summary of Revenues (line 10):** Total FY 2010 year-to-date revenue receipts are \$38.8 million above FY 2009 as of March (\$428.8 million in FY 2010 compared to \$389.9 million in FY 2009). This increase reflects increased enrollments, the implementation of the new fee to support SIS and network upgrades and revenue from the Student WellBeing Fee.
- ☐ **State Subsidy (line 5):** Total FY 2010 year-to-date state subsidy amounts are 1.3% or \$1.4 million below FY 2010 as of March, reflecting a delay in subsidy payments. As reported in August, the FY 2010 actual revenues are anticipated to be \$2.2 million less on the Athens Campus than originally budgeted due to the final results of the State operating budget. No additional reductions for FY 2010 are anticipated. The Office of Budget and Management reports Ohio's financial position through March remained stable, however, April personal income tax receipts were recorded below estimate by \$229.1 million or 16.3% for the month and total sources were \$742.2 million below for the year. The combination of favorable variances in other revenue categories and under-expenditures are anticipated to cover that shortfall.

Deferred SSI Subsidy Payment: As noted in earlier reports, the State intends to defer the final FY 2010 subsidy payment to campuses until July to comply with ARRA requirements. The University planned for this temporary impact on cash flow to be offset through unbudgeted investment gains. However, while not yet a significant concern, we are considering the potential loss of that final payment if State revenues continue to fall below estimate. The total anticipated deferment for Ohio University totals \$6.4 million; this deferment will have a temporary impact on the University's fund balance.

- ☐ **Tuition Revenue (lines 1, 2, 3):** Total actual tuition revenues exceed the budget by \$19.3 million (all campuses), resulting largely from the overall increase in enrollments on Regional Campuses, increased designated program activity, and the mid-year increase in tuition on the Athens Campus set to offset losses in State funding. Projected general fee over-attainment has decreased to \$400,000 which reflects a higher level of adjustments for designated graduate programs than earlier estimates; this calculation will be finalized at year-end. Based on preliminary third quarter data, the Athens campus estimates an additional \$3.14 million as a result of the increased tuition and \$2.4 million in instructional and general fee revenue as a result of over-attained enrollments. The total \$5.5 million in additional revenue is net of estimated resources to support designated programs. Approximately \$17.5 million of projected fee revenue through Spring 2010 will support designated programs.

Tuition revenues on our regional campuses continue to exceed the original budget and are on track to exceed the FY 2010 budget by \$6 million, while tuition revenues on the College of Osteopathic Medicine are substantively on target with the original budget.

- ☐ **Enrollments:** Preliminary Spring Quarter enrollment news continues to have a positive impact on the budget. As previously noted, a portion of the record-level Fall 2009 enrollments resulted from increased retention of students from Spring 2009 and the delayed timing of graduations compared to University estimates. The University does not consider the Fall enrollment level, and the related revenue, as a new base-level for enrollments or revenue in its planning of the FY 2011 budget.

Enrollments for all campuses continue to exceed the prior year levels with a total increase of 5.8% and the Winter to Spring quarter retention rates were on target. The largest increase continues to be found on the regional campuses with an average increase of 16% over Spring 2009. The Athens graduate non-residents stand as the only category where a loss in enrollments is experienced.

Spring Quarter Enrollments (Headcount)		Spring 2010 (Preliminary)	Spring 2009 (Final)	Change (Spring 2010- 2009)
Athens Undergraduate	Resident	13,905	13,896	9
	Non-Resident	1,925	1,703	222
	Subtotal	15,830	15,599	231
Athens Graduate*	Resident	1,303	1,267	36
	Non-Resident	1,256	1,334	(78)
	Subtotal	2,559	2,601	(42)
College of Medicine	Resident	438	429	9
	Non-Resident	21	15	6
	Subtotal	459	444	15
Regional Campuses	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
	Subtotal	9,705	8,344	1,361
TOTAL UNIVERSITY		28,553	26,988	1,565

*Includes Athens on-campus only.

Source: Institutional Research

Investment Income (line 8): Through March, the University reports \$4.6 in interest, dividends and net gains (realized and unrealized). The University anticipates annual gains of \$6.3 million which are anticipated to assist the University with two major efforts: help offset any temporary cash flow issues resulting from the State's deferred subsidy payment; and to facilitate resolution of structural financial issues described in earlier reports.

Expenditures:

Below is a summary of material changes in expenditures since the December 2009 report.

Expenditures by Natural Account

Benefits (line 24):

- ☐ **Health Benefits:** As of this report, total health benefit related expenditures, including medical, drug, and dental claims, are currently projected to exceed the FY 2010 budget by up to \$2.5 million. This over-expenditure will be supported through a draw-down of the health benefits reserves, which currently have a balance of just under \$9 million. *(Additional analysis of the health benefits projections and cost containment efforts is provided under separate cover.)*
- ☐ **Utilities (line 31):** When compared to FY 2009, total year-to-date utilities expenditures are flat. Based on a review of utilities expenditures, the University has revised its forecast to reflect a favorable variance of \$1.4 million in FY 2010 resulting primarily from favorable pricing during the economic downturn, delayed implementation of AEP price increases, while targeted deferred and preventive maintenance projects have improved efficiency and reduced electric usage. Favorable variances in the utilities budget will be used to support additional efficiency initiatives and offset shortfalls in facilities project budgets, including the 15 Park Place project.

UORC Summary of Expenditures: Expenditures at regional campuses in FY 2010 are trending toward \$6 million over the FY 2010 budget. 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 reorganizations described in the September 2009 report. In total, expenditures for the combined UORC are projected to increase by approximately 3%.

COM 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.

AUXILIARY OPERATIONS

General Note Regarding Supported Auxiliaries:

- ☐ **Supported Auxiliary Units:** Intercollegiate Athletics, Campus Recreation, Student Union, and Airport receive supplemental revenue from either the General Fund or General Fee to support operating costs.
- ☐ **Self-Supporting Auxiliary Units:** Parking Services, Residential Housing, Dining Services, Telephone and Tech Stores, and Athena function within the revenues generated from their operations without the support of the General Fund or General Fee.

Below are the FY 2010 budget totals for each auxiliary unit. The budgeted 'Net' is compared to the 'Projected Net' with a resultant 'Favorable (Unfavorable)' to budget. Where appropriate, notes follow the table to explain the projected variances to budget

Auxiliary	Budgeted (in thousands)				Projected Net	Favorable (Unfavorable)
	Revenue	Expense	Transfers	Net		
Residential Housing	\$ 40,596	\$ 18,616	\$ (19,762)	\$ 2,218	\$ 3,520	\$1,302
Dining Services	\$ 36,314	\$ 34,653	\$ (4,931)	\$ (3,270)	\$ 1,388	\$4,658
Intercollegiate Athletics	\$ 3,684	\$ 18,700	\$ 14,069	\$ (947)	\$ 1,072	\$2,019
Campus Recreation	\$ 1,198	\$ 3,389	\$ 2,191	\$ -	\$ -	\$0
Telephone and Tech Stores	\$ 2,912	\$ 1,659	\$ (1,253)	\$ -	\$ -	\$0
Student Union	\$ 1,253	\$ 2,460	\$ 1,207	\$ -	\$ -	\$0
Airport	\$ 450	\$ 1,399	\$ 949	\$ -	\$ 1,014	\$1,014
Parking	\$ 1,303	\$ 1,042	\$ (261)	\$ -	\$ -	\$0
Athena Theater	\$ 174	\$ 184		\$ (10)	\$ (10)	\$0
TOTAL	\$ 87,884	\$ 82,102	\$ (7,791)	\$ (2,009)	\$ 6,984	\$8,993

- ☐ **Residential Housing & Dining Services:** The significant changes in projected net current year balance for each of these auxiliary operations reflects higher than anticipated enrollments and concerted effort to refine the FY 2010 operating budget.
- ☐ **Intercollegiate Athletics:** As noted under the section titled, "*Response to the Current and Structural Financial Issues*," \$2.0 million of the cumulative ICA deficit will be resolved in FY 2010. The favorable variance above reflects this transfer of funds to the ICA fund balance from the centrally held Savings Target.
- ☐ **Airport:** As of the March 2010 report, the University projects a projected favorable variance of \$1 million which reflects the application of the Savings Target collected centrally. See the section titled, "*Response to the Current and Structural Financial Issues*," for additional information regarding the Savings Target.

Ohio University
Statement of Net Assets - All Funds
Unclassified and Unaudited
As of March 31, 2010

		Current Funds			Noncurrent Funds				Total	Total	Increase/ (Decrease)	Increase/ -Decrease
		Unrestricted		Restricted	Plant	Endowment (including quasi)	Loan	Agency	March 31, 2010	June 30, 2009		
		Educational & General (E&G)	Auxiliaries									
ASSETS												
1	Cash and cash equivalents	85,037,807	28,831,123	(9,832,242)	17,482,171	(5,348,526)	2,972,773	1,747,470	120,890,576	39,033,891	81,856,685	209.71%
2	Restricted cash and cash equivalents	0	0	2,437,613	19,650,655	0	0	0	22,088,268	29,749,815	(7,661,547)	-25.75%
3	Investments	70,666,698	0	0	0	44,360,406	0	0	115,027,104	113,622,000	1,405,104	1.24%
4	Accounts receivable, net	27,329,688	6,531,077	19,004,564	0	0	228,243	0	53,093,572	52,379,198	714,374	1.36%
5	Accrued interest and dividends receivable	189,499	0	0	0	0	0	0	189,499	372,275	(182,776)	-49.10%
6	Notes receivable, net	408,399	0	0	0	0	13,752,287	0	14,160,686	14,493,879	(333,193)	-2.30%
7	Prepaid expenses and deferred charges	1,487,514	39,030	0	0	0	0	0	1,526,544	15,429,271	(13,902,727)	-90.11%
8	Inventories	975,551	1,843,634	0	0	0	0	0	2,819,185	2,062,398	756,787	36.69%
9	Capital assets, net	0	0	0	615,012,027	0	0	0	615,012,027	604,963,765	10,048,262	1.66%
10	Total assets	186,095,156	37,244,864	11,609,935	652,144,853	39,011,880	16,953,303	1,747,470	944,807,461	872,106,492	72,700,969	8.34%
LIABILITIES AND NET ASSETS												
Liabilities:												
11	Accounts payable and accrued liabilities	48,333,326	2,626,921	52,161	607,895	0	0	1,747,471	53,367,774	47,307,506	6,060,268	12.81%
12	Deferred revenue	0	24,629,490	5,621,644	0	0	0	0	30,251,134	32,520,439	(2,269,305)	-6.98%
13	Refunds and other liabilities	1,557,854	46,885	0	5,799	0	0	0	1,610,538	21,435,192	(19,824,654)	-92.49%
14	Capital lease obligations	0	0	0	1,498,265	0	0	0	1,498,265	1,498,265	0	0.00%
15	Bonds and notes payable	0	0	0	176,775,000	0	0	0	176,775,000	191,220,000	(14,445,000)	-7.55%
16	Bond premium, net	0	0	0	5,453,857	0	0	0	5,453,857	6,094,501	(640,644)	-10.51%
17	Refundable advances for federal student loans	0	0	0	0	0	8,416,141	0	8,416,141	8,526,390	(110,249)	-1.29%
18	Total liabilities	49,891,180	27,303,296	5,673,805	184,340,816	0	8,416,141	1,747,471	277,372,709	308,602,293	(31,229,584)	-10.12%
Net assets:												
19	Current year net change	85,338,727	4,656,701	(1,745,237)	17,780,009	(2,180,597)	80,951	0	103,930,554	20,771,844	83,158,710	400.34%
20	Prior year net assets	50,865,249	5,284,867	7,681,367	450,024,028	41,192,477	8,456,211	0	563,504,199	542,732,355	20,771,844	3.83%
21	Total net assets	136,203,976	9,941,568	5,936,130	467,804,037	39,011,880	8,537,162	0	667,434,753	563,504,199	103,930,554	18.44%
22	Total liabilities and net assets	186,095,156	37,244,864	11,609,935	652,144,853	39,011,880	16,953,303	1,747,471	944,807,462	872,106,492	72,700,970	8.34%

Ohio University
Statement of Revenues, Expenditures and Other Changes
Current Funds - Unrestricted - Educational & General (E&G)
Fiscal Year To Date through March 31, 2010 and March 31, 2009

		Original Budget FY10 \$	Actual to Date FY10 \$	Original Budget FY09 \$	Actual to Date FY09 \$	Actuals as a Percent of Budget		Increase/(Decrease) of actuals over prior year		Actuals as a Percent of Total Actuals		Budget as a Percent of Total Budget	
		FY10 %	FY10 %	FY09 %	FY09 %	FY10 YTD	FY09 YTD		%	FY10 %	FY09 %	FY10 %	FY09 %
REVENUES:													
1	Instructional fee	211,300,988	223,298,701	199,375,130	207,300,536	105.7%	104.0%	15,998,165	7.7%	52.1%	53.1%	46.6%	45.3%
2	General fee	32,195,112	33,423,898	31,136,904	32,784,618	103.8%	105.3%	639,280	1.9%	7.8%	8.4%	7.1%	7.1%
3	Nonresident surcharge	24,877,728	30,974,911	26,675,542	25,927,014	124.5%	97.2%	5,047,897	19.5%	7.2%	6.6%	5.5%	6.1%
4	Other student fees	8,177,353	8,788,299	4,835,871	5,886,557	107.5%	121.7%	2,901,742	49.3%	2.0%	1.5%	1.8%	1.1%
5	State subsidy	151,972,787	108,571,330	148,358,641	109,965,431	71.4%	74.1%	(1,394,101)	-1.3%	25.3%	28.2%	33.5%	33.8%
6	Sales and services	9,493,776	7,120,130	8,052,220	6,900,329	75.0%	85.7%	219,801	3.2%	1.7%	1.8%	2.1%	1.8%
7	Indirect cost recovery	6,498,000	5,138,657	7,220,000	4,824,613	79.1%	66.8%	314,044	6.5%	1.2%	1.2%	1.4%	1.6%
8	Investment income	-	4,672,534	5,100,665	(9,711,447)		-190.4%	14,383,981	-148.1%	1.1%	-2.5%	0.0%	1.2%
9	Other revenues	9,362,032	6,836,585	8,409,265	6,121,587	73.0%	72.8%	714,998	11.7%	1.6%	1.6%	2.0%	1.9%
10	Total revenues	453,877,776	428,825,045	439,164,238	389,999,238	94.5%	88.8%	38,825,807	10.0%	100.0%	100.0%	100.0%	100.0%
EXPENDITURES - functional view													
11	Instruction and departmental research	178,222,983	139,911,063	174,885,564	136,908,435	78.5%	78.3%	3,002,628	2.2%	43.5%	43.8%	41.8%	42.9%
12	Separately budgeted research	6,143,726	9,664,011	8,334,219	10,436,531	157.3%	125.2%	(772,520)	-7.4%	3.0%	3.3%	1.4%	2.0%
13	Public service	9,293,341	7,813,318	7,926,123	7,629,769	84.1%	96.3%	183,549	2.4%	2.4%	2.4%	2.2%	1.9%
14	Academic support	65,912,764	40,716,699	66,202,244	39,636,724	61.8%	59.9%	1,079,975	2.7%	12.7%	12.7%	15.5%	16.2%
15	Student services and aid	72,652,064	57,319,393	65,094,759	55,751,096	78.9%	85.6%	1,568,297	2.8%	17.8%	17.9%	17.0%	16.0%
16	Institutional support	41,900,957	29,632,224	39,594,691	30,098,230	70.7%	76.0%	(466,006)	-1.5%	9.2%	9.6%	9.9%	9.9%
17	Operation and maintenance of plant	48,646,874	36,319,949	40,035,244	31,817,244	74.7%	79.5%	4,502,705	14.2%	11.3%	10.2%	11.4%	9.8%
18	Central and academic reserves	3,436,607	-	5,355,197	-	0.0%	0.0%	-		0.0%	0.0%	0.8%	1.3%
19	Total expenditures	426,209,316	321,376,657	407,428,041	312,278,029	75.4%	76.6%	9,098,628	2.9%	100.0%	100.0%	100.0%	100.0%
20	TRANSFERS - Mandatory and Non-mandatory	27,668,460	22,109,661	31,736,197	24,317,306	79.9%	76.6%	(2,207,645)	-9.1%				
21	Total expenditures and transfers	453,877,776	343,486,318	439,164,238	336,595,335	75.7%	76.6%	6,890,983	2.0%				
22	CURRENT YEAR NET CHANGE TO NET ASSETS	-	85,338,727	-	53,403,903			31,934,824					

Line 16 - 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.

Line 17 - 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		Increase/(Decrease) of actuals over prior year		Actuals as a Percent of Total Actuals		Budget as a Percent of Total Budget	
						FY10 YTD %	FY09 YTD %			FY10 %	FY09 %	FY10 %	FY09 %
EXPENDITURES - natural account view													
23	Salaries, wages and other compensation	232,355,694	173,845,253	224,530,806	169,985,785	74.8%	75.7%	3,859,468	2.3%	54.1%	54.4%	54.5%	55.1%
24	Benefits	71,596,450	54,067,878	69,990,510	49,769,379	75.5%	71.1%	4,298,499	8.6%	16.8%	16.0%	16.8%	17.2%
25	Scholarships	55,474,180	56,262,636	49,950,850	51,634,886	101.4%	103.4%	4,627,750	9.0%	17.5%	16.5%	13.0%	12.3%
26	Miscellaneous	33,125,426	12,588,422	31,219,646	12,598,639	38.0%	40.4%	(10,217)	-0.1%	4.0%	4.0%	7.8%	7.5%
27	Information and communication	12,159,393	9,826,580	10,941,294	9,770,375	80.8%	89.3%	56,205	0.6%	3.1%	3.1%	2.9%	2.7%
28	Maintenance operations	11,847,663	9,186,278	10,911,060	10,185,241	77.5%	93.3%	(998,963)	-9.8%	2.9%	3.3%	2.8%	2.7%
29	Supplies	10,094,827	7,454,995	9,286,055	8,199,802	73.8%	88.3%	(744,807)	-9.1%	2.3%	2.6%	2.4%	2.3%
30	Travel and entertainment	7,990,644	6,278,003	7,416,813	6,604,579	78.6%	89.0%	(326,576)	-4.9%	2.0%	2.1%	1.9%	1.8%
31	Utilities	12,911,881	8,391,534	12,046,794	8,465,168	65.0%	70.3%	(73,634)	-0.9%	2.6%	2.7%	3.0%	3.0%
32	Capitalized costs	2,336,952	2,989,251	2,826,844	4,538,127	127.9%	160.5%	(1,548,876)	-34.1%	0.9%	1.5%	0.5%	0.7%
33	Internal transfers	(27,120,401)	(19,514,173)	(27,047,828)	(19,473,952)	72.0%	72.0%	(40,221)	0.2%	-6.1%	-6.2%	-6.4%	-6.6%
34	Central and academic reserves	3,436,607	-	5,355,197	-	0.0%	0.0%	-		0.0%	0.0%	0.8%	1.3%
35	Total expenditures	426,209,316	321,376,657	407,428,041	312,278,029	75.4%	76.6%	9,098,628	2.9%	100.0%	100.0%	100.0%	100.0%
36	TRANSFERS - Mandatory and Non-mandatory	27,668,460	22,109,661	31,736,197	24,317,306	79.9%	76.6%	(2,207,645)	-9.1%				
37	Total expenditures and transfers	453,877,776	343,486,318	439,164,238	336,595,335	75.7%	76.6%	6,890,983					

Ohio University
Statement of Revenues, Expenditures and Other Changes
Current Funds - Unrestricted - Educational & General (E&G)
Fiscal Year To Date through March 31, 2010 and March 31, 2009

		Original Budget FY10	Actual to Date FY10	Original Budget FY09	Actual to Date FY09	Actuals as a Percent of Budget		Increase/(Decrease) of actuals over prior year		Actuals as a Percent of Total Actuals		Budget as a Percent of Total Budget	
		\$	\$	\$	\$	FY10 YTD %	FY09 YTD %			FY10 %	FY09 %	FY10 %	FY09 %
REVENUES:													
1	Instructional fee	211,300,988	223,298,701	199,375,130	207,300,536	105.7%	104.0%	15,998,165	7.7%	52.1%	53.2%	46.6%	45.4%
2	General fee	32,195,112	33,423,898	31,136,904	32,784,618	103.8%	105.3%	639,280	1.9%	7.8%	8.4%	7.1%	7.1%
3	Nonresident surcharge	24,877,728	30,974,911	26,675,542	25,927,014	124.5%	97.2%	5,047,897	19.5%	7.2%	6.6%	5.5%	6.1%
4	Other student fees	8,177,353	8,788,299	4,835,871	5,886,557	107.5%	121.7%	2,901,742	49.3%	2.0%	1.5%	1.8%	1.1%
5	State subsidy	151,972,787	108,571,330	148,358,641	109,965,431	71.4%	74.1%	(1,394,101)	-1.3%	25.3%	28.2%	33.5%	33.8%
6	Sales and services	9,493,776	7,120,130	8,052,220	6,900,329	75.0%	85.7%	219,801	3.2%	1.7%	1.8%	2.1%	1.8%
7	Indirect cost recovery	6,498,000	5,138,657	7,220,000	4,824,613	79.1%	66.8%	314,044	6.5%	1.2%	1.2%	1.4%	1.6%
8	Investment income	-	4,672,534	5,100,665	(9,711,447)	#DIV/0!	-190.4%	14,383,981	-148.1%	1.1%	-2.5%	0.0%	1.2%
9	Other revenues	9,362,032	6,836,585	8,409,265	6,121,587	73.0%	72.8%	714,998	11.7%	1.6%	1.5%	2.0%	1.9%
10	Total revenues	453,877,776	428,825,045	439,164,238	389,999,238	94.5%	88.8%	38,825,807	10.0%	100.0%	100.0%	100.0%	100.0%
EXPENDITURES - planning unit view													
11	Arts and Sciences	64,597,340	46,978,035	62,376,584	45,969,368	72.7%	73.7%	1,008,667	2.2%	13.7%	13.7%	14.2%	14.2%
12	Business	14,524,860	10,135,450	15,062,282	10,825,564	69.8%	71.9%	(690,114)	-6.4%	3.0%	3.2%	3.2%	3.4%
13	Communications	14,986,818	10,816,914	14,874,361	11,038,473	72.2%	74.2%	(221,559)	-2.0%	3.1%	3.3%	3.3%	3.4%
14	Education	10,497,430	8,508,876	10,542,647	8,017,726	81.1%	76.1%	491,150	6.1%	2.5%	2.4%	2.3%	2.4%
15	Engineering	16,682,103	13,507,398	17,148,145	13,943,703	81.0%	81.3%	(436,305)	-3.1%	3.9%	4.1%	3.7%	3.9%
16	Fine Arts	16,709,424	12,417,450	16,543,816	12,462,164	74.3%	75.3%	(44,714)	-0.4%	3.6%	3.7%	3.7%	3.8%
17	Health and Human Services	16,167,805	11,464,543	15,147,887	11,702,656	70.9%	77.3%	(238,113)	-2.0%	3.3%	3.5%	3.6%	3.4%
18	Honors Tutorial	864,922	505,083	776,558	422,508	58.4%	54.4%	82,575	19.5%	0.1%	0.1%	0.2%	0.2%
19	International Studies	5,534,863	4,488,529	4,751,902	3,784,069	81.1%	79.6%	704,460	18.6%	1.3%	1.1%	1.2%	1.1%
20	Information Technology	17,625,970	11,661,189	17,513,670	13,025,382	66.2%	74.4%	(1,364,193)	-10.5%	3.4%	3.9%	3.9%	4.0%
21	Library	11,473,147	8,491,686	12,152,119	9,035,197	74.0%	74.4%	(543,511)	-6.0%	2.5%	2.7%	2.5%	2.8%
22	President	5,279,886	4,198,559	5,384,622	4,125,702	79.5%	76.6%	72,857	1.8%	1.2%	1.2%	1.2%	1.2%
23	Provost	13,831,130	9,594,292	14,085,318	11,004,443	69.4%	78.1%	(1,410,151)	-12.8%	2.8%	3.3%	3.0%	3.2%
24	Scholarships	20,854,167	20,738,972	18,859,318	19,525,980	99.4%	103.5%	1,212,992	6.2%	6.0%	5.8%	4.6%	4.3%
25	Summer Sessions	447,006	421,493	451,626	335,537	94.3%	74.3%	85,956	25.6%	0.1%	0.1%	0.1%	0.1%
26	Telecommunications Center	1,920,138	2,058,819	2,434,725	1,970,175	107.2%	80.9%	88,644	4.5%	0.6%	0.6%	0.4%	0.6%
27	University College	3,822,698	2,898,141	3,324,967	2,709,830	75.8%	81.5%	188,311	6.9%	0.8%	0.8%	0.8%	0.8%
28	VP Finance and Administration	43,382,746	33,128,197	34,026,922	27,141,113	76.4%	79.8%	5,987,084	22.1%	9.6%	8.1%	9.6%	7.6%
29	VP Research	31,657,473	21,539,052	29,611,395	20,835,707	68.0%	70.4%	703,345	3.4%	6.3%	6.2%	7.0%	6.7%
30	VP Student Affairs	8,311,832	5,534,334	7,424,976	6,434,706	66.6%	86.7%	(900,372)	-14.0%	1.6%	1.9%	1.8%	1.7%
31	VP University Advancement	5,203,318	3,365,614	3,545,602	2,708,742	64.7%	76.4%	656,872	24.3%	1.0%	0.8%	1.1%	0.8%
32	Voinovich School	2,645,835	2,458,006	1,787,395	1,569,733	92.9%	87.8%	888,273	56.6%	0.7%	0.5%	0.6%	0.4%
33	College of Medicine	26,444,402	17,746,327	25,090,625	19,750,454	67.1%	78.7%	(2,004,127)	-10.1%	5.2%	5.9%	5.8%	5.7%
34	University Outreach and Regional Campuses	72,443,657	57,013,579	67,869,000	51,017,332	78.7%	75.2%	5,996,247	11.8%	16.6%	15.2%	16.0%	15.5%
35	Central Pools and Other	27,968,806	23,815,780	38,377,776	27,239,071	85.2%	71.0%	(3,423,291)	-12.6%	6.9%	8.1%	6.2%	8.8%
36	Total expenditures and transfers	453,877,776	343,486,318	439,164,238	336,595,335	75.7%	76.6%	6,890,983	2.0%	100.0%	100.0%	100.0%	100.0%
37	CURRENT YEAR NET CHANGE TO NET ASSETS	-	85,338,727	-	53,403,903			31,934,824					

Line 28 - 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 budget is reduced by 2.8% in FY 2010.

Line 31 - VP University Advancement: The FY 2010 budget reflects additional general fund investment to offset the loss of investment income previously used to support operations.

Line 32 - Voinovich School: The FY 2010 budget reflects an additional investment of general fund support to offset the loss of restricted state revenues.

Budget Update

Tab



Budget Updates Agenda

- FY 2010 Year-end Projections
- Improving Financial Health - Progress
- FY 2011 Final Budget Assumptions
- FY 2011 Budget Approval
 - Athens Campus Budget
 - University Outreach and Regional Campuses
 - College of Osteopathic Medicine
 - Auxiliary Operations
- Budget Management Strategy & Contingency Planning Efforts



FY 2010 Budget Year-end Projections

Athens Unrestricted E & G

	Projected Material Year-end Variances	Disposition
Revenue:		
State Share of Instruction (SSI)	-\$2.2 million	Operating net
SSI Deferred Payment	-\$4.8 million	
Investment Income (Realized & Unrealized)	\$6.3 million	Annual Investment Income to support fund balance
Tuition Increase effective Winter Qtr		Operating net
Tuition	\$3.1 million	
Additional Revenue due to Enrollments*	\$2.4 million	
Subtotal	\$4.8 million	
Expense:		
Scholarships & Financial Aid	\$0.94 million	Support for OCOG-eligible and full scholarship students
Health Benefits over-expenditure	\$2.5 million	Managerial Reserve to offset unfavorable variance
15 Park Place Renovation	\$0.4 million	
ERIP Payments & Severance	\$1.1 million	
Utilities favorable to budget	-\$1.4 million	Operating
Participation in Bowl Game & Other Misc.	\$0.35 million	
Subtotal	\$3.9 million	
Net:	\$0.9 million	



OHIO
UNIVERSITY

FY 2010 Budget Improving Financial Health - Progress

- **Base Reserves**
 - Annual Budget
 - Policy Development
- **Investment Income to Support Fund Balance**
- **Implementation of Strategy to Resolve Structural Deficit Gap**
- **Ratio Impacts**



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FY 2011 Budget Budget Process Goals

- **Alignment with & Progress on Strategic Plan**
- **Balanced Budget**
- **Appropriate Contingency Planning**
- **Campus Engagement**
- **Multi-year Planning Horizon**



FY 2011 Budget Final Budget Assumptions

- **Revenue Budget**
 - Enrollment Driven Tuition & Fees
 - State Funding
 - Other Revenues
- **Expenditure Budget**
 - Alignment of Investments with Strategic Priorities
 - Contingency Planning



FY 2011 Budget Total University

- The University seeks approval of \$731.0 million in total University budget authority as follows:

Total Proposed Budget Authority Restricted & Unrestricted (Expense + Transfers Out)	FY 2010 Original (in thousands)	FY 2011 Proposed	% Change
Total Athens Campus Budget Authority	455.1	463.7	1.9%
Total Auxiliary Operations	114.6	133.2	16.2%
Total College of Osteopathic Medicine	36.4	36.7	0.9%
Total UORC	87.7	97.5	11.2%
Total University	693.9	731.0	5.4%

- See Attachments A-G of Board Materials for Additional Details



FY 2011 Budget Athens Campus Budget

- The University Proposes Budget Authority of \$463.7 million on Athens Campus

	FY 2010 Original	FY 2011 Proposed	% Change
Unrestricted General Fund & General Fee			
Expense	\$ 327.3	\$ 323.8	-1.1%
Transfers Out	\$ 24.5	\$ 24.5	0.2%
Total Athens Campus Budget Authority	\$ 351.8	\$ 348.3	-1.0%
Designated Fund			
Expense	\$ 44.3	\$ 43.0	-2.9%
Transfers Out	\$ 0.2	\$ 0.2	7.4%
Total Designated Fund Budget Authority	\$ 44.5	\$ 43.3	-2.9%
Restricted General Fund & General Fee			
Expense	\$ 56.3	\$ 69.7	23.7%
Transfers Out	\$ 2.4	\$ 2.4	-1.5%
Total Restricted Budget Authority	\$ 58.8	\$ 72.1	22.6%
Total Athens Campus Budget Authority	\$ 455.1	\$ 463.7	1.9%



FY 2011 Budget Athens Revenue & Transfers In

- Athens Unrestricted Resources Decline by 1% or \$3.6 Million

General Fund & General Fee Resources	FY 2010 Original	FY 2011 Proposed	\$ Change	% Change
Student Tuition & Fees	\$ 194.9	\$ 206.6	\$ 11.7	6.0%
State Share of Instruction	\$ 111.4	\$ 98.7	\$ (12.7)	-11.4%
Other Fees & Revenue	\$ 2.4	\$ 2.4	\$ -	0.0%
Network Infrastructure & SIS Project Fee	\$ 1.8	\$ 1.8	\$ -	0.0%
Lease Income	\$ 1.3	\$ 1.1	\$ (0.1)	-11.2%
Indirect Cost Recovery	\$ 6.5	\$ 6.5	\$ -	0.0%
Total Revenue	\$ 318.3	\$ 317.1	\$ (1.1)	-0.4%
Transfers In				
Overhead	\$ 18.8	\$ 19.3	\$ 0.5	2.5%
Transfers In	\$ 14.9	\$ 12.0	\$ (2.9)	-19.7%
Total Transfers In	\$ 33.7	\$ 31.2	\$ (2.5)	-7.3%
Total General Fund & General Fee Resources	\$ 352.0	\$ 348.3	\$ (3.6)	-1.0%



FY 2011 Budget Athens Expenditure Budget - Investments

- FY 2011 Alignment of Resources to Priorities
- New Investments Supported by Unit Reallocations

AREAS OF ADDITIONAL INVESTMENT	AMOUNT
Strengthen Curriculum	\$ 2,271,246
Refine Graduate & Professional Portfolio	\$ 374,743
Enrollment Management	\$ 2,103,557
Improve Financial Strength	\$ 1,010,521
Compensation	\$ 5,818,263
TOTAL - NEW INVESTMENTS (Base and One-time)	\$ 11,578,330

- See Attachments A and C of Board Materials for Details.



ALIGNMENT FY 11 Investments & Reallocation	OCOG & Other Financial Aid	1% Raise	Additional Faculty Raise Pool	Instructional Capacity	Vision Ohio Investments	Other Funding Strategies
<i>Curriculum</i>				✓	✓	
<i>GRAD & Research</i>				✓		✓
<i>Enrollment Planning</i>	✓		✓	✓	✓	
<i>Financial Strength</i>	✓			✓	✓	
<i>Compensation</i>		✓	✓			
<i>Capital Campaign</i>						✓

FY 2011 Budget Athens Campus

Summary of Athens Campus Revenues & Expenses

	FY 2010 Original	FY 2011 Proposed
Revenue	\$ 318.2	\$ 317.1
Expense	\$ 327.3	\$ 323.8
Revenue over Expense	\$ (9.1)	\$ (6.7)
Transfers In & Overhead	\$ 33.7	\$ 31.2
Transfers Out	\$ 24.6	\$ 24.5
Transfers In & Overhead over Transfers Out	\$ 9.1	\$ 6.7
Net Increase (Decrease)	\$ -	\$ -

FY 2011 Budget University Outreach & Regional Campuses

- The University Outreach & Regional Campuses Unrestricted Budget Totals \$82.3 Million, an Increase of \$9.9 Million or 13.6%
- Proposed Expenditure Increases Reflect the Need for Increased Instruction due to Growing Enrollments
- Campuses Continue with Significant Recruitment Efforts

University Outreach & Regional Campuses	FY 2010 Original	FY 2011 Proposed
Expense	\$ 65.3	\$ 74.6
Transfers Out	\$ 7.1	\$ 7.8
Total Unrestricted Budget Authority	\$ 72.5	\$ 82.3
 Total Restricted Budget Authority	 \$ 15.2	 \$ 15.2
TOTAL UORC Budget Authority	\$ 87.7	\$ 97.5



FY 2011 Budget College of Osteopathic Medicine

- The College of Osteopathic Medicine budget proposal is maintained at \$26.4 million in Unrestricted Funds to Continue Support of Vision OHIO Initiatives, CORE and Accreditation Activities
- FY 2011 Unrestricted Expenditures will be Supported by a 5% Tuition Increase and Flat Enrollments which Offset the Loss of \$1.0 Million in State Support

College of Osteopathic Medicine	FY 2010 Original	FY 2011 Proposed	% Change
Expense	\$ 21.5	\$ 21.6	0.4%
Transfers Out	\$ 5.0	\$ 4.9	-2.0%
Total Unrestricted Budget Authority	\$ 26.4	\$ 26.4	0.0%
 Total Restricted Budget Authority	 \$ 9.9	 \$ 10.2	 3.3%
TOTAL COM BUDGET	\$ 36.4	\$ 36.7	0.9%



FY 2011 Budget Auxiliary Operations

Auxiliary Operations Highlights

- **Support from General Fee and General Fund**
 - Reflected as Transfers In within Auxiliary Budgets
 - Operations
 - Scholarships & Financial Aid
- **Renewal & Replacement Accounts Established**
 - Established to Improve Capital Planning Efforts
 - Most Significant Change in Auxiliary Budget Presentation (Transfers Out)
- **Reflects Actions to Resolve Cumulative Deficits**
- **Intercollegiate Athletics Budget Balanced**
 - Budget Reductions of \$600,000
 - Additional General Fee Support of \$619,000



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Budget Management Strategy and Contingency Planning Efforts

- Budget Management Strategy & Contingency Planning Efforts are Ongoing
- Continued Planning & Implementation of Phase I Efficiency Efforts
- Reserve Strategies
 - Enrollment Reserve of \$700,000 Maintained
 - \$1 Million to Improve Financial Strength
 - Renewal & Replacement Accounts Established in Auxiliaries



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FY 2011 Budget Total University

- The University Seeks Approval of Total Budget Authority of \$731.0 Million

Total Proposed Budget Authority Restricted & Unrestricted (Expense + Transfers Out)	FY 2010 Original (in thousands)	FY 2011 Proposed	% Change
Total Athens Campus Budget Authority	455.1	463.7	1.9%
Total Auxiliary Operations	114.6	133.2	16.2%
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Total UORC	87.7	97.5	11.2%
Total University	693.9	731.0	5.4%



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Interoffice Communication

Date: May 24, 2010

To: The President and Board of Trustees

From: Kent J. Smith, Jr.,^{KJS} Vice President for Student Affairs and Michael Angelini,^{MA} Interim Senior Vice President for Finance and Administration and Treasurer

Re: Housing Development Investigation and the Potential Impact to the University's Financial Position

A collaborative team of University personnel continues to investigate the current condition of the University's residential housing within the larger context of University capital needs. Brailsford and Dunlavey, a facility planning and program management firm with over 300 college and university clients, has been engaged to update their housing master plan as completed in 2006. Updating this document is the first step in providing a thorough analysis of the financial and strategic position of the University's residential housing facilities to support future decisions about our residential campus.

The information provided by Brailsford and Dunlavey will assist the team with identifying renovation and/or replacement options for residence halls as well as developing a long-term repair and replacement plan. At the Resources Committee meeting, a review of progress to date will be provided. On Friday, June 25, 2010 Trustees will have the opportunity to tour several of the residence halls on campus.

Although a preferred method of financing for this need has not been affirmed, an analysis of the impact of additional levels of debt on the University's financial position, primarily in terms of Senate Bill 6 ratios, will be presented at the Resources Committee meeting.

Should you have any questions prior to the June Committee meeting, please do not hesitate to contact me at 740-593-2556.



June 24, 2010

Housing Master Plan Update – Executive Summary Board Meeting



BRAILSFORD & DUNLAVEY
Facility Planners • Program Managers
Catalysts for Building Community



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Housing Master Plan

Agenda

- **Introduction & Work Plan**
- Strategic & Market Analysis
- Discussion & Next Steps



Introduction

Relevant Projects:

- BGSU
- Bucknell Univ.
- Detroit Public Schools
- DC Public Schools
- Episcopal Academy
- FAU
- GWU
- Indiana University
- IUP
- Kent State Univ.
- Miami University
- Ohio University
- RIT
- Univ. of Cincinnati
- Univ. of Toledo
- UNC – Chapel Hill
- Univ. of Toledo
- West Chester Univ.
- Wright State Univ.

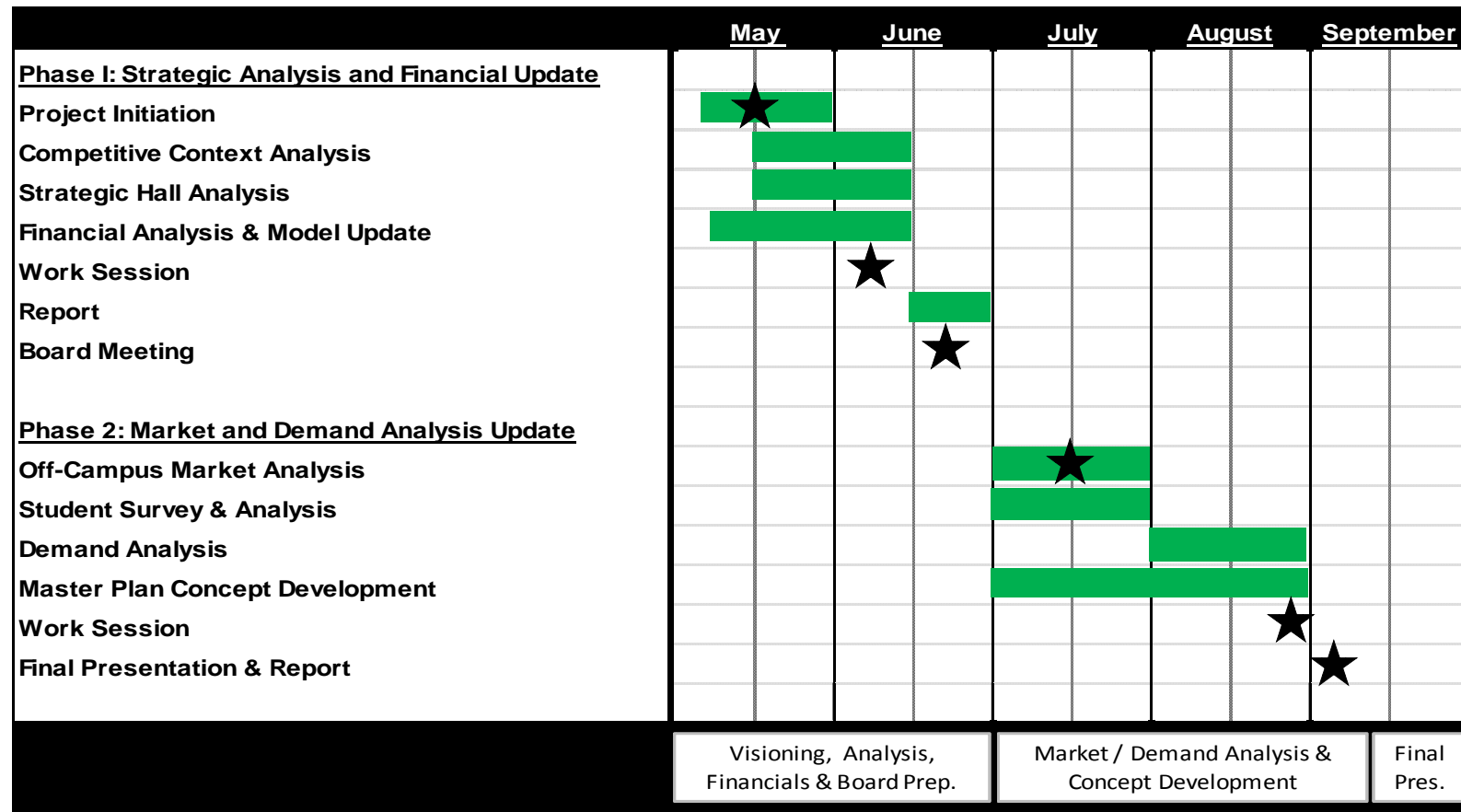
- Brailsford & Dunlavey
 - University “Quality of Life” Focused
 - 300 Student Housing Projects
 - Planning thru Implementation
 - National Expertise & Local Knowledge
- Julie Skolnicki, AIA, LEED ^{AP}, Regional VP
 - 15 Years of Program Management Experience
 - Architecture and Construction Background
 - LEED Accredited Professional
- Kim Martin, Project Manager
 - 10 Years of Campus Planning Experience
 - Student Affairs Background
 - Market Analysis and Financials Focus



Work Plan

Proposed Schedule

★ = Campus Visit



Housing Master Plan

Agenda

- Introduction & Work Plan
- **Strategic & Market Analysis**
- Discussion & Next Steps



Strategic & Market Analysis

Strategic Asset Value Analysis

- Quantity and Location of Housing
 - ▣ Location convenient to academic and student life facilities
 - ▣ New replacement housing within / adjacent to current residential greens
- Target Market and Unit Types / Programmatic Priorities
 - ▣ Housing should support 2-yr live-on policy (Freshmen & Sophomores)
 - ▣ Bed Mix & Amenities should meet student demand and be competitive with peers
 - ▣ Improved student life and academic support spaces within the halls
- Financial Accessibility & Quality Reconciliation
 - ▣ Rates to remain competitive with peer institutions and the off-campus market
 - ▣ Housing improvements to support recruitment
- Level of Service / Underwriting Criteria & Institutional Will
 - ▣ OHIO is committed to providing a quality residential experience in support of its mission
 - ▣ The Plan will analyze alternative financing options



Strategic & Market Analysis

Focus Group Summary

□ 23 students

- Freshmen-Seniors
- On (19) & Off Campus (4)

□ Why OHIO

- Campus beauty & location
- Size of school
- Small college town
- Residential campus



□ Housing Attributes - Positives

- Sinks & micro-fridges
- Community / “meet people”
- Renovated halls
- Rooms with lots of windows
- Convenient location (classes & dining)

□ Housing Attributes – Negatives

- Facility Conditions: block walls, lighting, A/C
- Lack of common space & accessibility
- Bathrooms: privacy, water pressure
- Lack of amenity: laundry, fitness, security
- Disparity between halls

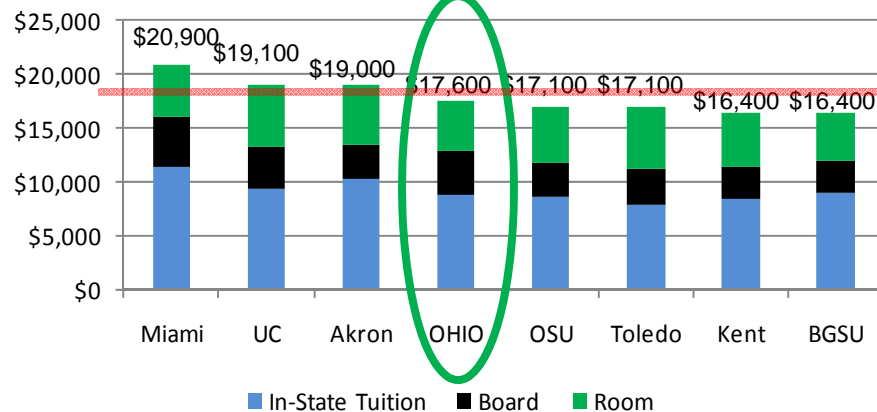


Strategic & Market Analysis

Competitive Context Analysis

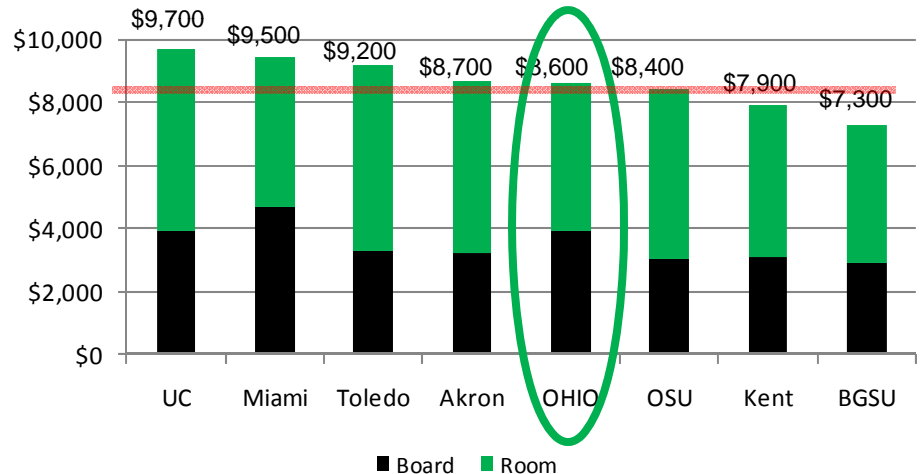
Avg. rate for a traditional-style double occupancy room with a meal plan comparable to 19-21 meals / week.

**2009-2010 Total Cost
(Tuition, Room, & Board)**



- Total Cost Avg. (w/o OHIO): \$18,000
- OHIO 2% BELOW Avg.

2009-2010 Room & Board Cost



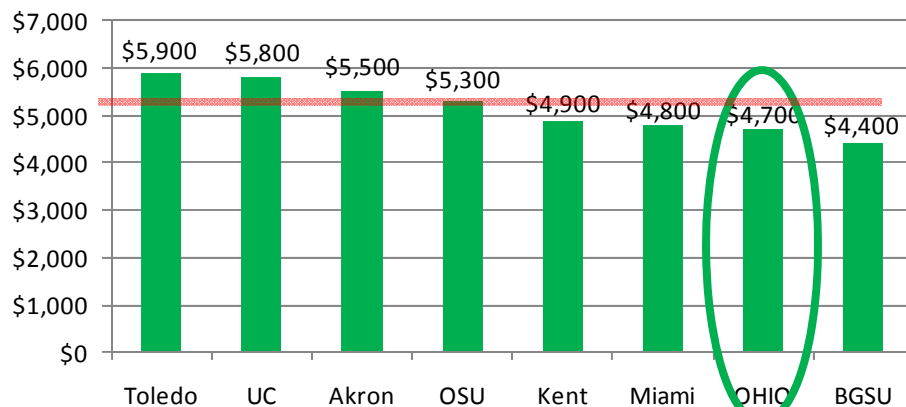
- Room & Board Cost Avg. (w/o OHIO): \$8,600
- OHIO @ Avg.



Strategic & Market Analysis

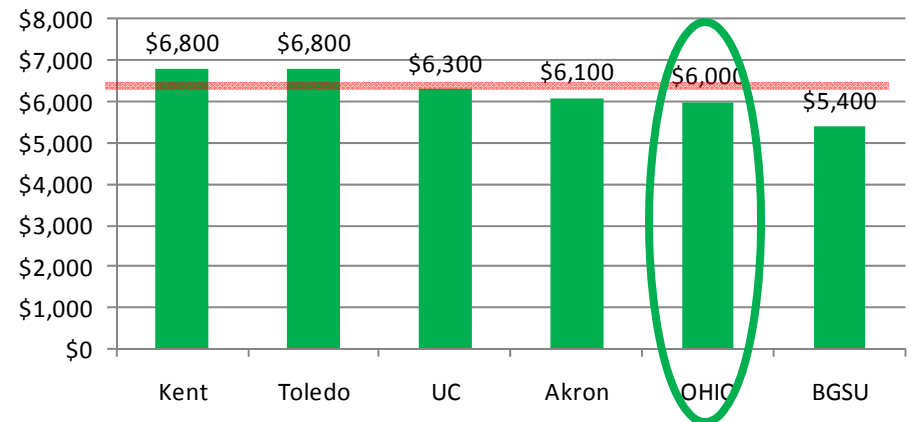
Competitive Context Analysis – Room Only Cost

2009-2010 Traditional Room Cost
Double Occupancy Average



- Traditional Room Avg. (w/o OHIO): \$5,200
- OHIO 10% below Avg.

2009-2010 New Suite Room Cost
Double Occupancy Average

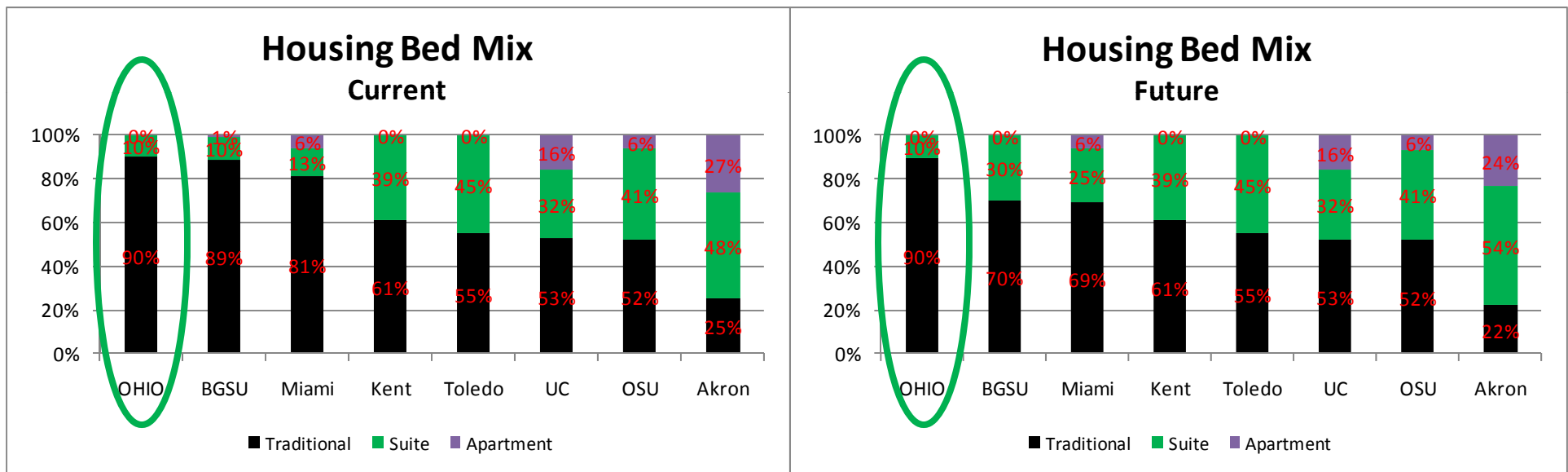


- New Suite Avg. (w/o OHIO): \$6,280
- OHIO 4% below Avg.



Strategic & Market Analysis

Competitive Context Analysis – Bed Mix



- Akron – Includes 450 suite-style beds under constr.
- BGSU – Includes 1,300 suite-style beds under constr.
- Miami – Includes Master Plan concepts



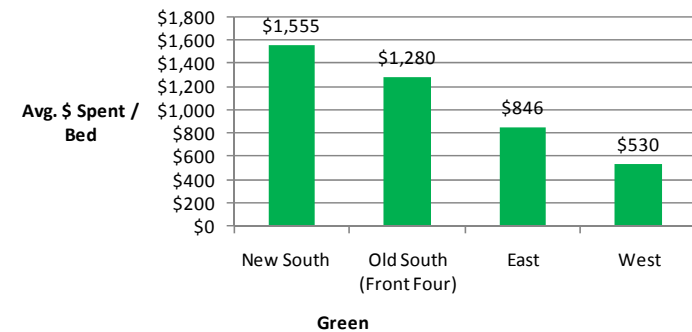
Strategic & Market Analysis

Strategic Hall Analysis

- Occupancy (2009-2010)
 - Avg. 93%
 - Hall Range 83%-98%
- Satisfaction (EBI 2008)
 - Avg. 5.23 (7=most satisfied)
 - Hall Range 4.56-5.9
- Physical Condition (3yr. work order history & annual minor capital investment)
- Demand & Retention (Fall 2010)

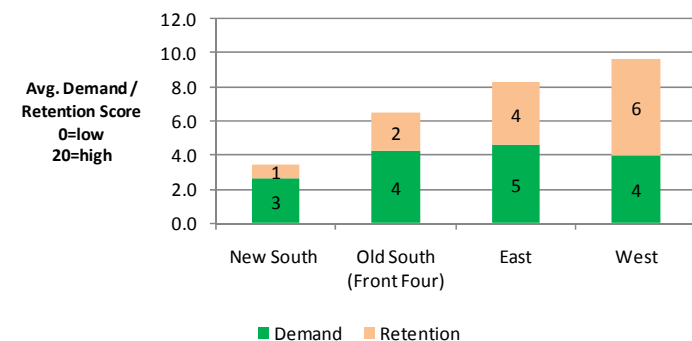
Physical Conditions Analysis

(Based on work orders & minor capital expenses)



Demand / Retention Analysis

(Based on returning student room selections 2010)



Strategic & Market Analysis

Summary of Findings

- Competitive Context Room Rate Assessment
 - Opportunity for 10% increase for Traditional Halls
 - Opportunity for 5% increase for Suites
- Improve Bed Mix & Quality to Meet Demand and Strategic Vision
 - 70% Renovated Traditional Beds
 - Currently 8% Renovated since '01
 - 62% Require Renovation - \$280M (2010 dollars)
 - 30% New/ Replacement Suite Beds
 - Currently 4% since '07
 - 26% Required New / Replacement - \$189M (2010 dollars)
- Facilities Conditions & Cost
 - Renovate All Untouched Beds (88%) - \$412M (2010 Dollars)
 - Facilities Management & Minor Capital Budget: \$14-16M / Year
 - 40% of work orders & minor capital spent on New South (24% of bed stock)
 - Current Operating Costs: \$16/SF- Operating costs without New South: \$14/SF



Housing Master Plan

Agenda

- Introduction & Work Plan
- Strategic & Market Analysis
- **Discussion & Next Steps**



Discussion Points

- ❑ Establish Bed Mix Goals
 - ❑ % of Traditional Renovated Beds
 - ❑ % Suite Beds
 - ❑ Implementation Schedule
- ❑ Rate Structure Strategy
 - ❑ % Escalation
 - ❑ % Increase for New Replacement Beds
 - ❑ % Increase for Renovated Beds
- ❑ University Financing Strategy
- ❑ Design and Construction Standards
- ❑ Operating Cost Goals



Next Steps

- Confirm Enrollment Assumptions
- Initiate Phase II of Housing Master Plan Update
 - ▣ Off-Campus Market Analysis
 - ▣ Survey (Students & Parents)
 - ▣ Demand Analysis (Price Points, Unit Type & Amenities)
 - ▣ Concept Development (Scope, Schedule, Budget)
- Test Development Scenarios
- Implementation Plan
- Board of Trustees Final Report - September





June 24, 2010

Housing Master Plan Update – Executive Summary Board Meeting

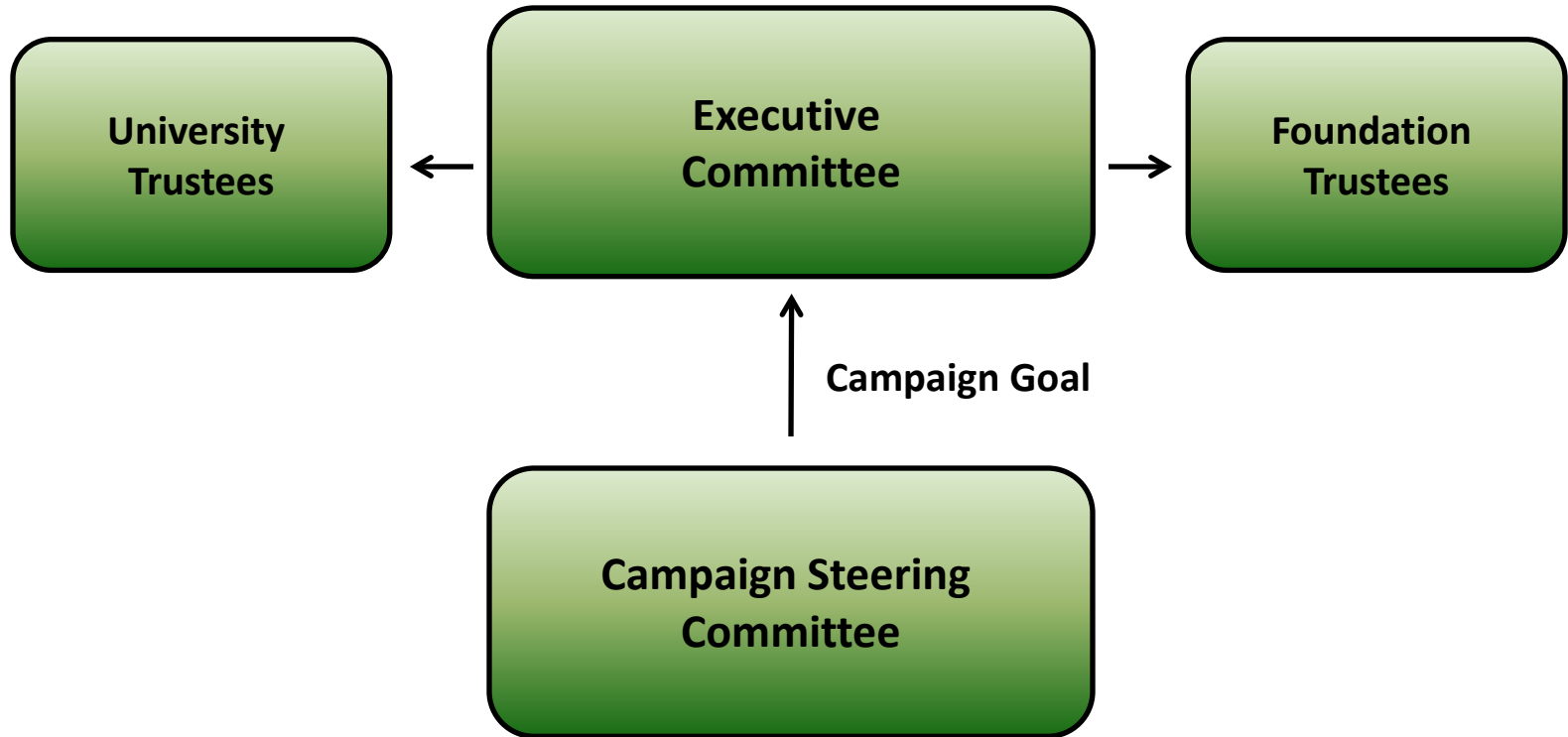


BRAILSFORD & DUNLAVEY
Facility Planners • Program Managers
Catalysts for Building Community

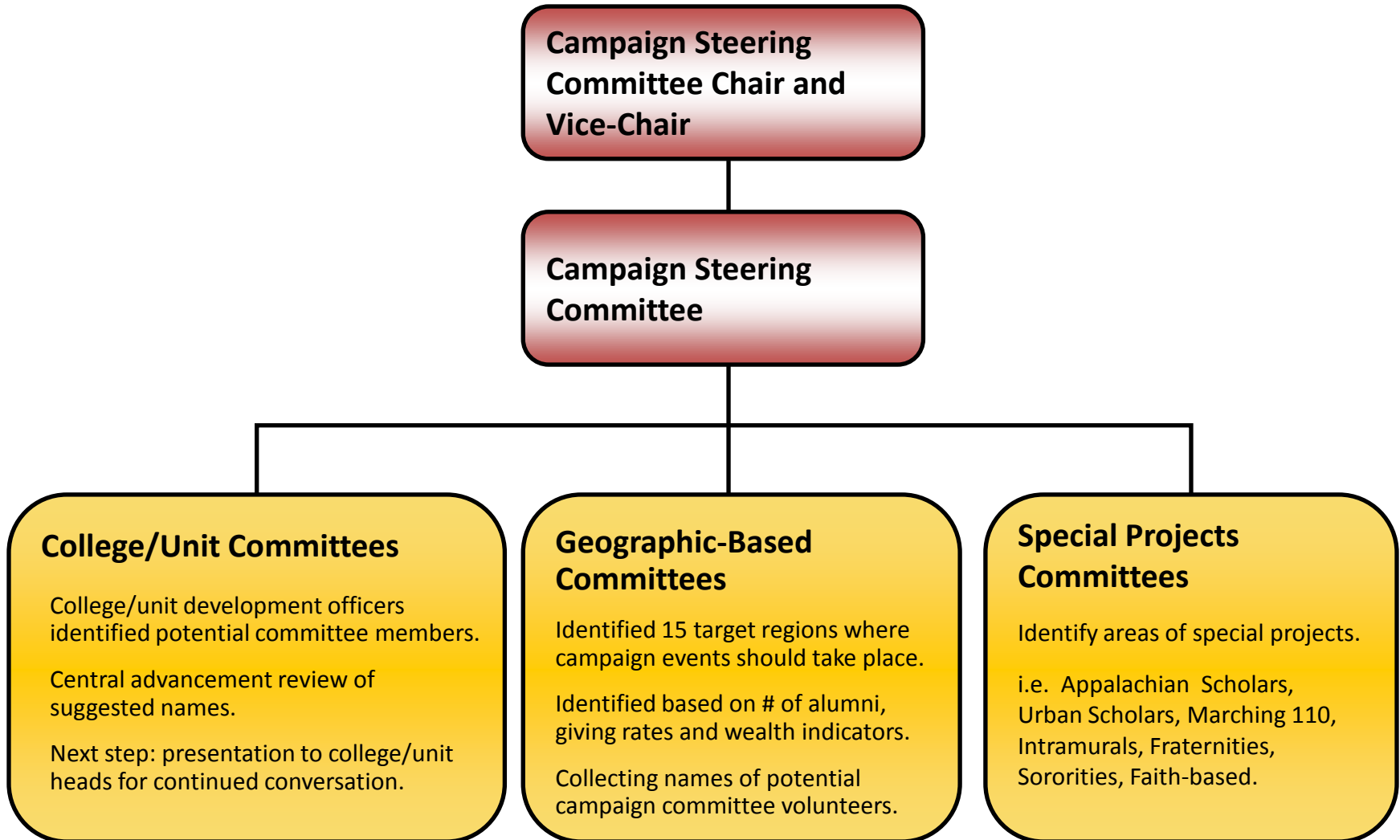


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Campaign Goal Approval Process



Campaign Volunteer Structure



Memo

To: Trustees of Ohio University and The Ohio University Foundation, Directors of the Alumni Association, Deans and Executive Officers of Ohio University

From: Howard R. Lipman, Vice President of University Advancement
President & CEO of The Ohio University Foundation

Date: 5/11/2010

Re: Fundraising Report for April 2009/2010

During April, Ohio University received \$731,000 in new gifts and commitments against our \$2,000,000 goal for the month. This brings our fundraising total for FY2009/2010 to \$49,264,000 against our "to-date" goal of \$17,000,000 (290%).

Highlights for April include the following major gifts:

- ◆ \$100,000 to support international programming for the University of Pecs and the College of Business.
- ◆ \$50,000 to support the Men's Basketball Enhancement Fund in Intercollegiate Athletics.
- ◆ \$33,000 to support the E.W. Scripps School of Journalism.
- ◆ \$20,000 to support the Sports Administration Program.
- ◆ New proposals in the amount of \$816,000 were presented in the month of April, against the month's proposal goal of \$751,000. Proposals to-date in the fiscal year total \$61,251,000.

Division of University Advancement
FY10 Fundraising Report
Gifts and Commitments as of 4/30/10

Total Gifts and Commitments (in Thousands): By Donor Type									
Donor Type	April			Fiscal Year				YTD Goal	YTD %
	Goal	Actual	Variance	Goal	Actual	Variance	FY %		
Alumni	\$1,200	\$303	(\$897)	\$13,200	\$44,741	\$31,541	339%	\$10,200	439%
Other Individuals	\$400	\$99	(\$301)	\$4,400	\$1,264	(\$3,136)	29%	\$3,400	37%
Corporations	\$80	\$65	(\$15)	\$880	\$1,062	\$182	121%	\$680	156%
Foundations	\$300	\$150	(\$150)	\$3,300	\$1,188	(\$2,112)	36%	\$2,550	47%
Organizations	\$20	\$114	\$94	\$220	\$1,009	\$789	459%	\$170	593%
Total	\$2,000	\$731	(\$1,269)	\$22,000	\$49,264	\$27,264	224%	\$17,000	290%
Other Gift Types:									
Gifts In Kind					\$47				
Planned Gifts - Revocable					\$665				
Pledge Payments					\$2,302				
Bequest Payments					\$196				
Total Gifts					\$52,474				

Total Gifts and Commitments (in Thousands): By Donor Type						
Donor Type	April			Fiscal Year		
	Outright Gifts	New Pledges	Total	Outright Gifts	New Pledges	Total
Alumni	\$138	\$165	\$303	\$15,562	\$29,179	\$44,741
Other Individuals	\$77	\$22	\$99	\$979	\$285	\$1,264
Corporations	\$65	\$0	\$65	\$790	\$273	\$1,062
Foundations	\$150	\$0	\$150	\$1,188	\$0	\$1,188
Organizations	\$114	\$0	\$114	\$662	\$347	\$1,009
Total	\$544	\$187	\$731	\$19,181	\$30,083	\$49,264

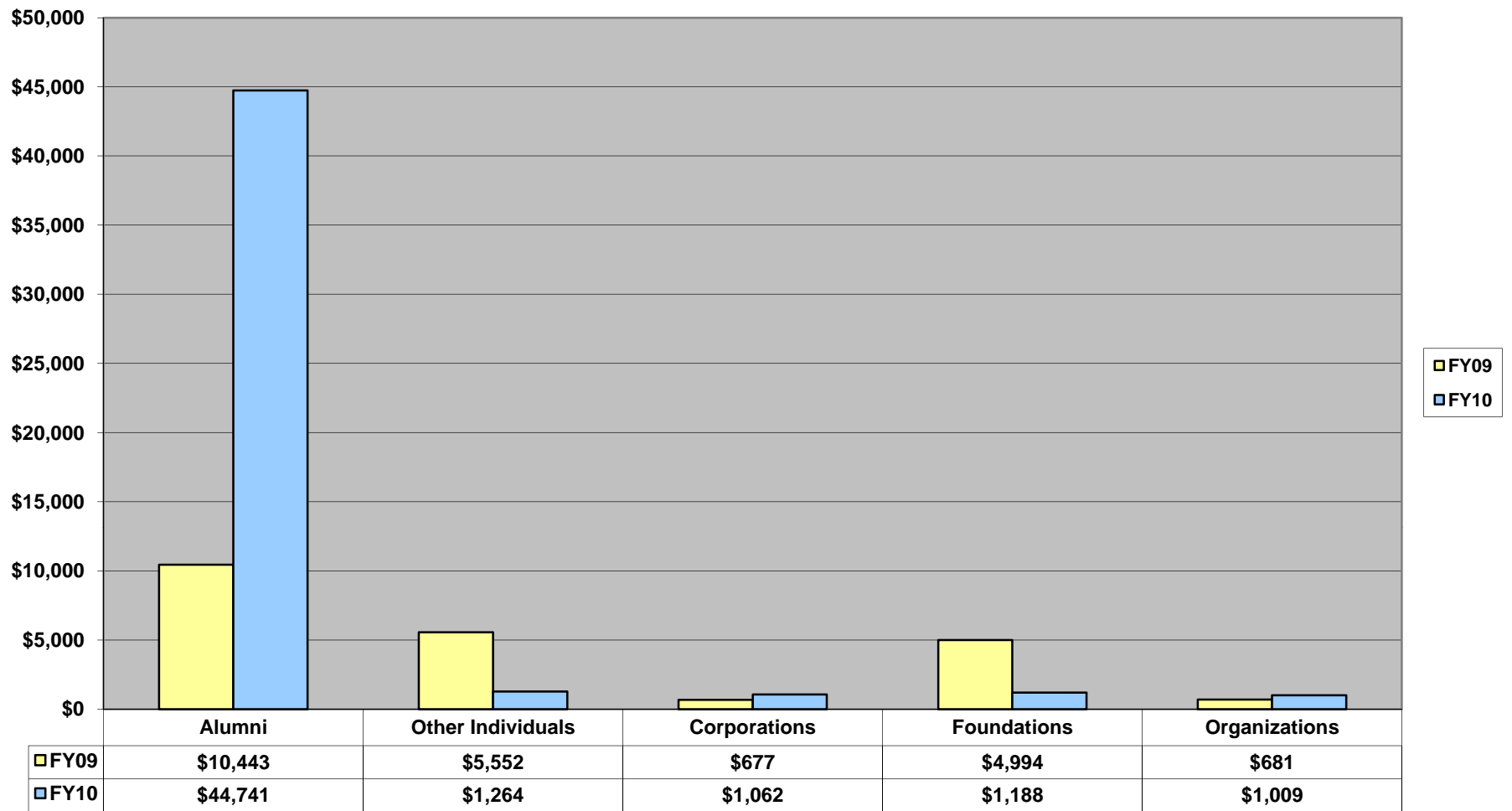
Major Gift Solicitation Activity (in Thousands): "Asks"							
Donor Type	April			Fiscal Year			All Pending
	Goal	Total Ask	Variance	Goal	Total Ask	Funded	
Alumni	\$450	\$181	(\$269)	\$36,750	\$56,749	\$43,875	\$12,968
Other Individuals	\$150	\$0	(\$150)	\$12,250	\$1,881	\$872	\$1,908
Corporations	\$30	\$0	(\$30)	\$2,450	\$863	\$243	\$1,082
Foundations	\$113	\$335	\$222	\$9,188	\$852	\$795	\$30
Organization	\$8	\$300	\$292	\$613	\$1,114	\$427	\$23
Total	\$751	\$816	\$65	\$61,251	\$61,459	\$46,213	\$16,010

Asks are documented written solicitations in which a major gift prospect is asked for a specific dollar amount for a specific purpose.

**Division of University Advancement
FY10 Fundraising Report 4/30/10
Constituent Groups**

Gifts and Commitments (in Thousands)									
By Academic and Other Units									
College/Unit	April			Fiscal Year					
	Goal	Total	Variance	Goal	Gifts	New Pledges	Total	Variance	%
College of Arts and Sciences	\$50	\$27	(\$23)	\$1,375	\$427	\$361	\$788	(\$587)	57%
College of Business	\$200	\$158	(\$42)	\$3,000	\$1,149	\$164	\$1,313	(\$1,687)	44%
Scripps College of Communication	\$100	\$96	(\$4)	\$1,800	\$799	\$254	\$1,054	(\$746)	59%
College of Education	\$50	\$24	(\$26)	\$500	\$6,855	\$28,135	\$34,989	\$34,489	6998%
Russ College of Engineering & Technology	\$75	\$38	(\$37)	\$1,850	\$181	\$263	\$444	(\$1,406)	24%
College of Fine Arts	\$50	\$17	(\$33)	\$500	\$7,254	\$29	\$7,283	\$6,783	1457%
College of Health and Human Services	\$50	\$50	\$0	\$500	\$218	\$83	\$300	(\$200)	60%
Honors Tutorial College	\$5	\$6	\$1	\$75	\$70	\$10	\$80	\$5	106%
College of Osteopathic Medicine	\$25	\$12	(\$13)	\$750	\$457	\$350	\$808	\$58	108%
University College	\$5	\$33	\$28	\$75	\$19	\$77	\$96	\$21	128%
Intercollegiate Athletics	\$50	\$96	\$46	\$500	\$354	\$93	\$448	(\$52)	90%
University Libraries	\$20	\$6	(\$14)	\$250	\$64	\$19	\$83	(\$167)	33%
Cutler Scholarship Program	\$50	\$6	(\$44)	\$1,500	\$114	\$1	\$115	(\$1,385)	8%
Student Affairs	\$0	\$20	\$20	\$179	\$60	\$119	\$179	\$0	100%
Chillicothe Campus	\$0	\$3	\$3	\$49	\$49	\$1	\$49	\$0	100%
Eastern Campus	\$0	\$3	\$3	\$27	\$25	\$2	\$27	\$0	100%
Lancaster Campus	\$0	\$2	\$2	\$13	\$10	\$3	\$13	\$0	100%
Southern Campus	\$0	\$18	\$18	\$65	\$61	\$4	\$65	\$0	100%
Zanesville Campus	\$0	\$0	\$0	\$36	\$35	\$1	\$36	\$0	100%

Year to Date Comparison of Gifts and Commitments (in Thousands) as of 04/30/2010





Interoffice Communication

Date: May 25, 2010

To: The President and Board of Trustees

From: Michael T. Angelini
Interim 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 June 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 March 31, 2010.

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 17.97% compared to a policy index of 16.96%. The calendar year-to-date composite return was 3.03% compared to a policy index of 2.59%. The return target for the portfolio is 9.0% with a standard deviation of 15.3%. 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 bond principal outstanding. This includes tax-exempt and taxable bonds issued by the University, as well as 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 and The Ohio University Foundation - Endowment and Diversified Pool Investments
As of March 31, 2010

	Account	% of Portfolio	Market Value	1 Month	3 Month	Year to Date	FYTD	1 Year	2 Year	3 Years	5 Years	ITD	Inception Date
Cash & Fixed Income	Short-term Cash	0.34%	\$ 1,156,861	0.01	0.05	0.05	0.20	--	--	--	--	0.20	7/31/2009
	ML 91-Day T-Bill Index			0.00	0.01	0.01	0.12	--	--	--	--	0.12	7/31/2009
	Pimco Total Return Fund	12.85%	\$ 43,623,148	0.70	2.97	2.97	10.22	15.43	9.02	9.61	--	9.48	7/31/2006
	BarCap Aggregate Bond Index			(0.12)	1.78	1.78	5.81	7.69	5.38	6.14	--	6.71	7/31/2006
	Student Fixed Income	0.30%	\$ 1,028,454	(0.15)	1.12	1.12	2.93	4.42	2.30	3.70	--	3.87	3/31/2006
	BarCap Aggregate Bond Index			(0.12)	1.78	1.78	5.81	7.69	5.38	6.14	--	5.87	3/31/2006
	Vanguard TIPS	2.37%	\$ 8,042,934	0.06	0.43	0.43	--	--	--	--	--	4.45	9/30/2009
	Vanguard TIPS BM			0.06	0.43	0.43	--	--	--	--	--	4.45	9/30/2009
Total Cash & Fixed Income		15.87%	\$ 53,851,396	0.59	2.51	2.51	9.53	14.64	8.51	9.23	--	7.75	12/31/2005
<i>Custom Benchmark</i>				<i>(0.09)</i>	<i>1.55</i>	<i>1.55</i>	<i>5.60</i>	<i>7.48</i>	<i>5.28</i>	<i>6.07</i>	<i>--</i>	<i>5.78</i>	<i>12/31/2005</i>
U.S. Equity	Student Equity Account	0.35%	\$ 1,198,145	6.26	7.49	7.49	29.37	47.74	(2.37)	(1.62)	3.02	2.45	7/31/2004
	Russell 3000			6.30	5.94	5.94	30.49	52.44	(2.94)	(3.99)	2.39	3.06	7/31/2004
	Cadence	2.05%	\$ 6,959,389	6.55	6.07	6.07	23.03	39.82	(8.41)	(6.79)	--	(4.42)	5/31/2006
	Russell 2000 Growth			7.95	7.61	7.61	29.95	60.32	1.01	(2.42)	--	(1.40)	5/31/2006
	Bernzott	2.90%	\$ 9,847,144	7.29	9.22	9.22	26.26	50.96	6.90	(5.33)	--	(2.37)	9/30/2006
	Russell 2000 Value			8.32	10.02	10.02	39.89	65.07	0.43	(5.71)	--	(1.81)	9/30/2006
	HC Large Cap Growth	11.58%	\$ 39,284,391	5.48	3.23	3.23	--	--	--	--	--	3.23	1/31/2010
	Russell 1000 Growth			5.78	4.65	4.65	--	--	--	--	--	4.65	1/31/2010
	HC Large Cap Value	9.70%	\$ 32,919,720	6.94	6.54	6.54	--	--	--	--	--	6.54	1/31/2010
	Russell 1000 Value			6.51	6.78	6.78	--	--	--	--	--	6.78	1/31/2010
Total U.S. Equity		26.58%	\$ 90,208,788	6.30	5.53	5.53	28.40	49.93	(2.68)	(3.92)	--	0.77	1/31/2006
<i>Russell 3000</i>				<i>6.30</i>	<i>5.94</i>	<i>5.94</i>	<i>30.49</i>	<i>52.44</i>	<i>(2.94)</i>	<i>(3.99)</i>	<i>--</i>	<i>0.86</i>	<i>1/31/2006</i>
Global Ex U.S. Equity	Alliance Bernstein	6.47%	\$ 21,963,517	8.69	1.32	1.32	29.55	64.78	(16.25)	(12.85)	--	(6.81)	5/31/2006
	MSCI EAFE			6.31	0.94	0.94	23.33	55.20	(8.62)	(6.55)	--	(1.59)	5/31/2006
	HC International	9.45%	\$ 32,073,637	6.70	1.13	1.13	--	--	--	--	--	9.32	9/30/2009
	MSCI EAFE			6.31	0.94	0.94	--	--	--	--	--	7.15	9/30/2009
	Aberdeen	3.57%	\$ 12,107,888	8.98	5.17	5.17	38.33	95.56	8.02	11.35	--	17.79	7/31/2006
	MSCI EMF			8.08	2.45	2.45	34.64	81.55	(1.82)	5.46	--	11.07	7/31/2006
	HC Emerging Markets	0.52%	\$ 1,768,650	8.42	--	--	--	--	--	--	--	9.02	2/28/2010
	MSCI EMF			8.08	--	--	--	--	--	--	--	8.48	2/28/2010
Total Global Ex U.S. Equity		20.01%	\$ 67,913,693	7.79	1.53	1.53	26.34	61.00	(9.01)	(6.10)	--	3.03	12/31/2005
<i>MSCI ACWI ex US</i>				<i>6.85</i>	<i>1.66</i>	<i>1.66</i>	<i>26.36</i>	<i>61.67</i>	<i>(6.72)</i>	<i>(3.72)</i>	<i>--</i>	<i>4.99</i>	<i>12/31/2005</i>
Total Equity		46.60%	\$ 158,122,480	6.93	3.85	3.85	27.38	--	--	--	--	27.38	7/31/2009
<i>Custom Benchmark</i>				<i>6.54</i>	<i>4.12</i>	<i>4.12</i>	<i>28.64</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>28.64</i>	<i>7/31/2009</i>
Absolute Return	Arden	4.86%	\$ 16,483,227	1.01	2.03	2.03	9.39	13.87	(2.09)	(0.51)	3.86	4.39	5/31/2004
	Federal Street	4.54%	\$ 15,407,483	2.57	2.31	2.31	12.30	18.06	(5.32)	(4.13)	--	1.43	1/31/2006
	Mariner	4.95%	\$ 16,783,863	1.37	1.56	1.56	7.32	11.87	(1.22)	(1.30)	--	1.03	1/31/2006
	Post Advisory	3.18%	\$ 10,795,805	1.31	4.07	4.07	16.64	32.22	--	--	--	4.47	7/31/2008
	LibertyView*	0.94%	\$ 3,179,788	0.00	0.00	0.00	(41.67)	(41.67)	(40.77)	(30.86)	(16.83)	(14.18)	5/31/2004
Total Absolute Return Strategies		17.52%	\$ 59,470,378	1.57	2.33	2.33	10.78	15.72	(2.06)	(1.65)	--	2.30	12/31/2005
<i>HFRI FoF Index</i>				<i>1.69</i>	<i>1.45</i>	<i>1.45</i>	<i>7.49</i>	<i>12.66</i>	<i>(3.64)</i>	<i>(1.69)</i>	<i>--</i>	<i>2.30</i>	<i>12/31/2005</i>
<i>ML 91-Day T-Bill Index +3%</i>				<i>0.26</i>	<i>0.77</i>	<i>0.77</i>	<i>0.77</i>	<i>3.17</i>	<i>3.69</i>	<i>4.99</i>	<i>--</i>	<i>5.86</i>	<i>12/31/2005</i>
<i>BarCap Aggregate Bond Index</i>				<i>(0.12)</i>	<i>1.78</i>	<i>1.78</i>	<i>5.81</i>	<i>7.69</i>	<i>5.38</i>	<i>6.14</i>	<i>--</i>	<i>5.83</i>	<i>12/31/2005</i>
Real Assets	Commonfund	1.70%	\$ 5,768,885	(1.10)	(4.06)	(4.06)	14.22	30.05	(15.92)	--	--	(10.67)	11/30/2007
	Wellington	1.77%	\$ 6,005,038	3.22	(0.19)	(0.19)	20.98	43.93	(11.36)	--	--	(9.79)	11/30/2007
	DJ AIG Commodities Index			(1.24)	(5.03)	(5.03)	7.94	20.53	(18.58)	--	--	(11.89)	11/30/2007
	HC REITs	0.55%	\$ 1,852,087	9.55	8.98	8.98	--	--	--	--	--	25.06	9/30/2009
DJ U.S. Select RESI				10.29	10.15	10.15	--	--	--	--	--	28.67	9/30/2009
Total Real Assets		4.02%	\$ 13,626,011	2.13	(0.75)	(0.75)	19.35	38.83	(13.03)	--	--	(9.65)	11/30/2007
<i>Real Assets Benchmark</i>				<i>0.22</i>	<i>(3.16)</i>	<i>(3.16)</i>	<i>10.78</i>	<i>23.71</i>	<i>(17.51)</i>	<i>--</i>	<i>--</i>	<i>(10.93)</i>	<i>11/30/2007</i>
OU Total ex Private Equity		84.94%	\$ 288,250,053	4.27	3.02	3.02	18.17	32.89	(2.86)	(1.98)	3.08	3.80	12/31/2003
<i>Total Policy Benchmark</i>				<i>3.60</i>	<i>2.59</i>	<i>2.59</i>	<i>16.96</i>	<i>31.81</i>	<i>(0.65)</i>	<i>(0.05)</i>	<i>4.48</i>	<i>5.71</i>	<i>12/31/2003</i>
Total PE		15.06%	\$ 51,104,737	3.05	3.12	3.12	16.27	10.56	1.33	6.10	6.25	5.83	1/31/2003
OU Total		100.00%	\$ 339,354,790	4.08	3.03	3.03	17.97	29.59	(2.65)	(1.42)	3.53	5.56	12/31/2002

*LibertyView is not a member of the Total Absolute Return Strategies Composite but is included in the Total Composites

The Ohio University Foundation
As of March 31, 2010

Account	Vintage Year	Committed Capital	Contributed Capital	Total Distributions	% of Portfolio	Reported Valuation*	Valuation Date	Adjusted Valuation**	IRR since Inception
Private Equity									
Adena Ventures	2002	2,375,000	2,375,000	183,376	0.13%	449,951	9/30/2009	449,951	(26.49)
AIG Highstar Capital III, L.P.	2007	4,200,000	3,873,859	462,146	0.88%	2,945,773	9/30/2009	2,991,832	(7.03)
AIG Private Equity Portfolio II, LP	2001	5,000,000	4,921,004	5,280,165	0.60%	2,037,016	9/30/2009	2,037,016	11.51
Altus Capital SBIC Parent	2003	2,000,000	1,329,652	409,675	0.80%	2,710,687	12/31/2009	2,710,687	23.61
Athenian Venture Partners, L.P.	1997	1,107,093	1,107,093	1,106,864	0.11%	358,341	12/31/2009	358,341	7.59
Athenian Ventures II, L.P.	2000	2,500,000	2,500,000	897,171	0.39%	1,338,607	12/31/2009	1,338,607	(1.97)
Athenian Venture Partners III, L.P.	2005	2,500,000	1,173,749	-	0.21%	647,804	12/31/2009	696,554	(20.90)
CRM 2000 Enterprise Fund IV	2002	2,000,000	1,200,000	877,981	0.27%	911,667	12/31/2009	911,667	6.84
Diagnostic Hybrids, Inc	1991	3,234,870	3,234,870	1,098,986	1.33%	4,519,665	12/31/2009	4,519,665	5.86
Kirtland Capital Partners IV, L.P.	2002	3,000,000	2,548,691	-	0.40%	1,348,399	12/31/2009	1,348,399	(17.78)
Lexington Capital Partners VI-A, L.P.	2006	5,000,000	4,083,949	978,182	0.85%	2,926,102	12/31/2009	2,886,731	(2.86)
Lighthouse Capital Partners VI, L.P.	2007	5,000,000	3,875,000	149,720	1.15%	4,018,505	12/31/2009	3,908,785	2.54
Mesirow Partnership Fund IV, LP	2008	2,500,000	774,879	12,876	0.18%	531,029	12/31/2009	606,029	(15.39)
OCM Real Estate Opportunities Fund III, L.P.	2002	3,000,000	3,000,000	2,940,000	0.48%	1,759,230	12/31/2009	1,624,230	11.20
OCM Real Estate Opportunities Fund IV	2008	6,000,000	3,300,000	105,581	1.10%	3,431,249	12/31/2009	3,731,249	11.99
Paul Capital Healthcare III-A	2008	2,500,000	1,508,144	453,284	0.31%	484,395	9/30/2009	1,050,658	(2.96)
PIMCO Distressed Senior Credit Opps Offshore Fund	2008	10,000,000	10,000,000	744	3.84%	13,028,141	12/31/2009	13,028,141	21.59
Siguler Guff Distressed Opportunities II, L.P.	2006	5,000,000	5,000,000	1,672,870	1.39%	4,835,483	12/31/2009	4,724,784	11.17
Siguler Guff Distressed Opportunities Fund III	2008	2,500,000	1,750,000	74,539	0.60%	1,884,120	12/31/2009	2,021,711	17.05
Transwestern Mezzanine Realty Partners III, L.L.C.	2008	5,000,000	996,893	135,994	0.05%	159,700	12/31/2009	159,700	(85.14)
Total PE		74,416,963	58,552,783	16,840,154	15.06%	50,325,864		51,104,737	

*Reported Valuation: Market value reported by the investment manager as of the valuation date.

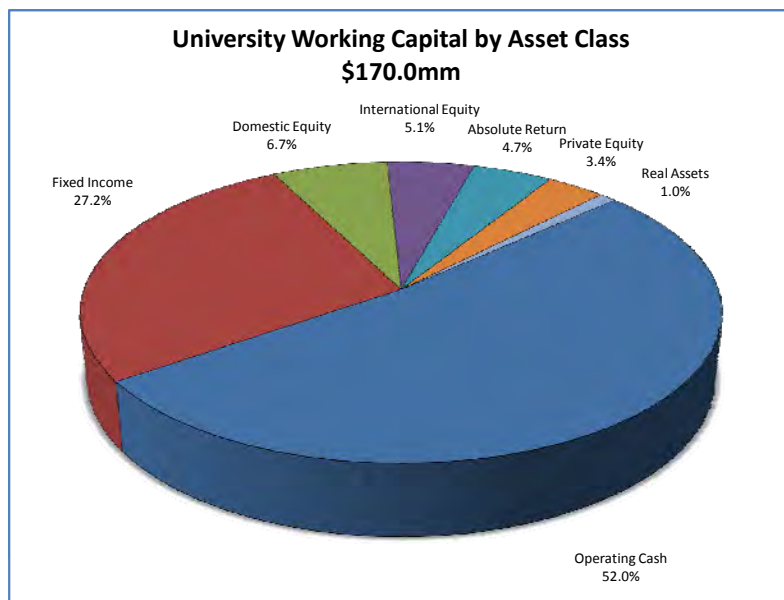
**Adjusted Valuation: Estimated market value based on the reported valuation plus or minus any capital calls or distributions occurring between the valuation date and the report date.

Ohio University and The Ohio University Foundation

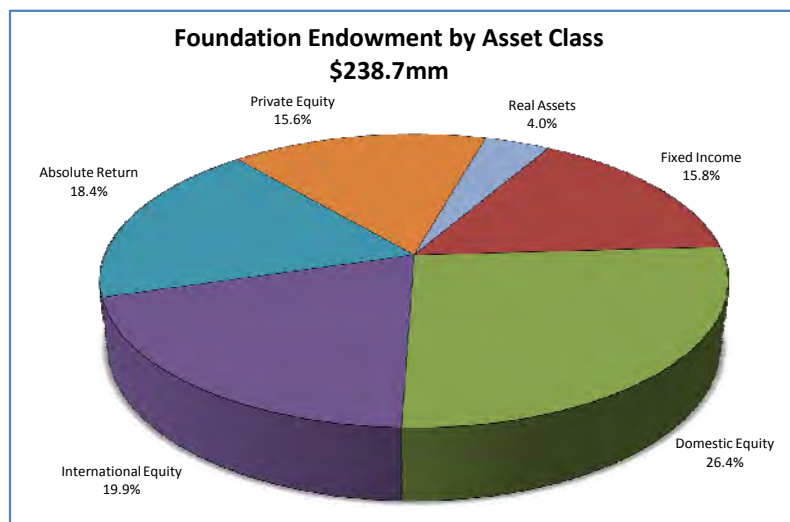
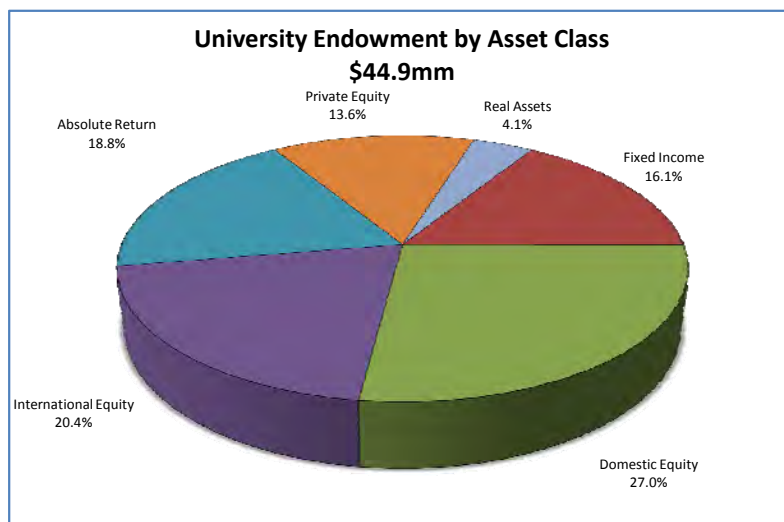
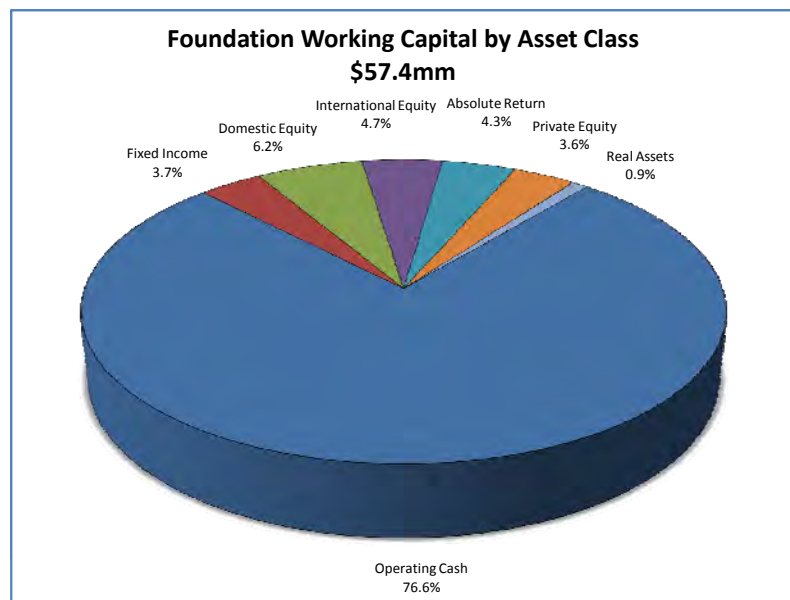
Investment Pool Composition

as of March 31, 2010

University Working Capital			
	Amount	Actual %	Target %
Cash Pool	\$93,794,961	55.2%	25.0%
Liquidity Pool	33,928,289	20.0%	50.0%
Diversified Pool	42,295,962	24.8%	25.0%
Total Working Capital Investments	\$170,019,212	100.0%	100.0%



Foundation Working Capital			
	Amount	Actual %	Target %
Cash Pool	\$43,996,242	76.6%	25.0%
Diversified Pool	13,438,441	23.4%	75.0%
Total Working Capital Investments	\$57,434,683	100.0%	100.0%



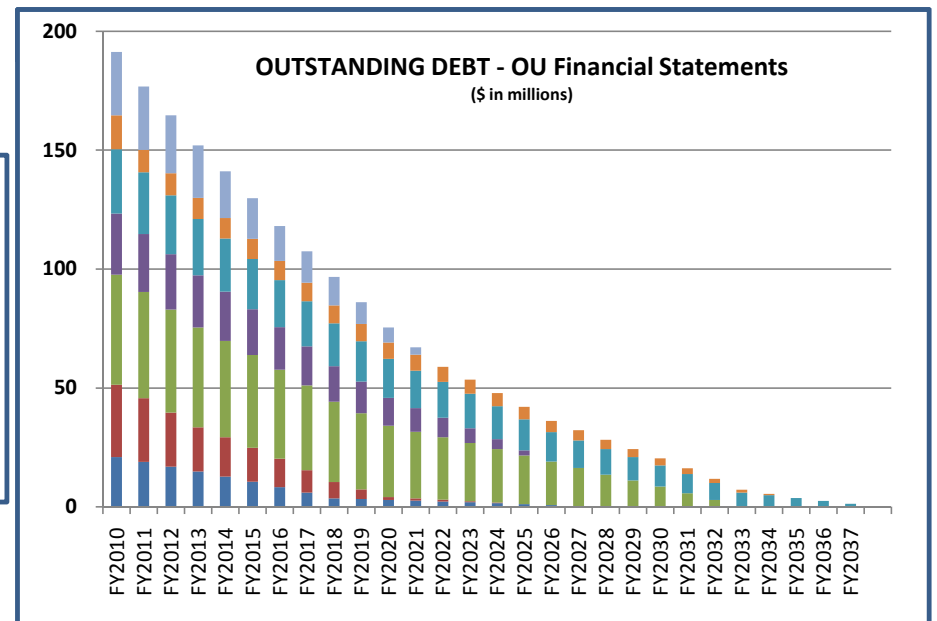
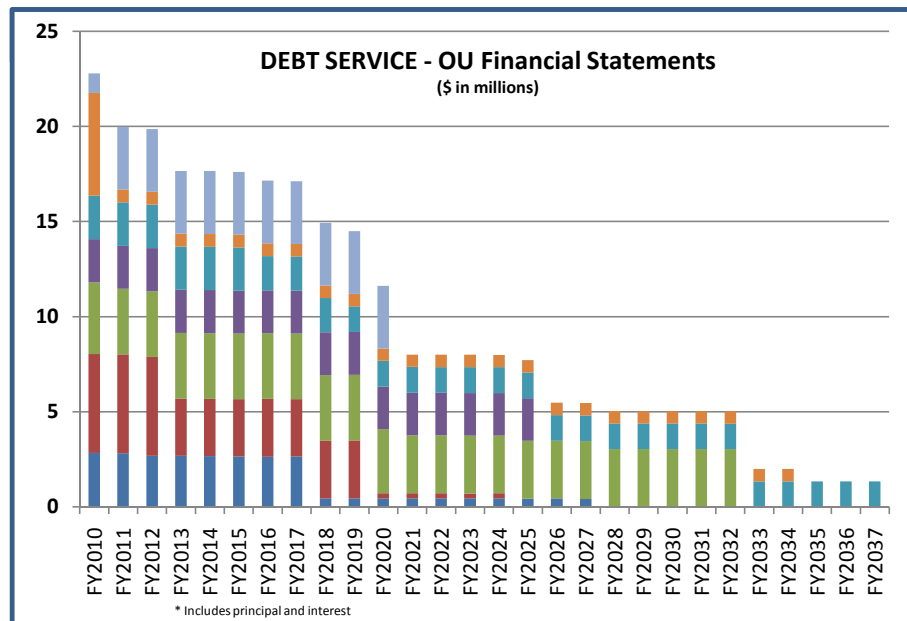
Ohio University
Investment Loan Fund
July 01, 2009 to June 30, 2010

**single payment for the fiscal year*

<u>Investment Loan</u>	<u>Loan Approval Date</u>	<u>Loan Expiration Date</u>	<u>Authorized Draw Amount</u>	<u>Interest</u>	<u>Payments</u>	<u>Net Outstanding</u>
- 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 March 31, 2010**

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	FY2030	28.9	28.2	27.5
Ohio University Outstanding Debt (OU Credit)						
TOTAL				220.1	205.0	192.1





Interoffice Communication

Date: May 24, 2010

To: The President and Board of Trustees

From: Michael T. Angelini
Interim Senior Vice President for Finance and Administration and Treasurer

Re: **Quasi-Endowment Discussion**

Included on the Resources Committee Agenda for the June 2010 Board of Trustees meeting is a discussion regarding the use of quasi-endowments. In many institutions, these financial instruments are established by a governing board to function like an endowment fund, including the investment of funds within a typical endowment asset allocation. The key difference is that these funds may be totally expended at any time at the discretion of the governing board.

Under a former administration, the University's Board of Trustees approved a resolution which states "the Treasurer and Vice President of Ohio University, be and hereby is, directed and authorized to implement and administer policies and procedures to manage quasi endowment portfolios". Prior administrations cited this language as the authority for the Vice President of Finance to create quasi-endowments. As a result, several quasi-endowments have been created, mainly by units receiving royalty income proceeds, and those funds have been earmarked for important initiatives by the planning units. The investment of these funds is made into the University's diversified portfolio which can, at times, be exposed to tremendous volatility and impairment.

Quasi-endowments can serve important purposes, but acting as general purpose reserve accounts, especially for potentially short-term obligations, should not be one of them. The purpose of this discussion will be to ensure the Board members' understanding of these instruments and the process which will be used to request Board approval of appropriate existing quasi-endowments and future quasi-endowments. Until such approval is established, existing quasi-endowments will be suspended and removed from the University's diversified portfolio.

I look forward to our discussion, and I will be happy to answer any questions you may have about the materials prior to or during the June Board meeting.



Interoffice Communication

Date: May 24, 2010

To: The President and Board of Trustees

From: Michael T. Angelini
Interim Senior Vice President for Finance and Administration and Treasurer

Re: **CONSTRUCTION PROJECT APPROVAL REQUESTS**

The following three construction projects in excess of \$500,000 in total project costs are presented to the Board for construction project approval or scope revision. A resolution is provided that addresses all three of these projects.

East Union Street Chilled Water Piping:

This project works in conjunction with a City of Athens grant funded project to rehabilitate the section of East Union Street known as “Jeff Hill.” The city’s project will repave the section of roadway, replace underground utility piping, and reopen the section of the street to one-way west bound traffic. The University will take advantage of the opportunity of the street being excavated to install a chilled water utility line that will ultimately serve the Scripps College of Communication Rehabilitation project of the former Baker Center, as well as other buildings in the future such as Putnam and Glidden Halls. Central production of chilled water is about 30% less costly (energy and labor costs) than distributed production. This project supports the Campus Master Plan and our strategic focus on infrastructure improvements.

The project budget is \$670,000 and is funded through state appropriations.

University Airport RSA/MALSR:

This Runway Safety Area Medium Intensity Airfield Lighting System Requirement (RSA/MALSR) project was first brought to the Board’s attention in June 2007 when the Federal Aviation Administration (FAA) made design funding available. The MALSR equipment was donated by the manufacturer and we are pleased to report that FAA grant funding has now been made available for construction and the project can move forward for implementation. The project includes excavation, grading, and resurfacing of sections of the runway and installation of a sophisticated and precise approach lighting system. This new system benefits our Avionics Engineering department and supports their research.

The overall project budget is \$1,120,000. The fund sources are \$1,064,000 from FAA grants, and \$56,000 from the Airport Auxiliary that serves as the 5% required grant match.

FY2011 West Green Infrastructure and Landscape Project:

This project is presented for an increase in project budget from \$1.5 to \$1.7 million. The increase in cost is due to poor soil conditions and challenges in accessing underground sewer piping than expected. The project continues to be fully funded from the Housing Auxiliary. Underground storm water, sewer lines, and gas lines will be replaced on the portion of the green flanked by Irvine, Wilson, James, and Sargent Halls. This project supports the Campus Master Plan and our strategic focus on infrastructure improvements. The walkways will be replaced and plant material will be replaced and added. An improved fire lane access will be developed off Richland Avenue as requested by the Athens City Fire Department. The project covers much, but not all of West Green. At least one more phase is anticipated in the future which will address areas adjacent to Boyd Hall and Richland Avenue.

Please let me know if you have questions about any of these projects.

Construction Projects

Tab



OHIO
UNIVERSITY

Construction Projects Agenda

- East Union Street Chilled Water Piping
- University Airport RSA/MALSR
- FY2011 West Green Infrastructure and Landscape Project



OHIO
UNIVERSITY

Construction Projects

East Union Street Chilled Water Piping

- Project will install a chilled water utility line in conjunction with the City of Athens grant funded Project to rehabilitate "Jeff Hill"
- The line will eventually serve Scripps College / Baker Center and other buildings in future
- Total Budget: \$670,000
- Fund Source: State Capital Appropriations



Construction Projects

University Airport RSA/MALSR

- Runway Safety Area (RSA) excavation, regrading and resurfacing
- Medium intensity airfield lighting system requirement (MALSR)
- Total Budget: \$1,120,000
 - \$ 1,064,000 FAA Grants
 - \$ 56,000 Airport Auxiliary



Construction Projects

FY2011 West Green Infrastructure and Landscape Project

- New fire lane access
- Improved handicapped accessibility
- Replace walkways and landscaping
- Replacement of underground utility lines
- Increase in original project budget due to poor soil conditions and underground challenges
- Revised Total Budget: 1,700,000
- Fund Source: Housing Auxiliary Reserve



Interoffice Communication

Date: May 24, 2010

To: The President and Board of Trustees

From: Michael T. Angelini
Interim Senior Vice President for Finance and Administration and Treasurer

Re: **Contract Ratification**

At the June Board of Trustees meeting I will be asking for ratification of one-year extension of the contract between Ohio University and The Fraternal Order of the Police, Ohio Labor Council, Inc. (FOP). The extension commences July 1, 2010 and expires Midnight, June 30, 2011. The FOP bargaining unit approved the contract extension at a meeting of their membership held May 10, 2010.

Included with your board materials is a resolution for action and information on negotiation highlights.

I will be happy to answer any questions you may have prior to or during that meeting.

Ohio University Board of Trustees
University Academics Committee
Thursday, June 24, 2010
3:30 p.m., Margaret M. Walter Hall, Rm. 235

Trustees: Norman "Ned" Dewire, acting chair; Yvette McGee Brown; Frank P. Krasovec; Kyle Triplett, Student Trustee; Scott Titsworth, Faculty Representative

Present: Pam Benoit, Exec. V.P. and Provost; Brice Bible, Chief Information Officer

Guests: Craig Cornell, Tom Davis, David Descutner, Dan Evans, Steve Flaherty, Becky Watts, Mike Williford

Consent Agenda:

1. Regional Coordinating Councils
 - a. Chillicothe Campus
 - i. Tim Colburn: 3-year term appointment July 1, 2010 through June 30, 2013
 - b. Lancaster Campus
 - i. Carri Brown: reappointment July 1, 2010 through June 30, 2013
 - ii. Michael Courtney: 3-year term appointment July 1, 2010 through June 30, 2013
 - c. Southern Campus
 - i. James A. Payne: Reappointment July 1, 2010 through June 30, 2013
 - d. No discussion, will report to full board.
- Promotion and Tenure
 - e. Reviewed material, will recommend approval to full board.
2. Lancaster Electronic Media Program
 - a. This report is a response to an earlier seven-year program review which identified two issues requiring correction. These were support and facilities investment. Support has been increased through personnel hiring; adequacy of facilities and investment have been addressed. EVP-Provost Benoit is satisfied with results of these actions.
 - b. Reviewed material, will make recommendation to full board.

Report from Exec. V. P. and Provost Benoit: Toward a Sustainable University

1. Our aim is to sustain our environment while preserving academic excellence.
 - a. In keeping with our final draft mission statement, "The best transformative learning community where students realize their promise, faculty advance knowledge, and alumni become global leaders," our activities will include these areas.
 - i. Consistent income: Majority has come from state subsidy (SSI), a source now eroded. Our reliance must now be on tuition and other sources. In addition to scholarships, affordability can be supported through a number of creative initiatives.

1. Example: New textbook software to be introduced this fall, will reduce cost and increase efficiency by creating transparency for faculty and students. Text costs are easily seen and compared via this program. Student Trustee Triplett thinks this will be helpful in making informed choices.
 - a. Electronic texts will also be changing this environment; Bible reported that a survey of student preferences revealed a choice of print over electronic texts.
2. Is SSI expected to continue to decrease? Yes and making up the difference by raising tuition is one way to fill the gaps. It is difficult to make assumptions on how gaps between SSI and costs will be filled.
3. Does income from faculty research offset costs? Costs of research often exceed income from research.
4. Since subsidy is competitive, how are we maximizing our opportunities for SSI? We are working on a variety of requirements to increase SSI such as growing enrollment.
2. Enrollment: Capacity Analysis
 - a. Five-year analysis of factors affecting enrollment completed.
 - i. Focus is on targeted, structured growth to fund instructional support and infrastructure needs.
 - ii. Expansion of critical capacity will be done in stages to give us minimal impact on capacity with greatest revenue gains.
 1. How do we plan to sustain our record-high enrollments? We can expand critical capacity by targeting areas where we have demand such as nursing and allied health.
3. Compensation
 - a. Ohio's faculty compensation is consistently in the middle of that offered by other state institutions.
 - i. We appear to be trending along with other schools; our increases for next year are in line.
 - b. We have a hiring freeze in place; no hires of Group I faculty at this time.
 - c. Are our benefits in line with others? Benefits vary among institutions making it difficult to determine our standing. We cost our benefits across all employee types; other institutions make calculations based on usage resulting in inability to make comparisons.

Report from Chief Information Officer Brice Bible

1. RUFUS Initiative
 - a. PeopleSoft is coming along well; identity management; University Portal; Enterprise reporting and intelligence (data warehouse for all units and services); degree audit and security review are all on schedule.

- i. How are we managing security? Security is managed through monitoring of thousands of attacks daily using a variety of tools. A series of barriers to access and monitor security holes are in place. The security system is continually reviewed to ensure protection.
 - b. Budget for RUFUS is on track; forecast is under budget and contingency funds are available should other projects become necessary.
 - c. Financial Aid is currently testing their financial packages in the system ahead of schedule.
 - d. Training resources are in place.
 - e. Is software acquisition being coordinated at the state level? Yes, half of Ohio schools are using People Soft. We are working on partnerships with Bowling Green and Akron for common buying and sharing technical talent. The USO is also contributing to collaborative buying. An initiative to create shared virtual data centers among universities and the Board of Regents will provide secure sites for backup systems.
2. NextGen
- a. Replacement of networks on all campuses is ahead of schedule. Access control is critical and solutions are being identified.
3. Improved IT Efficiencies
- a. Reductions in servers resulted in 218 eliminations and 65 migrations to OIT support in a period of nine months. Savings of kilowatt hours and associated costs is significant.
4. Other activities:
- a. Upgrades: Internet Connection, Blackboard, Enterprise Applications
 - b. Unified Communications Strategy Implementation (email/calendar)
 - c. Broadband Stimulus: due diligence phase
 - d. Service Model Review
 - e. Staff realignments creating efficiencies among new work groups.

Meeting adjourned by Trustee Dewire at 4:30 p.m.



JAMES A. PAYNE, Ph.D.

607 South Fifth Street

Ironton, Ohio 45638

Residence: (740) 533-9585

Office: (740) 532-4223/ Cell (740) 646-3622

MAJOR STRENGTHS

More than 22 years professional experience as a district superintendent in local, city and educational service center venues. Classroom teacher in a vocational school setting, and elected three times as Lawrence County Auditor/Treasurer. Have a strong finance background and knowledgeable in the areas of collaborative planning.

EDUCATION

Ph.D. in Educational Administration, Ohio University, Athens, Ohio. March 1998.

Superintendent's Certificate, Ohio University, Athens Ohio and University of Dayton, Dayton, Ohio. 1985.

M.A. in Educational Administration, Ohio University, Athens, Ohio. 1983.

B.S. in Secondary Education, Mississippi State University, Starkville, Mississippi. 1977.

PROFESSIONAL EXPERIENCE

Superintendent, Lawrence County Educational Service Center, January 2009-present.

Superintendent, Dawson-Bryant Local Schools, July 1999–December 2008. Responsible for overall operation of the district, which serves 1,340 students and employs 90 teachers and administrators and 50 classified staff. The budget for fiscal year 2008 is \$23,660,000. (Includes classroom facilities)

Superintendent, Ironton City Schools, 1993 to 1999. Was responsible for the overall operation of the district, which included 120 teachers and professional staff members, 60 classified employees, and more than 1,800 students. The budget for fiscal year 1999 was \$8,500,000. During the seven-year period, district personnel and community members completed a five-year strategic plan which formed the basis for the district's continuous improvement plan, completed in 1999.

Superintendent, Symmes Valley Local School District in Lawrence County, 1987–1993. Was responsible for the overall operation of the district, which included 68 teachers and professional staff members, 42 classified employees, and more than 1,000 students. The general fund budget in fiscal year 1993 was \$3,700,000. During the six-year period, directed the planning and building of a consolidated K–8 building and the renovation of the existing high school. Procured \$10,870,000 in project funding through a referendum, state appropriations, and grants.

PROFESSIONAL EXPERIENCE (CONTINUED)

Lawrence County Auditor, Ironton, Ohio, 1985–1987. Was responsible for all aspects of county finance—revenue collection and distribution, budgeting, bond issues, accounting procedures. Through effective planning, eliminated a previously existing \$600,000 deficit within two years.

Lawrence County Treasurer, Ironton, Ohio, 1981–1985. Was responsible for investing county funds and locating additional sources of revenue. Developed a cash management program which increased investment revenue from \$278,000 to \$542,000 within a two-year period.

Teacher, Lawrence County Joint Vocational School, Getaway, Ohio, 1978–1981. Taught history and government.

Assistant Coach, Ironton High School, Ironton, Ohio, 1978–1981. Coached football, basketball, and girls' track.

OTHER PROFESSIONAL ACTIVITIES

1999–present

Member, Kitchen Cabinet- advisory to Dr. Susan Tave Zelman, Ohio Superintendent of Public Instruction

Member, Superintendents Standards Committee (2007-2008)

Member, Accountability Think Tank (2007)- Mitchell Chester

Member, Executive Committee, Ohio Association of Local School Superintendents (OALSS)

As superintendent of Dawson-Bryant Local District provide leadership for the following programs and improvement activities:

- *Technology*. Have begun technology realignment and the introduction of standards of technology expertise for teachers and students. The district is collaborating with the staff to provide meaningful experiences for students through innovative course offerings which include A+ certification, business tech prep, Project Lead the Way, Teacher Academy among many others.
- *Academics*. District personnel have redesigned graduation requirements to include mandatory research projects, honors programs, AP courses in Statistics, Calculus and Chemistry (History/English will be added in 2008). Dawson-Bryant Elementary- National Blue Ribbon School 2004
- *School Improvement*. High school teachers and administrators are collaborating with Ohio University Southern Campus's Center for Development to implement the High Schools That Work model. Provide a district commitment to support grant programs with the purpose of school reform, such as Project REAL, Tech Prep, GEAR-UP, Raising the Bar, and

21st Century Community Learning Centers.

- *Social Services.* The district participates in an on-site collaboration with outside agencies in the middle school and high school to provide school nurses and a variety of social services, including psychological services.

OTHER PROFESSIONAL ACTIVITIES (CONTINUED)

1998 Doctoral Dissertation: *The Impact of State-of-the-Art Communications Technology on Instructional and Learning Behaviors and Teacher/Student Perceptions*

1993–1998 As superintendent of Ironton City Schools, directed or implemented the following organizational changes within the system:

- *Strategic Planning.* A collaborative group of school personnel, students, and community members completed a strategic plan which is currently being implemented. Strategies for school improvement include increased parental involvement, a student-centered learning environment, acquisition of technology and its integration into the curriculum, comprehensive staff development, proficiency intervention, facility construction and renovation, enhanced public relations, and financial stability.
- *Technology.* Ironton City Schools is a prototype site for SchoolNet, and the district has been actively involved with SchoolNet and SchoolNet Plus since its inception. Two technology-related positions have been added to smooth the schools' transition to technology use—systems analyst and instructional facilitator. During the past five years, have made numerous presentations to the SchoolNet committee at the Ohio Department of Education.
- *System Reorganization Activities:*
 - a) Transition of majority of classrooms to the learning center approach.
 - b) Collaborated with teachers to create 30 additional minutes per day of instructional time at the primary buildings.
 - c) Adopted the Title I School-Wide program to reduce student-teacher ratio in the primary grades resulting in more individualized instruction.
 - d) Allocated West Ironton Elementary building as an early childhood education center for developmentally appropriate pre-school learning experiences (pre-school–kindergarten). Created extended-day kindergarten program to be implemented in August 1998.
 - e) Created blocks of time for mathematics instruction at the middle school.
 - f) Partnering with the International Center for Leadership in Education to incorporate best practices, school reform initiatives and develop professional development opportunities that support the plan.

-
- g) Supported a Raising the Bar initiative for the middle grades in order to create a technology-infused, project-based learning environment for students in grades 7 and 8.
 - h) Making the transition to block scheduling at the high school. High Schools That Work Model

OTHER PROFESSIONAL ACTIVITIES (CONTINUED)

1995–2001	Served as regional director for the Buckeye Association of School Administrators (BASA).
1993	Member of the panel for a public forum in Gallipolis, Ohio, “Financial Ramifications of Consolidating Gallipolis City and Gallia County Schools Districts.”
1992	Member, Executive Committee of Ohio Local Superintendents Association.
1991	Member of an Ohio Department of Education Committee that developed guidelines for districts having emergency building needs.
1987–2007	Member of Governing Board, Pilasco-Ross SERCC.
1987–1998	Member of the Governing Board, South Central Ohio Computer Association (SCOCA). Chairman of the board in 1997. Guided development of a five-year strategic plan.
1986–1987	Vice President, Southeastern Ohio Auditor’s Association.
1985	Participated in debate, “Tenure vs. Non-Tenure in the Public School System,” Rio Grande College, Rio Grande, Ohio.
1984	Presented a planning paper, “The Strengths and Weaknesses of Ironton High School Building and Grounds,” to the superintendent of Ironton City Schools.
1983–1985	Served on Ohio State Treasurer’s Legislative Committee which produced critical legislation on key financial issues.
1983	Attended a collective bargaining seminar, “Implementation and Long-Range Considerations,” Columbus, Ohio.
1983	Master’s Thesis: <i>Increasing Local Revenue to Lawrence County Schools Without Raising Taxes.</i>

PROFESSIONAL ORGANIZATIONS

Ohio School Board Association
 Buckeye Association of School Administrators
 Ohio Local Superintendents’ Association
 South Central Ohio Computer Association
 Coalition for Appalachian Schools

OTHER ACTIVITIES

Member, First United Methodist Church, Ironton, OH
 Member, Masonic Lodge #198
 Member, El Hasa Shrine
 Member, Coordinating Council (OUSC)
 Member, Elks Club

Tim A. Colburn

**587 Maplevue Lane
Circleville, OH 43113
timcolburn@columbus.rr.com**

**Home: (740) 420-6205
Cell: (740) 412-6515
Work: (740) 420-8008**

Senior Executive/Chief Executive Officer

Accomplished executive skilled in strategic planning, business development, cost containment, improvement in quality care, and physician relations. Proven ability to develop and expand contribution of leaders and staff. Demonstrated capacity to take on additional, increasingly challenging responsibilities by quickly adapting to new responsibilities and environmental circumstances/surroundings.

Professional Achievement

Berger Health System

Circleville, Ohio

Chief Executive Officer

January 2008 to present

Responsible for all activities of Berger Hospital, a 94-bed community hospital with gross patient revenue in excess of \$140 million.

- Facilitated due diligence to select nationally recognized healthcare strategist (KaufmanHall) for completion of System's integrated strategic and financial plan. Lead education and communication efforts with physicians, management, and staff to enhance plan's comprehension and buy-in.
- Identification and collaborative development of System-wide leadership development program. Efforts have produced local MBA program, organizational development training, and director education and participation in strategic planning.
- Implemented hospitalist program exceeding start-up goals by 90 days. Program implementation will ensure that by 1st quarter 2010, specific quality, efficiency, and patient satisfaction goals are achieved.
- Initiation and development of pharmacy performance based contract resulting in active and effective pharmaceuticals and therapeutics committee, cost savings in excess of \$200,000, and the creation of a rounding pharmacist.
- Initiated and led surgical service line enhancements by hiring a new department director, creating a new position to focus on anesthesia services, modifying staffing patterns, and improving department's responsiveness to physicians. The first year of implementation improved surgical profitability by over \$500,000.
- Actively involved in statewide and national advocacy by coordination and participation with the Ohio Hospital Association and as a board member of Pickaway County's economic development agency.
- Aggressively developed and responsible for implementation of contingency plans and cost control measures to address the challenges of the recent economic environment. These plans, combined with the efforts of the System's employees, have allowed Berger to outperform projected financial performance.
- Initiation of Health System marketing and branding campaign with emphasis on building upon historical success and taking marketing and public relations to a higher level.
- During first 18 months as CEO, expanded and/or enhanced the following Hospital services:
 - Wound Healing Center – enhanced existing services to include hyperbaric oxygen therapy
 - Interventional Radiology – expanded coverage days to two full days per week
 - Physical Therapy – added Brown Memorial Home as a new service location
 - Oncology- partnership with central Ohio provider to replace departing physician
 - Medically Underserved Designation – secured federal designation to assist with primary care access

Berger Health System**Circleville, Ohio****Vice President Finance**
March 2001 to January 2008

Responsible for all financial activities of Berger Health System, consisting of community hospital, multi-specialty employed physician practice, and a Foundation.

- Developed, proposed, and implemented Revenue Cycle turnaround improving accounts receivable performance (In 12 months, gross days reduced from 138.3 to 48.9 and increased invested cash by \$7.0 million).
- Implemented HCAP, Charity Care, and DSH process improvements resulting in improved net reimbursement of approximately \$1.0 million over 24 months.
- Created System's first positions responsible for chargemaster, contracting, and financial counseling.
- Secured \$30 million in variable, fixed rate, and capital leased debt, including refinancing to minimize interest cost for facility and technology improvements.
- Successfully negotiated commercial insurance contracts resulting in improved reimbursement and manageable contracts. Five contracts negotiated in less than 9 months and one contract terminated/renewed in 15 months.
- Developed and implemented staffing productivity model. Educated leaders on labor costs and staffing efficiency resulting in 25 fewer FTEs and in excess of \$100,000 savings in first 60 days.
- Restructured budgetary processes providing real time reporting, cost control information, and education to department managers.
- Consistently focused on developing positive relationships with physicians, board members, and community/business leaders.
- Lead the development of a new 34,000 square foot medical center that is co-owned by a real estate developer, physicians, and the System's Foundation. This responsibility included service line development, physician/tenant recruitment, and preparing the center for operations.
- Renegotiated emergency department physician contract that replaced no-risk \$400,000 annual subsidy with \$90,000 performance based stipends.
- Consistently focused on staff development as demonstrated by: improved competency and credentials in coding, promotion of HIM supervisor to HIM coordinator to HIM manager, and retention of financial leaders.

Berger Health System**Circleville, Ohio****Controller**
August 2000 to March 2001

Responsible for financial operations of Health System including supervision of Accounting and Accounts Payable staff, financial reporting and analysis, budgeting, and internal controls.

- Successfully converted legacy financial system (Saint) to new system (Meditech) in first 90 days of employment.
- Streamlined, aligned, and automated the banking infrastructure and treasury management to optimize cash flow.
- Redesigned accounting department, filled vacancies staffed by temporary staff for over one year, and improved department operations and efficiency.
- Redesigned/automated preparation of contractual/bad debt models reducing closing process by over 12 hours.
- Created and implemented Accounts Payable improvement plan focused on minimizing vendor complaints, payables backlog, and supplier credit holds while maximizing cash flow.
- Researched and implemented budget software utilized in preparation of annual budget.

Previous Business Experience

(Detailed accomplishments available upon request)

Accounting Manager, InfoSight Corporation, Chillicothe, OH, April 1999-August 2000

Controller, Iron Dynamics, Inc., Butler, IN, May 1997 – April 1999

Controller, James River Corporation, Kendallville, IN, March 1996-May 1997

Accounting Coordinator, James River Corporation, Kalamazoo, MI, August 1993-March 1996

Manufacturing Analyst, James River Corporation, Kalamazoo, MI, September 1992-August 1993

Senior Accountant, James River Corporation, Cincinnati, OH, September 1991 to September 1992

Financial Accountant, James River Corporation, Cincinnati, OH, January 1990 to September 1991

Education/Professional Affiliations

Ohio University, Athens, Ohio

Masters of Business Administration

Graduated June 2004

G.P.A.: 3.97/4.00

The Ohio State University, Columbus, Ohio

Bachelor of Science in Business Administration; Accounting

Graduated December 1989

G.P.A.: 3.30/4.00

President, Pickaway Progress Partnership (County's Economic Development Agency)

Member, Ohio Hospital Association Small and Rural Hospital Committee

Member, Ohio Hospital Association Finance Committee

Treasurer, Pickaway Country Club

Board of Directors, Pickaway County United Way

Board of Directors, Pickaway County Red Cross

Finance Committee Member, Circleville City Schools

Member, Circleville Sunrise Rotary

References available upon request

Carri L. Brown, CGFM, MBA

Carri L. Brown was appointed to the position of Fairfield County Clerk/Manager in January of 2007. She is responsible for assisting in the administration, enforcement, and execution of the policies and resolutions of the Board of Commissioners, recommending measures for adoption to the Board, and keeping full, accurate records of the legal proceedings of the Board.

Carri has more than twenty years of professional experience in the public and private sectors. She was previously the Child Support Enforcement Agency Director and the Chief Deputy Auditor of Finance.

Carri graduated *summa cum laude* from Ohio University with a Bachelor of Business Administration. She also earned a Master of Business Administration from Ohio University. She is a Certified Government Financial Manager and is a member of several professional organizations.

Under Carri's leadership, Fairfield County has earned state and national recognition for customer service, community collaboration, and education and outreach efforts. She has written several customer service related articles that have been published in the media and national newsletters.

She was recently awarded the Community Service Award from the Vision Center for her leadership with the Fairfield County Faith-Based and Community Group Partnership and volunteer work in the Fairfield County community. Carri was named Ohio's Child Support Director of the Year in 2005.

Carri lives in Lancaster with her husband, Stephen, an attorney, and their two children, Corbin and Catherine.

MICHAEL J. COURTNEY

143 East Fifth Avenue

Lancaster, Ohio 43130

(740) 277-7046

E-mail: mcourtney@ci.lancaster.oh.us

EDUCATION

Juris Doctorate

2001

CAPITAL UNIVERSITY LAW SCHOOL, Columbus, Ohio

- Licensed to practice in United States Supreme Court, U.S. Dist. Court, Southern District of Ohio, and State of Ohio
- Employment / Labor Law Concentration Certificate
- 2000 New York University Labor Law Moot Court Competition (Brief Writer)
- National Order of the Curia

Bachelor of Arts in Psychology

1998

Minor in Business Administration

OHIO UNIVERSITY, Athens, Ohio

- Cum Laude Honors
- Dean's List Honors

PROFESSIONAL EXPERIENCE

Public Safety and Services Director

2006 to Present

CITY OF LANCASTER, Lancaster, Ohio

- Appointed by the Mayor to be the Executive Head of the Municipal Safety Departments and Public Works Departments, including five (5) Public Utilities
- Direct and oversee Operations and Human Resources of Sixteen (16) Municipal Departments with a combined budget of \$117 Million and nearly Five-Hundred (500) full-time employees
- Interact and collaborate with five (5) separate bargaining units (i.e. AFSCME, FOP, IAFF, etc.) in administering the Collective Bargaining Agreements to fulfill the mission and operations of the City
- Significant personnel and employment achievement: Successfully negotiated many Collective Bargaining Agreements with various Labor Union groups, Organizational Restructuring of Lancaster Police Department, Modification and establishment of various personnel policies, regulations and job descriptions

Assistant Law Director

2002 to 2006

CITY OF LANCASTER, Lancaster, Ohio

- Provided legal counsel and guidance to the City Administration and Municipal Departments, City Council, and other Municipal Boards and Commissions
- Supervised all civil matters involving the City of Lancaster resulting in extensive experience in litigation and administrative law matters
- Supervised staff of prosecuting attorneys, clerks and victim advocates
- Personally reduced outside legal costs for the City of Lancaster by taking lead in the representation of the City in all employment and labor relations matters

COMMUNITY INVOLVEMENT

- Member of Ohio and Fairfield County Bar Associations
- Member, National and Ohio Public Employer Labor Relations Association
- Vice-President, Ohio Association of Public Safety Directors
- Vice President, United Way of Fairfield County Board of Trustees
- Member, Legislative Policy Committee of the Ohio Municipal League
- Founding Member, The Lancaster Cause (Tour de Cause Bike tour)
- Founding Member, Friends of Firehouse Park (Playground/Park Revitalization)
- Member, Lancaster-Fairfield County July 4th Committee

Promotion and Tenure Effective September 2010

Mid dle Na me					
First Name		Last Name	Promotion and/or Tenure Decision	Department/School	College/Regional Campus
Neil		Bernstein	Promotion to Associate Professor with Tenure	Department of Classics and World Religions	College of Arts and Sciences
Carl	R.	Brune	Promotion to Professor	Department of Physics and Astronomy	College of Arts and Sciences
Mariana	L.R.	Dantas	Promotion to Associate Professor with Tenure	Department of History	College of Arts and Sciences
James		Dyer	Promotion to Professor	Department of Geography	College of Arts and Sciences
Ahmed		Faik	Promotion to Associate Professor with Tenure	Department of Environmental and Plant Biology	College of Arts and Sciences
Elizabeth	H.	Gierlowski-Kordes	Promotion to Professor	Department of Geological Sciences	College of Arts and Sciences
Alexander	O.	Govorov	Promotion to Professor	Department of Physics and Astronomy	College of Arts and Sciences
Glenn	R.	Matlack	Promotion to Associate Professor	Department of Environmental and Plant Biology	College of Arts and Sciences
Dinty	W.	Moore	Tenure	Department of English	College of Arts and Sciences
Jill		Rosser	Tenure	Department of English	College of Arts and Sciences
Nikhil		Sathe	Promotion to Associate Professor with Tenure	Department of Modern Languages	College of Arts and Sciences
Stephen		Scanlan	Promotion to Associate Professor with Tenure	Department of Sociology and Anthropology	College of Arts and Sciences
Tomohiko		Sugiyama	Promotion to Associate Professor with Tenure	Department of Biological Sciences	College of Arts and Sciences
Todd		Young	Promotion to Professor	Department of Mathematics	College of Arts and Sciences
Hala		Annabi	Promotion to Associate Professor with Tenure	Department of Management Information Systems	College of Business
Mohammed		Bhutta	Tenure	Department of Management Systems	College of Business
Teresa		Franklin	Promotion to Professor	Department of Educational Studies	College of Education
Mona		Robinson	Promotion to Associate Professor with Tenure	Department of Counseling and Higher Education	College of Education
Christopher		Fisher	Promotion to Associate Professor with Tenure	School of Music	College of Fine Arts
Matthew		Friday	Promotion to Associate Professor with Tenure	School of Art	College of Fine Arts
Kamile		Geist	Promotion to Associate Professor with Tenure	School of Music	College of Fine Arts
Melissa		Haviland	Promotion to Associate Professor with Tenure	School of Art	College of Fine Arts
Christopher		Hayes	Promotion to Professor	School of Music	College of Fine Arts
Jeannette		Klein	Promotion to Associate Professor with Tenure		College of Fine Arts
Erik		Ramsey	Promotion to Associate Professor with Tenure	School of Theater	College of Fine Arts
Brooke		Hallowell	Promotion to Professor	Department of Hearing, Speech and Language Sciences	College of Health and Human Services
Youngsun		Kim	Promotion to Associate Professor with Tenure	Department of Hearing, Speech and Language Sciences	College of Health and Human Services
Heather		Lawrence	Promotion to Associate Professor with Tenure	Department of Recreation and Sport Sciences	College of Health and Human Services

John		McCarthy	Promotion to Associate Professor with Tenure	Department of Hearing, Speech and Language Sciences	College of Health and Human Services
Dennis		Ries	Promotion to Associate Professor with Tenure	Department of Hearing, Speech and Language Sciences	College of Health and Human Services
Chad		Starkey	Promotion to Professor with Tenure	Department of Recreation and Sport Sciences	College of Health and Human Services
Karen		Coschigano	Promotion to Associate Professor with Tenure	Department of Biomedical Sciences	College of Osteopathic Medicine
Jen-Tzer		Gau	Promotion to Associate Professor with Tenure	Department of Geriatric Medicine/Gerontology	College of Osteopathic Medicine
Tracy		Marx	Promotion to Associate Professor with Tenure	Department of Family Medicine	College of Osteopathic Medicine
Karen		Montgomery Reagan	Promotion to Associate Professor with Tenure	Department of Pediatrics	College of Osteopathic Medicine
Martha		Simpson	Promotion to Associate Professor with Tenure	Department of Family Medicine	College of Osteopathic Medicine
Kitty		Consolo	Promotion to Associate Professor with Tenure	Ohio University Zanesville	Regional Campuses
Korcaighe		Hale	Promotion to Associate Professor with Tenure	Ohio University Zanesville	Regional Campuses
Ella		McCown	Promotion to Associate Professor with Tenure	Ohio University Southern	Regional Campuses
Charman	L.	Miller	Promotion to Associate Professor with Tenure	Ohio University Chillicothe	Regional Campuses
Robert	K.	Moats, II	Promotion to Associate Professor with Tenure	Ohio University Chillicothe	Regional Campuses
Stacie		Sweet	Promotion to Associate Professor with Tenure	Ohio University Zanesville	Regional Campuses
Lynn		Walsh	Promotion to Associate Professor with Tenure	Ohio University Southern	Regional Campuses
Billy	J.	Galloway	Tenure	Department of Aviation	Russ College of Engineering and Technology
Devika		Chawla	Promotion to Associate Professor with Tenure	School of Communication Studies	Scripps College of Communication
Hong		Cheng	Promotion to Professor	E.W. Scripps School of Journalism	Scripps College of Communication
Bernhard		Debatin	Promotion to Professor	E.W. Scripps School of Journalism	Scripps College of Communication
Ellen		Gerl	Promotion to Associate Professor with Tenure	E.W. Scripps School of Journalism	Scripps College of Communication
William		Reader	Promotion to Associate Professor with Tenure	E.W. Scripps School of Journalism	Scripps College of Communication
Anirudh		Ruhil	Tenure		Voinovich School

Promotion and Tenure Historical Data	Awarded 2010	Awarded 2009	Awarded 2008	Awarded 2007	Awarded 2006	Awarded 2005
Tenure Only	5	3	4	6	5	4
Promotion to the Rank of Full Professor	10	16	13	9	15	24
Promotion to the Rank of Full Professor with Tenure	1	0	2	0	0	1
Promotion to the Rank of Associate Professor	1	0	1	0	1	1
Promotion to the Rank of Associate Professor with Tenure	33	35	33	35	38	36
Total	50	54	53	50	59	66

From: Don Moore

To: Dan Evans, Executive Dean Regional Campus

Re: Electronic Media, Lancaster Campus

Date: May 20th, 2010

Response to Lancaster Electronic Media Program Review

The Lancaster Campus has actively addressed concerns of the Seven Year Review and the University Curriculum Council to place the Electronic Media on a solid foundation in which to grow the program.

Faculty / Coordinator

In the spring of 2008 Don Moore, Associate Professor and Director of Electronic Media Program at the Southern Campus, was appointed interim director to give the program direction. Moore immediately implemented steps to build support from faculty and administrative leadership, hired highly qualified instructors, completed a national search for program coordinator, forged relationships with the Athens Media Arts and Studies program and the other regional Electronic Media programs, and began the process of upgrading facilities. The Electronic media program is now a contributing member to many campus priorities.

Support Personnel

The Electronic Media degree has immediately gained creditability with the addition of Shane Tilton and Keith Newman as instructors for the program.

Shane Tilton

- Taught 7 years on the Zanesville campus
- Chair of "Communication and the Future" Interest Division, National Communication Association
- Director of "Center for Society and Cyber Studies"
- Two Time Best of Competition Award Winner, Broadcast Education Association Festival of Arts (2007, 2008)
- Represented the United States and Ohio University at the Association of Internet Researchers 2008 Doctoral Colloquium in Copenhagen, Denmark
- New Media Director for Grace United Methodist Church, Coshocton, OH

Keith Newman

- Academic/Professional
- 30 years of Experience Producing and Directing television and radio programs
- Multiple EMMY and Telly Award winner
- Honored by numerous Film and Video Festivals
- Developed a class in Television and Film Comedy that is one of the most popular classes at Ohio University, Athens
- 2009 winner of Broadcast Education Association's Media Arts Festival

Support from Faculty/Administrative Leadership

In the Spring of 2008, the Dean and Executive Committee (made up of faculty and administrators) of the Lancaster Campus pledged their support for the program. To date, they have supported the national search for a faculty person to coordinate the program, and offered financial support of \$30,000 for new equipment.

Articulation and communication between other Regional Campuses and The School of Media Arts and Studies in Athens

During the 2009-10 academic year Don Moore has communicated the direction and progress of the program to the Zanesville Campus, Southern Campus and the School of Media Arts and Studies Director, Roger Cooper. This communication coordination and collaboration between programs has allowed Lancaster students to utilize the Ohio University's Media Arts and Studies studios for their intro to video production courses, exposing students to the Athens program. Faculty from Southern and Zanesville have stepped forward to offer classes over the OULN distance learning system.

Adequacy of Facilities

The Lancaster IT department continues to be supportive in providing services to the Electronic Media program. Mac labs provide the technology needed for multi-media, video and audio sequences of the program. In addition \$30,000 has been allocated for new audio and video equipment to be installed during the summer of 2010..

Contribution to Campus priorities

Over the past year the Electronic Media department has made an effort to work cross departmentally in order to be an interdisciplinary program on campus. Projects have included work with the Office of Public Information and Development to create an active social media presence across different networks. Faculty and students are currently attempting to capture important voices of the campus as a way of creating an archive of what Ohio University Lancaster is.

National Search for Coordinator

Upon completion of a national search Shane Tilton was offered the coordinator position. He has accepted the offer, and will begin full-time July 1, 2010.

Reactivation of Advisory Committee

The reactivation of the advisory committee brought forth several ideas on how to better market the program for increased enrollments, involve student's with local media industry and direction for upgrade of facilities.

EXECUTIVE VICE PRESIDENT & PROVOST'S REPORT

ACADEMICS COMMITTEE

OHIO UNIVERSITY BOARD OF TRUSTEES

JUNE 24, 2010

Toward a Sustainable University

Aligning Tuition, Enrollment &
Compensation



In a draft statement, Ohio University describes its vision as being “the nation’s best transformative learning community where students realize their promise, faculty advance knowledge, and alumni become global leaders.”

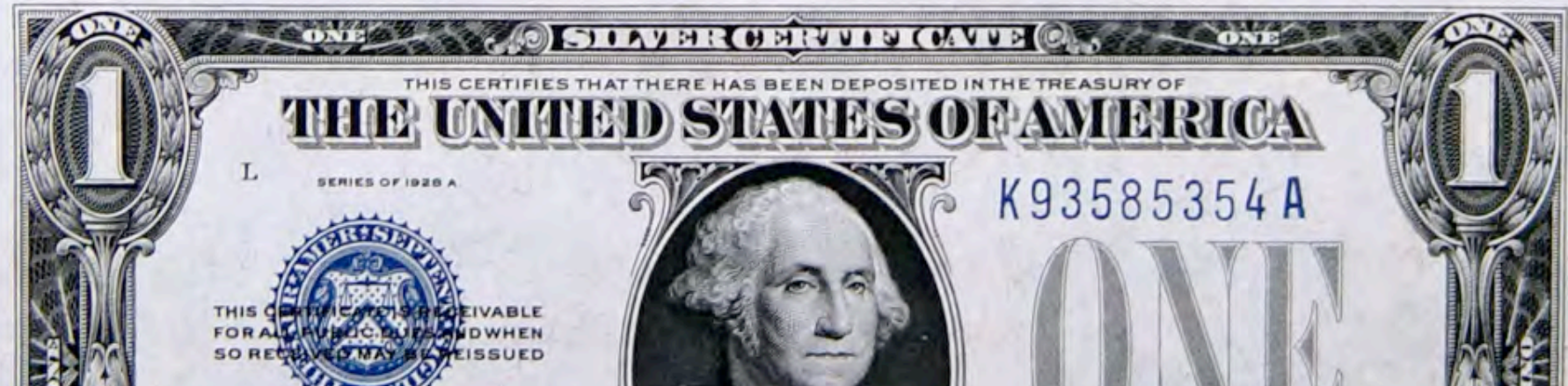
- ✦ We already can lay claim to being one of the strongest transformative learning communities in the state.
- ✦ Earning national recognition for our value-added educational environment will require finding ways to overcome internal and external limitations.





**The roots of a
transformative learning
community**

MEANINGFUL AND CONSISTENT INTERACTIONS WITH FACULTY & STAFF



HOW TO FUND A TRANSFORMATIVE LEARNING COMMUNITY
IN AN ERA OF ECONOMIC UNCERTAINTY?

Primary Challenges

Advance Ohio University's progress toward becoming the nation's best transformative learning community.

Advance Ohio University's progress toward becoming the nation's best transformative learning community in a time of economic uncertainty.

Advance Ohio University's progress toward becoming the nation's best transformative learning community at a time of economic uncertainty as we strive to maintain affordability.

How to expand
meaningful
interactions with
faculty and staff in a
time of economic
uncertainty?

Transformative
Learning
Community

Prioritize
Activities

Build faculty &
staff
institutional
commitment

Maintain
Affordability

Resources to
Prioritize
Activities and
Build Faculty
& Staff
Institutional
Commitment?

Reallocation

Improve
Retention

Strategically
Grow
Enrollment

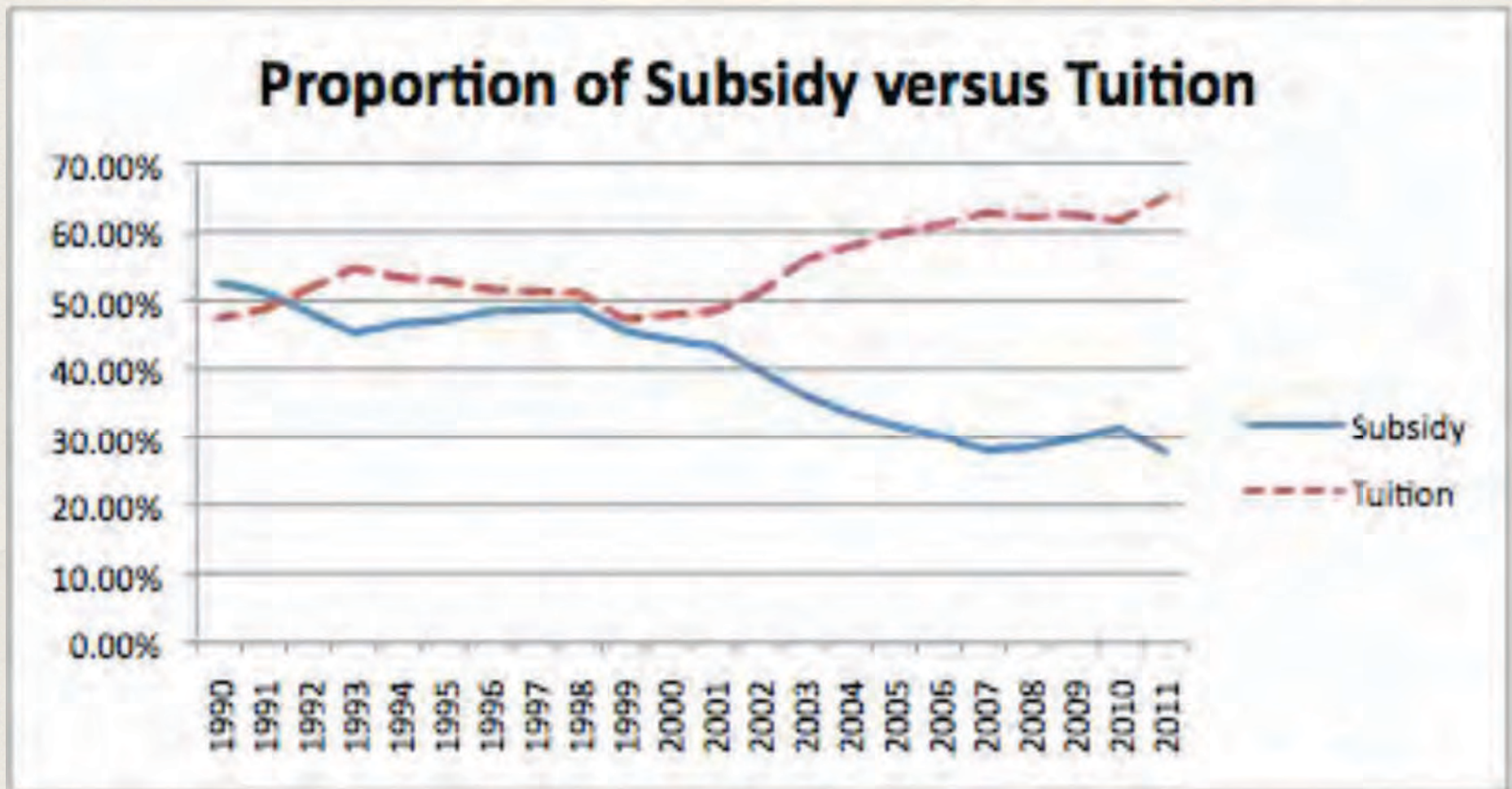
Increase
Donations

Tuition

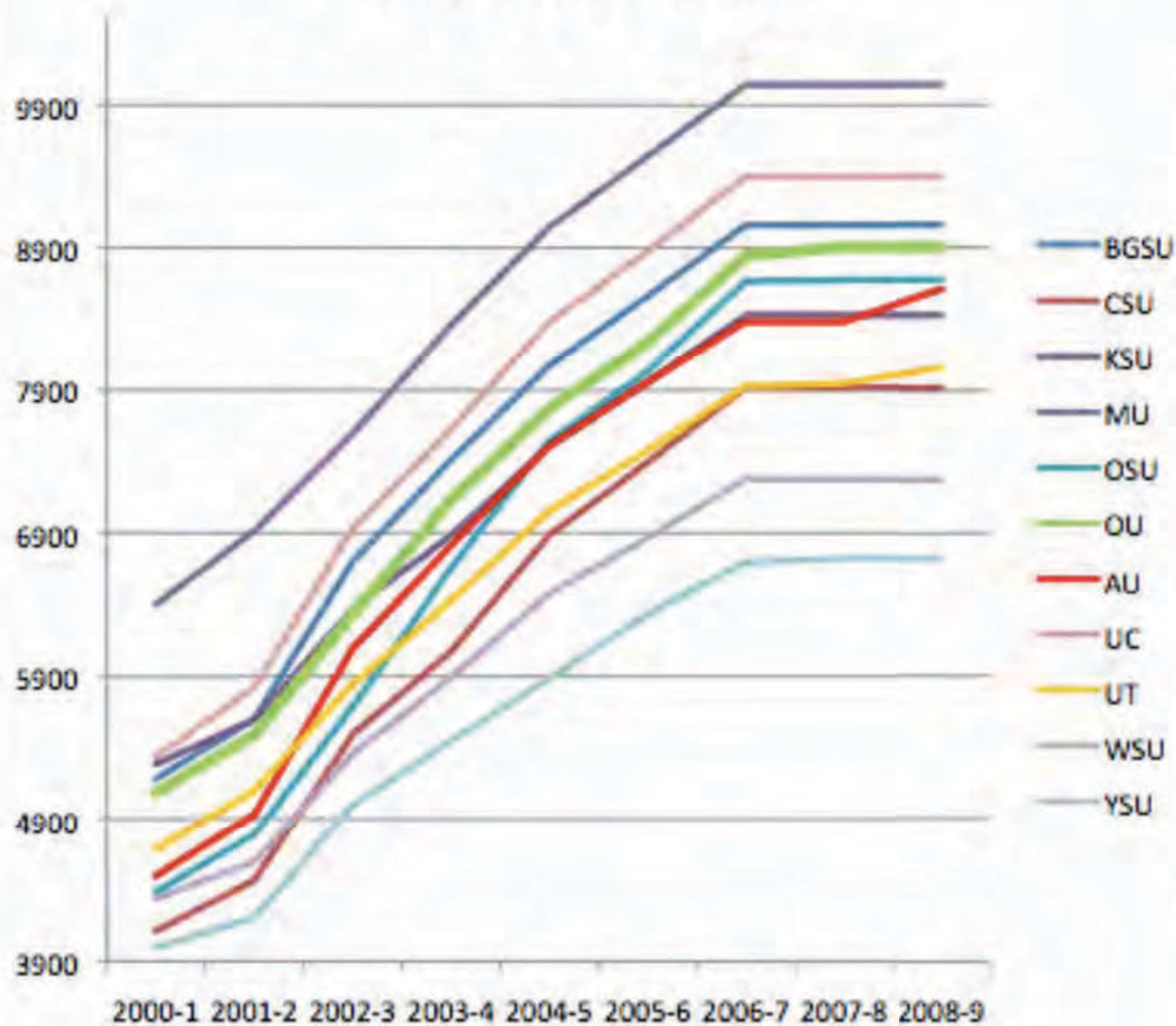
New Reality & Current State



20 YEARS IN THE MAKING: THE NEW REALITY



Ohio Tuition Trends



Affordability

- ❖ Provide lower cost alternatives through regional campuses & E-Learning programs
- ❖ Provide innovative academic programs that reduce time to degree
- ❖ Prepare model trimester calendar
- ❖ Find ways to help students contain costs (e.g. “Textbook” software)



“Textbook” Software

- ❖ The Office of Information Technology designed a software program called "Textbook." It allows for the easy submission of information that becomes available immediately to students in the Course Offerings on the Registrar's website.
- ❖ Online system established for collecting information from faculty and staff on required and optional textbooks and course materials and their approximate retail price.
- ❖ Textbook information entered in the program will be sent directly to the local bookstores thereby eliminating the need for schools and departments to perform this task.

▼ ANTH 201	INTRO TO BIOLOGICAL ANTH	00763	A01	M,W	1:10PM - 3:30PM	5	TATARDs	\$0	9/7/10	11/24/10	0	75	Open
				Gen. Ed. Tier: Tier II Natural Sciences(2NS)				Location: Athens					
				Gen. Ed. Tier (entry pre-2008-09): Tier II Natural Sciences & Mathematics(2M)				Instructors: NANCY TATARDs					
				Dual-Listed: No				Permission Required: No					
				Last Day to Add: Sep 21, 2010 5:00 PM				Last Day to Drop: Oct 11, 2010 5:00 PM					
				Prerequisite:				Room Capacity: 110					
				Meeting Times:		Day	Time	Building	Room				
						Monday	1:10PM-3:30PM	BENTLEY HALL	124				
						Wednesday	1:10PM-3:30PM	BENTLEY HALL	124				
				Textbooks and Materials:									
				Last Updated: 4/27/10									
				Disclaimer									
				<ul style="list-style-type: none">Michael Alan Park. Biological anthropology. Edition: 6th ed. Publisher: McGraw-Hill. 2010. [ISBN: 9780078140006]. Approximate Price: \$92.00. Required.David Ward. Fossils (Smithsonian Handbooks). Edition: Revised edition. Publisher: DK ADULT. May 15, 2002. [ISBN: 9780789489845]. Approximate Price: \$15.00. Optional. Fossils. \$23.00. Required.									

“Textbook” Software

Affordability

Faculty Efforts on Textbook Affordability

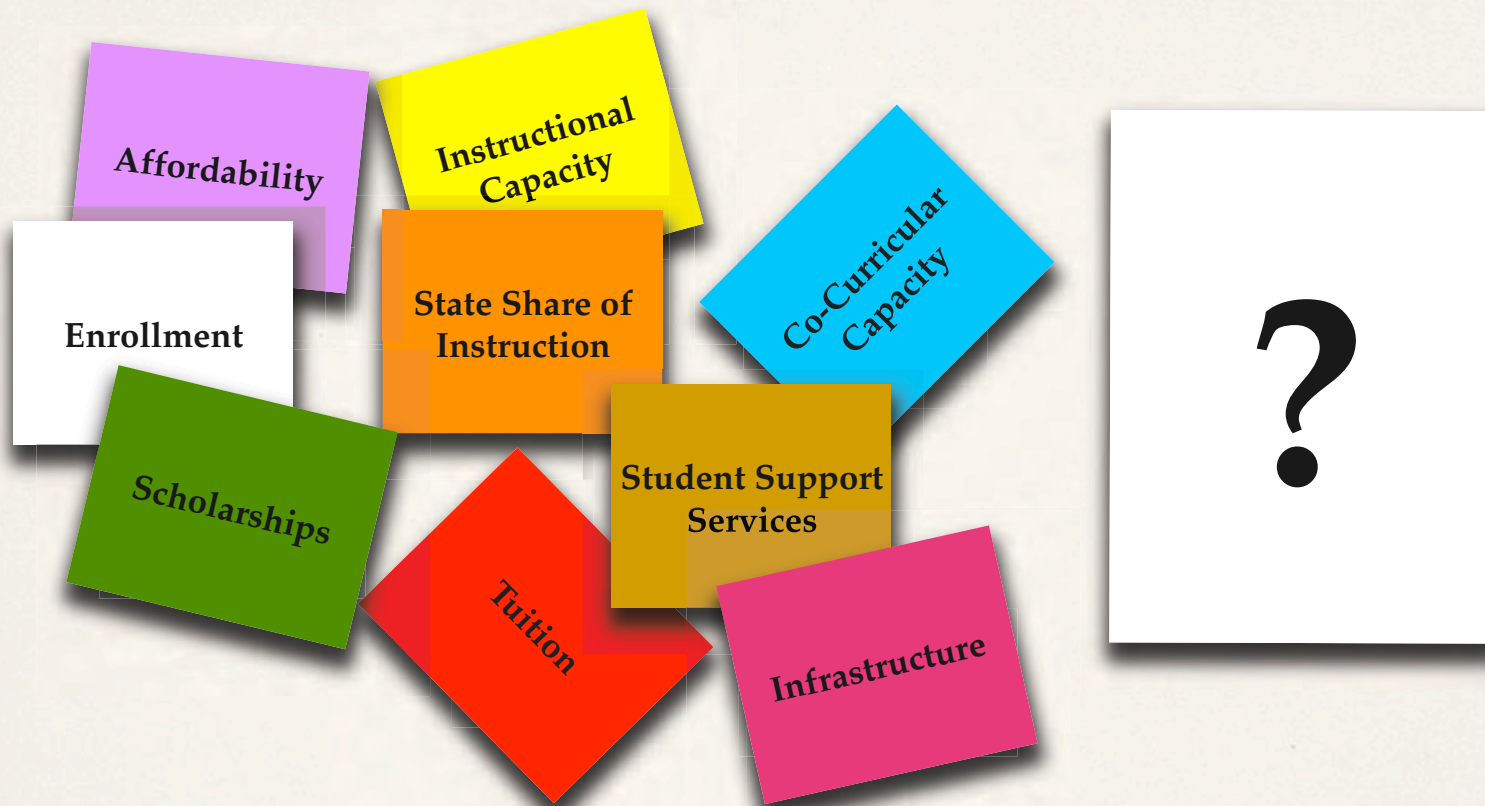
- ❖ Associate Professor of Mechanical Engineering Israel Urieli was recently chosen as one of 10 college and university faculty members from across the state to receive the Ohio Board of Regents' 2010 Faculty Innovator Award for his work to integrate technology into his thermodynamics class and help make course materials more affordable for his students.



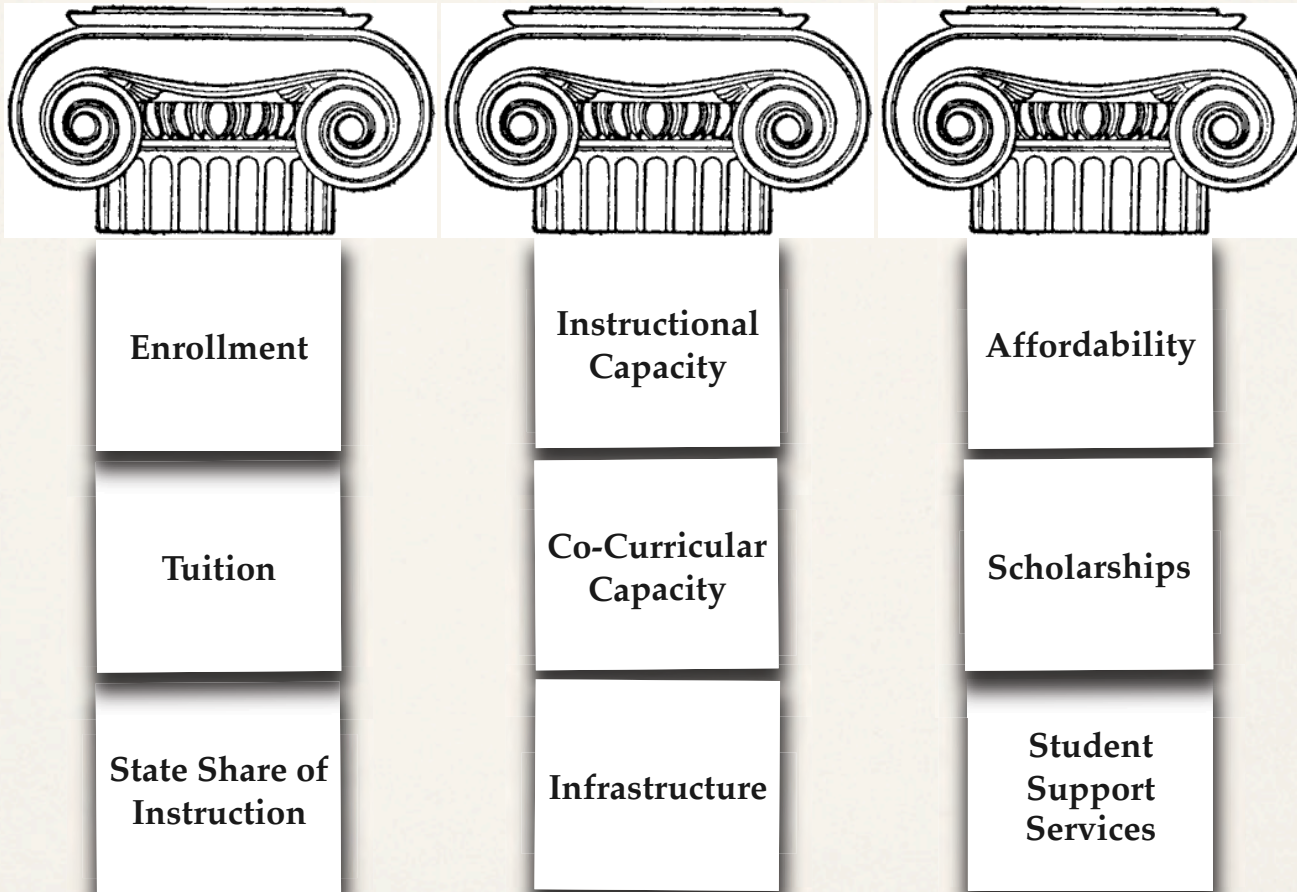


Enrollment Prospects

Critical Factors in Strategic Enrollment Growth



Transformative Learning Community



Five Year Strategic Enrollment Management Plan

Progress & Timeline

August 21, 2009 - May 30, 2010

Phase	Agent	Status	Presented to Board of Trustees
Phase 1: Growth Capacity Analysis	University-Wide Committee	Completed December 14, 2009	January 2010
Phase 2: Analysis of Recommendations in Growth Capacity Analysis	Three University Work Groups: Smart Growth Strategic Growth Sustainable Growth	Working draft completed May 30, 2010	June 2010
Phase 3: Complete Five- Year Strategic Enrollment Plan	Enrollment Management Committee & Strategic Enrollment Management Steering Committee	To be completed by December 31, 2010	January 2011

Phase 2: Analysis of Recommendations in Growth Capacity Analysis

- ❖ Recommend actions necessary to enhance the efficacy of institutional admissions marketing materials, student academic services, and academic support services, and to ensure that both sets of services are sufficient to meet demand associated with sustainable enrollment. **[Smart Enrollment Planning Group]**
- ❖ Recommend actions necessary (a) to achieve distinctive five-year maximum enrollment targets for traditional recruitment populations, including priority markets (transfer students, nonresident students, multi-cultural and international students graduate students, online students, regional campuses), and (b) to expand online education and summer programs in ways that increase academic quality and ensure sustainable revenue generation. **[Strategic Enrollment Planning Group]**
- ❖ Recommend actions necessary to achieve realistic, durable five-year sustainable enrollment in ways that protect academic quality and are financially sound. **[Sustainable Enrollment Planning Group]**

**CONCLUSIONS ON
SMART, STRATEGIC,
SUSTAINABLE
ENROLLMENT
DRAWN FROM
WORKING DRAFT**

Targeted, structured enrollment growth can ease pressure on tuition increases gradually and eventually supply additional revenue.

Neither the Athens campus, nor the regional campuses, nor our E-Learning programs can single-handedly absorb enough growth to transform the bottom line particularly at a time when all are experiencing base budget reductions.

Smart, sustainable, and strategic enrollment growth requires a mixture of strategies and approaches.

SMART, STRATEGIC, SUSTAINABLE CONCLUSIONS

Analysis done by all three working groups in Winter and Spring Quarter suggests that instructional and co-curricular support, infrastructure and facilities, and marketing and enrollment services will need to adjust their capacities.*

*It is important to note that enrollment growth for Ohio University likely will not yield increased SSI. In order for that to happen, enrollment at other institutions must remain flat. Given that many institutions in Ohio already possess the capacity for increased enrollments, this scenario is unlikely.

SMART, STRATEGIC, SUSTAINABLE CONCLUSIONS

Planned, targeted growth leading to net tuition revenue enhancement can be achieved across the University through a staged process that employs a targeted and structured approach involving:

E-Learning

Transfers

Retention

Special
Populations

Blended
Programs

Areas of
Capacity &
Demand

Innovative
Degree
Programs

In fact, a
targeted and structured
enrollment approach,
in alignment with Vision Ohio,
is what we have been pursuing
over the past three years.

The approach has proven to be
successful

Athens Main Campus

Creation of the BSN Nursing Program (195 enrolled students in the inaugural class this fall)

400% increase in Undergraduate International Students (95 students from 19 in 2006)

19% increase in Out-of-State Students (447 students from 376 in 2006)

15% increase in Multi-Cultural Students (370 from 322 in 2006)

32% increase in Transfer Students (248 from 186 in 2006)

Increase in overall quality (23.4 ACT Composite to 23.8; 3.35 GPA to 3.36 since 2006)

Record enrollments in 2009 including:

Overall University Enrollment

Athens Campus Enrollment

Overall Undergraduate Enrollment

Athens Undergraduate Enrollment

Overall Graduate Enrollment

New Transfer Enrollment

Freshmen Student Applications

Increase in student retention from 78% to 82%

Regional Campuses

Record Overall Enrollments

24% increase in overall enrollments (9,712 from 7,832 in 2006)

Lifelong and Distance Learning

Substantial growth seen in many of our programs including: Bachelor Completion (community college partner agreements): From 25 to 604 course registrations since Fall 2008

RN - to – BSN Program: From 24 to 2,854 course registrations since Spring 2009

Masters of Health Administration : From 18 to 404 course registrations since Winter 2009

**TARGETED AND
STRUCTURED
ENROLLMENT
ACCOMPLISHMENTS**

New targeted and structured enrollment activities used in the recruitment of the Fall 2010 Class

Developed targeted communication activities for the overall class and for specific programs and Colleges.

Enhanced out-of-state marketing with the first ever out-of-state marketing plan.

Created New scholarship programs and re-balancing of existing programs for out-of-state, and specific college student populations.

Established Alumni training program and grew Alumni assistance in recruitment activities including over 100 assisting with yield calling and letter writing campaigns.

Worked with Saudi Arabian Cultural Mission and supported the USO Iraqi initiative to better diversify our international student populations.

Enhanced on-line recruitment activities including a personalized student web page (www.ohio.edu/yourplan), recruitment Twitter (@OhioUAdmissions) , Facebook (<http://www.facebook.com/OhioUAdmissions>) and Blog sites.

Developed an online site to walk admitted students through each step of the admissions process (www.ohio.edu/path).

Created first ever high school junior multicultural recruitment events.

MODELING
FOR FUTURE
TARGETED,
STRUCTURED
GROWTH

Minimal
Impact on
Capacity /
Measurable
Revenue
Gain

Stage 1

Set Revenue Targets

Invest

Moderate
Impact on
Capacity /
Measurable
Revenue
Gain

Stage 2

Set Revenue Targets

Invest

Significant
Impact on
Capacity /
Significant
Revenue Gain

Stage 3

Set Revenue Targets

Options for Staged Enrollment Growth

E-Learning

Blended
Programs

Transfers

Areas of
Capacity &
Demand

Retention

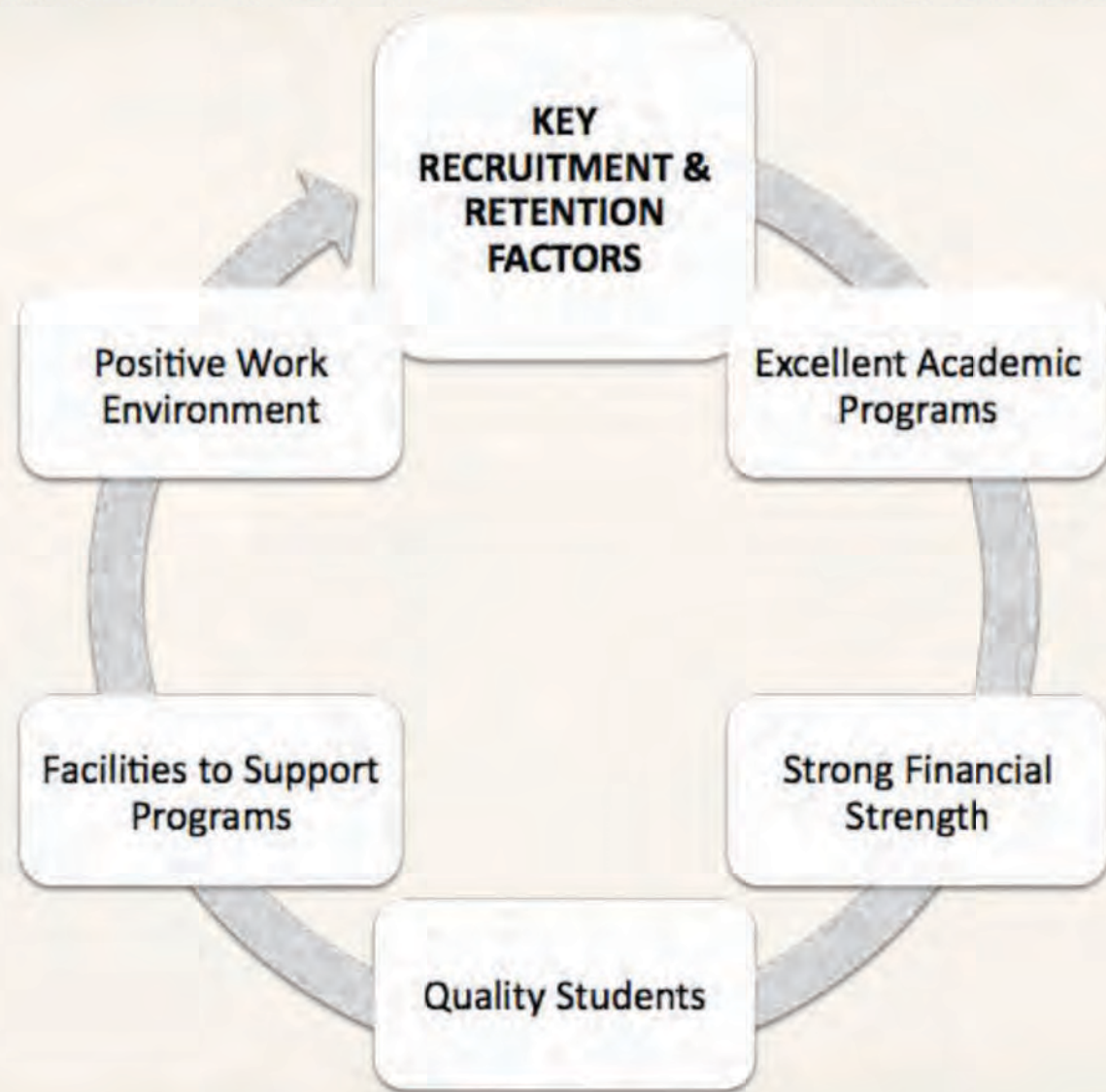
Innovative
Degree
Programs

Special
Populations

What Influences Our Ability to Recruit and Retain Talented Faculty, Administrative Staff, and Classified Staff?

Overview of Key Issues





Benefits*

Medical
Wellness
Fitness
EAP
Dental
Vision
Retirement
Life Insurance
Disability Insurance
Tuition
Waiver
Vacation
Parking
Holidays

* Overview of benefits provided in supporting document.

Cash Compensation

Base Salary
Salary Increases
Recognition
Awards
Promotions

Career Rewards

Technical Challenge
Multiple Career Ladders
Special Projects
Cross Training
Quality of Work Life
Broadened Responsibility
Ethical Management Practices
Equal Opportunity
Person Recognition
Lateral Moves
Stimulating Peer Relationships
Cultural Campus Events
Training & Development
Pride in OU
Coaching

Sources of Funding for Compensation Increases

- ❖ Tuition
- ❖ State Funding
- ❖ Base Reallocations



ALIGNMENT OF KEY RECRUITMENT AND RETENTION FACTORS & THE SIX OPERATIONAL STRATEGIC PRIORITIES

Key Recruitment & Retention Factors

Operational Strategic Priorities

Competitive Total Compensation

Institute effective compensation policies and practices to ensure that talented faculty, administrative staff, and classified staff are rewarded and retained.

Excellent Academic Programs

Enhance the quality of the undergraduate curriculum and the graduate curriculum through continuing assessment and the Q2S transition. Bolster graduate education and associated efforts of faculty in research and creative activity.

Strong Financial Strength

Improve the institution's financial strength so that fiscal and capital resources are stable and permit ongoing strategic investment.

Quality Students

Establish effective strategic short-term and long-term enrollment planning to ensure recruitment goals (quality and mix of students) and revenue projections are met.

Facilities to Support Programs

Improve the institution's financial strength so that fiscal and **capital resources** are stable and permit ongoing strategic investment.

Positive Work Environment

ALL OF THE ABOVE

\$350 M Capital Campaign

ALL OF THE ABOVE

Challenges to Recruiting Talented Faculty, Administrative Staff, & Classified Staff

- ❖ Economic Climate

- ❖ Aging Workforce

- ❖ 32% of Full-Time Group I Athens Faculty & 37% of Full-Time Group I Regional Faculty are 55 and above
- ❖ 27% of Full-Time Classified Athens Staff & 35% of Full-Time Regional Classified Staff are 55 and above
- ❖ 32% of Full-Time Athens Administrative Staff & 37% of Full-Time Regional Administrative Staff are 55 and above

- ❖ National and Regional Competition for Hiring Faculty & Staff

- ❖ Location of our Campuses

FACULTY COMPENSATION

Building the Nation's Best Transformative Learning
Community



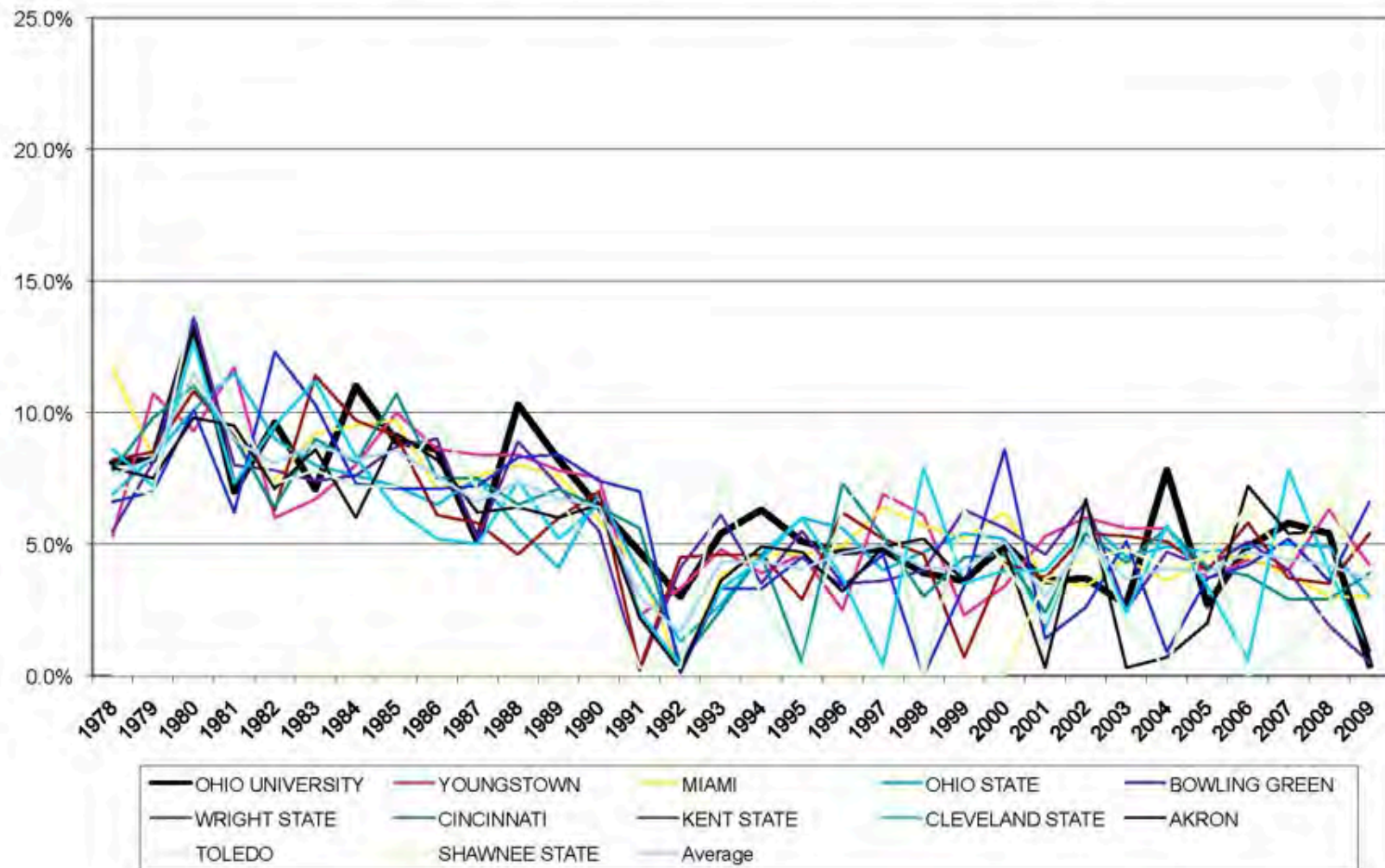
Faculty Compensation: Past Board Actions

- ❖ 1976, Board of Trustees Statement on Faculty Compensation: “The Trustees join with President Ping in setting improvement in faculty salaries as the number one priority for 1976-77 and the following two biennia. . . . We will have to run very hard each year to achieve relatively little gain on other institutions. Nonetheless, our goal is to move the average faculty compensation at Ohio University into the upper quartile in Ohio as we begin the decade of the 1980s.”
- ❖ In the past five academic years, the Board approved the following faculty compensation investments:
 - ❖ \$1.4 million invested in retroactive promotion base increases in 2004-05 to 350 faculty
 - ❖ Vision Ohio Faculty Compensation 5 Year Initiative:
 - ❖ \$1.2 million invested in Vision Ohio compensation increases in 2007-08 in addition to the 3% raise pool
 - ❖ \$1.2 million invested in Vision Ohio compensation increases in 2008-09 in addition to the 3% raise pool; base promotion increases of \$3500 & \$5000 continued in 2009-10

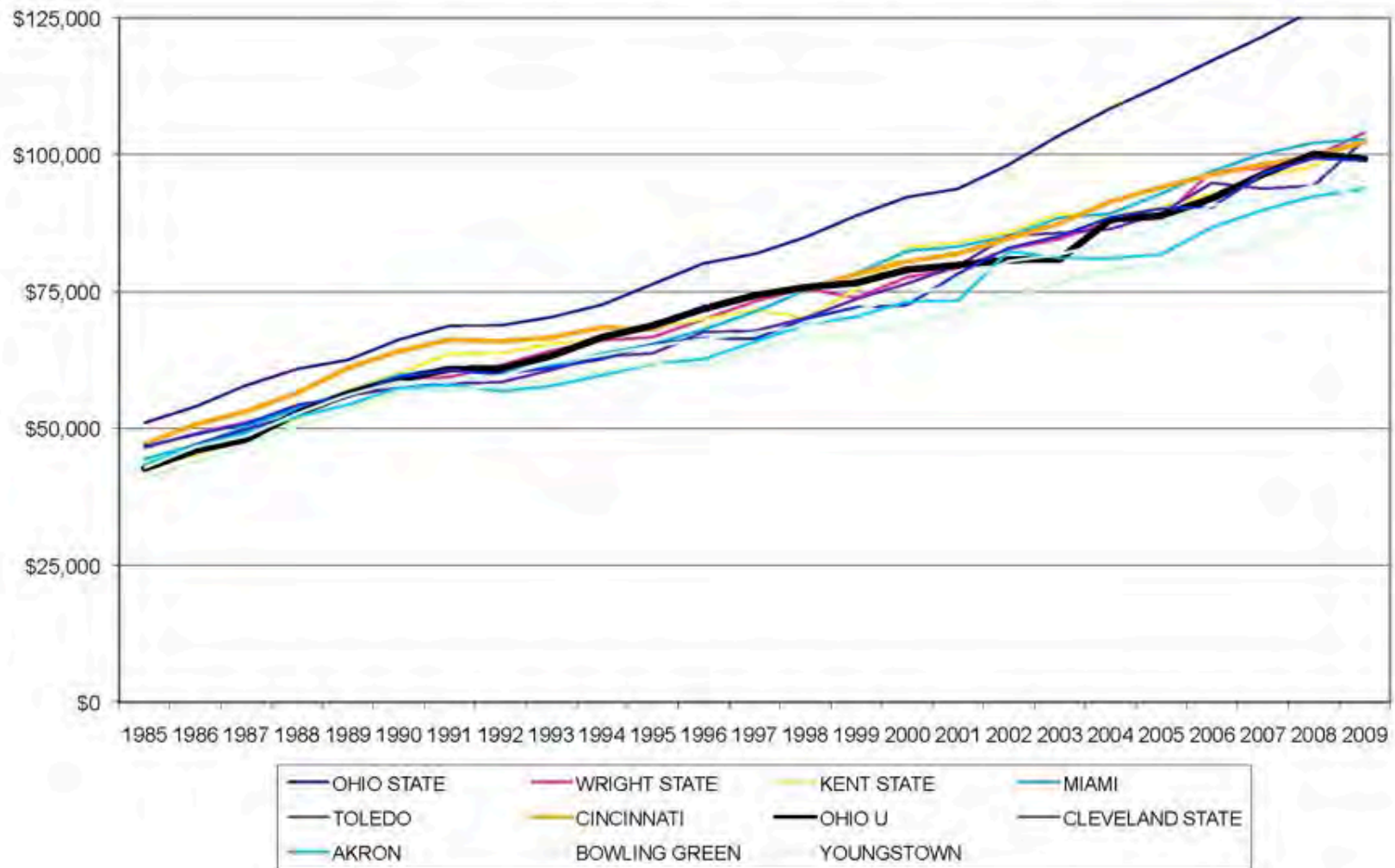
Public Universities in Ohio (excluding Shawnee State): Percentage Increase for Continuing Faculty

Year [Average]	OHIO	Miami	Youngstown	Bowling Green	Ohio State	Cincinnati	Wright State	Kent State	Cleveland State	Toledo	Akron
1978-79 [7.6%]	8.1%	11.7%	5.3%	5.5%	6.9%	7.8%	8.2%	6.6%	8.6%	7.2%	7.9%
1979-80 [8.2%]	8.2%	8.3%	10.7%	8.1%	8.3%	9.8%	8.5%	7.0%	7.2%	6.9%	7.5%
1980-81 [11.5%]	13.4%	11.4%	9.3%	13.6%	10.1%	11.0%	10.8%	10.1%	12.7%	14.2%	9.8%
1981-82 [9.0%]	7.0%	9.1%	11.7%	8.0%	11.5%	9.0%	9.1%	6.2%	7.3%	10.1%	9.5%
1982-83 [8.1%]	9.6%	7.4%	6.0%	7.8%	9.0%	6.4%	6.3%	12.3%	9.5%	7.3%	7.1%
1983-84 [8.8%]	7.1%	9.2%	6.7%	7.4%	8.0%	9.0%	11.4%	10.3%	11.2%	7.8%	8.6%
1984-85 [8.2%]	11.0%	9.5%	8.0%	7.6%	7.6%	8.1%	9.7%	7.3%	8.3%	7.2%	6.0%
1985-86 [8.6%]	8.9%	9.7%	10.0%	8.7%	7.2%	10.7%	9.1%	7.1%	6.3%	7.2%	9.2%
1986-87 [7.6%]	8.6%	7.1%	8.6%	9.0%	6.5%	7.5%	6.1%	7.1%	5.2%	9.6%	8.2%
1987-88 [6.6%]	5.1%	7.6%	8.4%	5.2%	7.5%	7.5%	5.8%	7.2%	5.0%	7.1%	6.2%
1988-89 [7.3%]	10.3%	8.0%	8.4%	8.9%	5.6%	6.5%	4.6%	8.3%	7.4%	6.4%	6.4%
1989-90 [6.8%]	8.2%	7.6%	7.8%	7.2%	4.1%	7.1%	6.0%	8.4%	5.2%	6.7%	6.0%
1990-91 [6.4%]	6.4%	5.9%	7.5%	5.5%	6.9%	6.4%	7.0%	7.4%	6.5%	4.5%	6.5%
1991-92 [3.0%]	4.7%	4.1%	2.3%	0.2%	3.9%	5.6%	0.3%	7.0%	2.4%	0.3%	2.2%
1992-93 [1.6%]	3.0%	0.2%	3.3%	4.1%	1.3%	0.5%	4.5%	0.1%	0.4%	0.3%	0.2%
1993-94 [4.3%]	5.4%	3.8%	4.8%	6.1%	2.7%	2.5%	4.6%	3.3%	3.3%	7.5%	3.6%
1994-95 [4.3%]	6.3%	4.6%	3.9%	3.5%	4.6%	4.6%	4.6%	3.3%	4.4%	3.0%	4.9%
1995-96 [4.1%]	5.1%	4.6%	4.6%	5.5%	6.0%	0.5%	2.9%	4.5%	6.0%	0.3%	4.7%
1996-97 [4.7%]	4.7%	4.9%	2.5%	3.5%	5.6%	7.3%	6.2%	3.4%	3.7%	6.3%	3.2%
1997-98 [5.0%]	4.8%	6.4%	6.9%	3.6%	4.0%	5.3%	5.2%	4.6%	0.4%	8.4%	4.9%
1998-99 [4.1%]	3.9%	5.7%	6.1%	4.0%	4.7%	3.0%	4.6%	0.0%	7.9%	-1%	5.2%
1999-00 [4.1%]	3.6%	5.2%	2.3%	6.3%	5.4%	4.5%	0.7%	3.4%	3.5%	6.3%	3.6%
2000-01 [5.1%]	5.0%	6.2%	3.4%	5.6%	5.2%	4.6%	4.3%	8.6%	4.0%	4.2%	4.8%
2001-02 [3.0%]	3.6%	3.6%	5.3%	4.6%	1.8%	2.4%	3.7%	1.4%	4.0%	2.0%	0.3%
2002-03 [5.2%]	3.7%	3.4%	6.0%	6.6%	5.9%	5.4%	5.4%	2.6%	5.7%	5.8%	6.7%
2003-04 [3.6%]	2.7%	4.4%	5.6%	2.5%	4.5%	4.3%	5.3%	5.1%	2.4%	2.1%	0.3%
2004-05 [4.1%]	7.8%	3.6%	5.6%	4.7%	4.9%	5.6%	5.1%	0.9%	5.7%	0.2%	0.7%
2005-06 [3.9%]	2.7%	4.5%	3.7%	4.1%	4.7%	4.1%	4.0%	3.7%	3.4%	5.6%	2.0%
2006-07 [4.1%]	4.9%	4.5%	4.4%	5.1%	4.9%	3.8%	5.8%	4.2%	0.6%	NA	7.2%
2007-08 [4.4%]	5.8%	3.8%	4.0%	4.0%	5.0%	2.9%	3.7%	5.2%	7.8%	1.0%	5.4%
2008-09 [4.0%]	5.4%	3.0%	6.3%	1.9%	4.9%	2.9%	3.5%	3.6%	4.0%	2.6%	5.5%
Estimated 2009-10 [3.7%]	0.4%	3.0%	4.2%	0.5%	3.0%	3.9%	5.4%	6.6%	1.0%	11.4%	0.9%

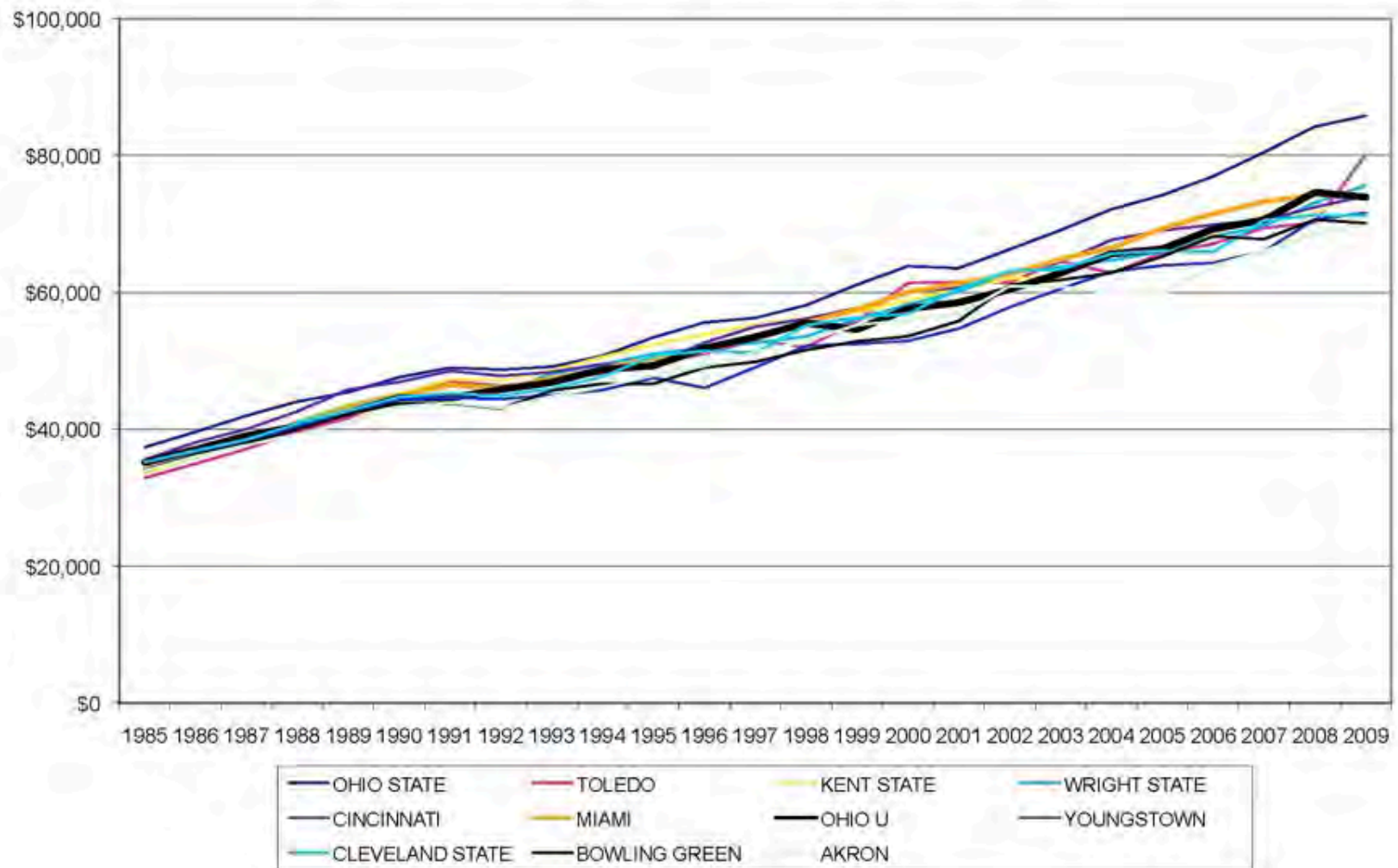
Public Universities in Ohio: Percent Increase for Continuing Faculty



Public Universities in Ohio: Average Salary for Professors



Public Universities in Ohio: Average Salaries for Associate Professors



Public Universities in Ohio: Average Salary for Assistant Professors

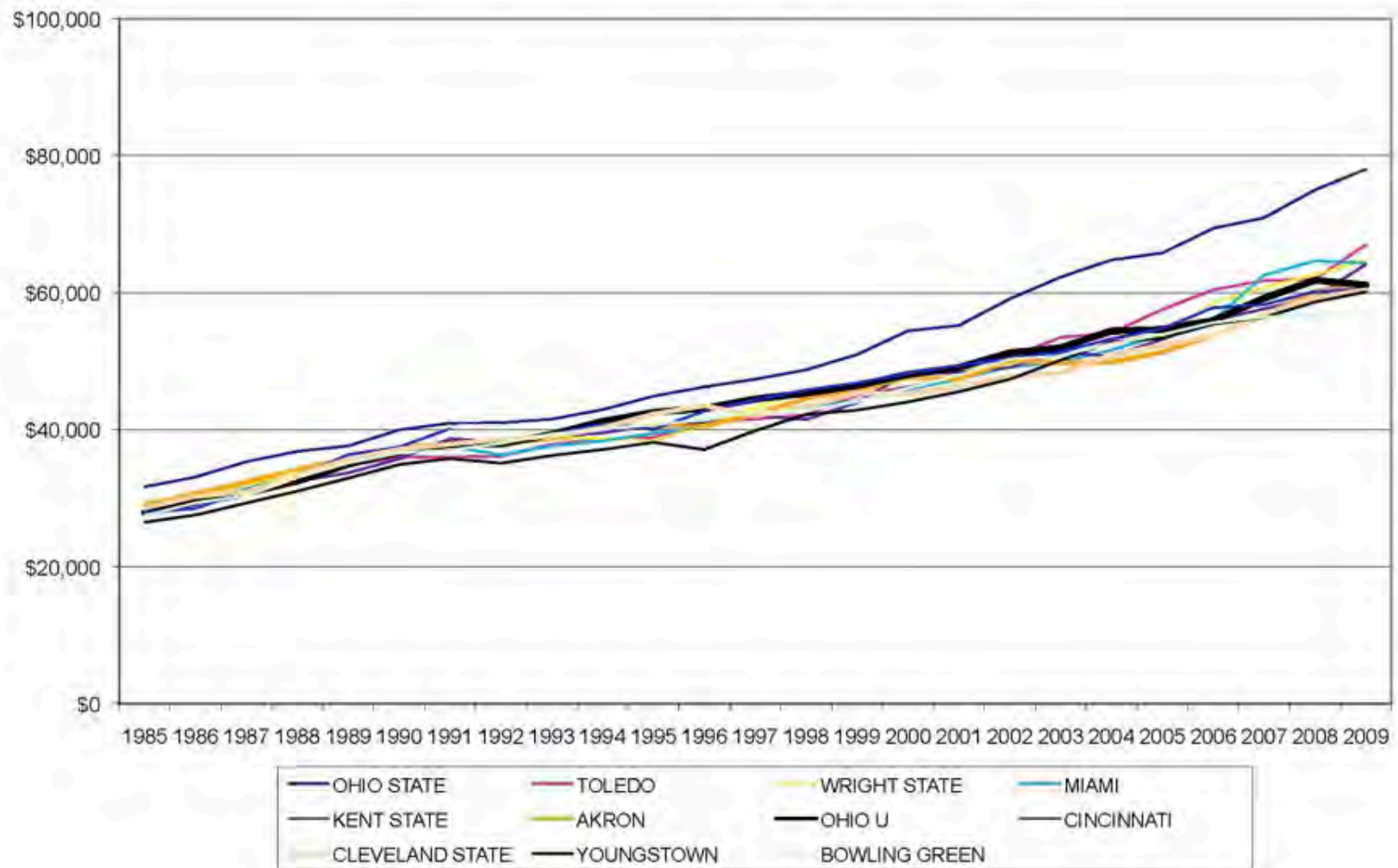
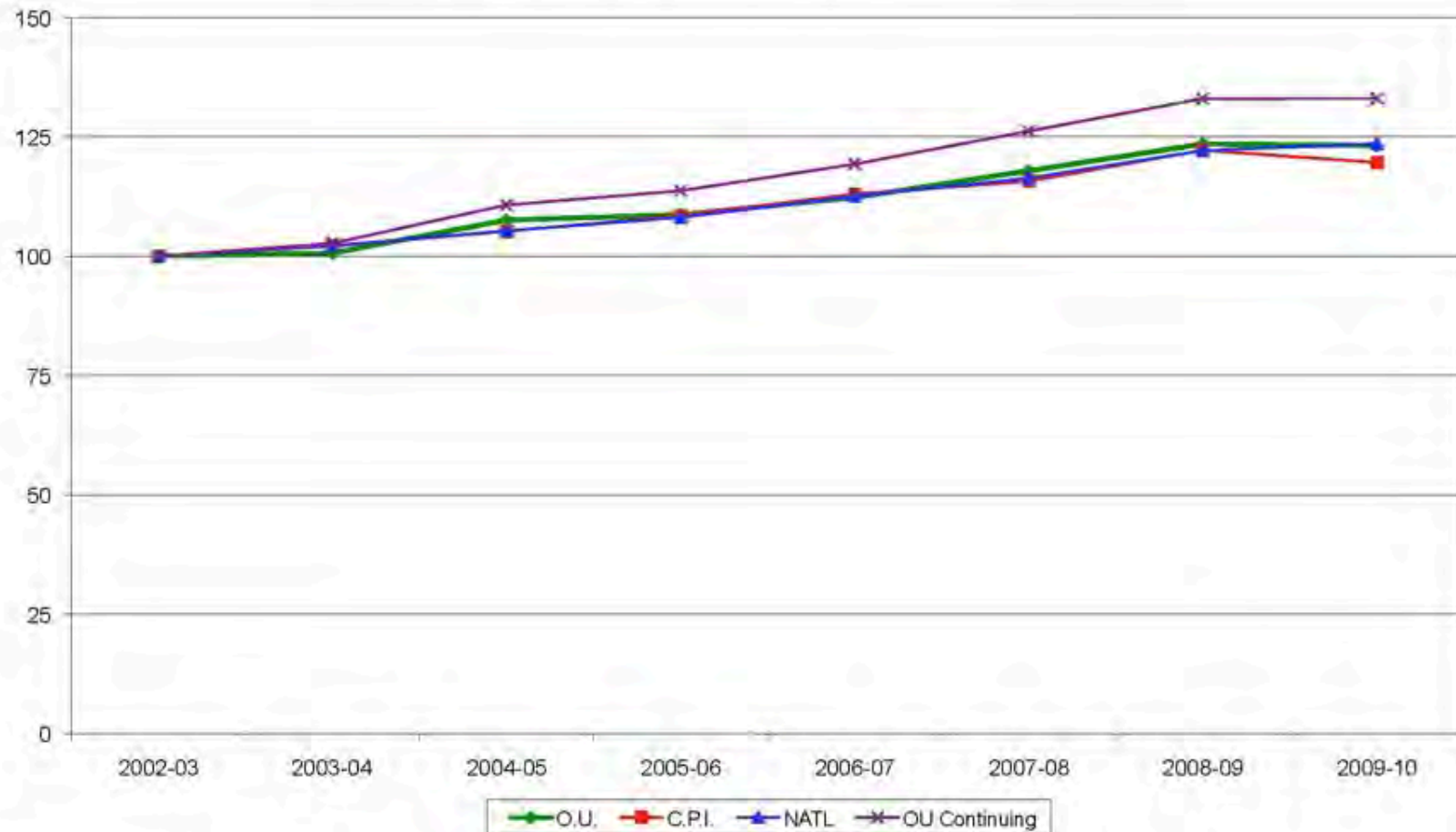
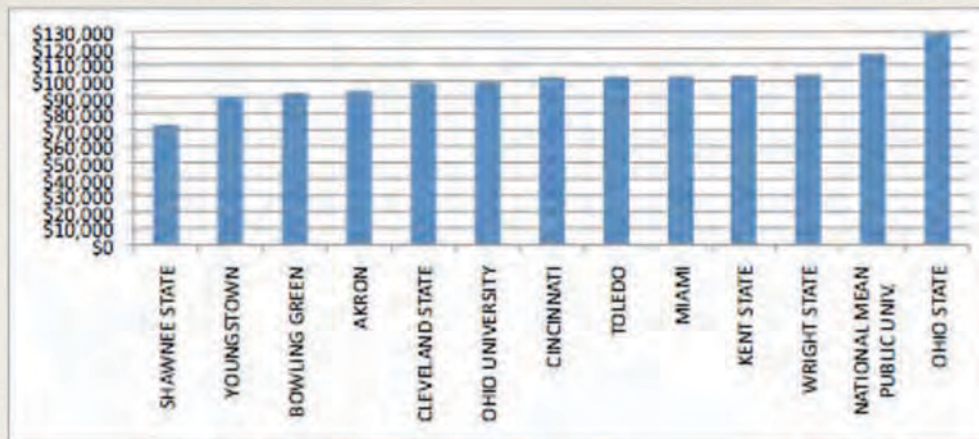


Figure 6
Ohio University Faculty Salary Index Compared to Consumer Price Index
and National Faculty Salary Index

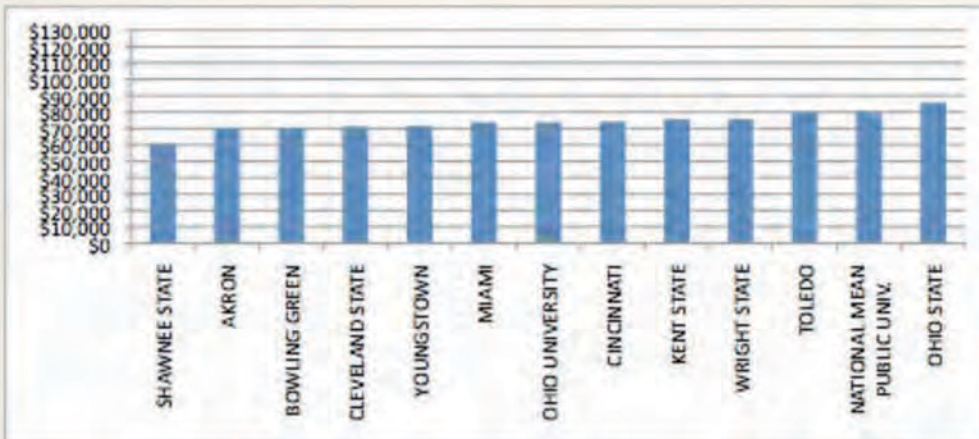


Ohio University Office of Institutional Research

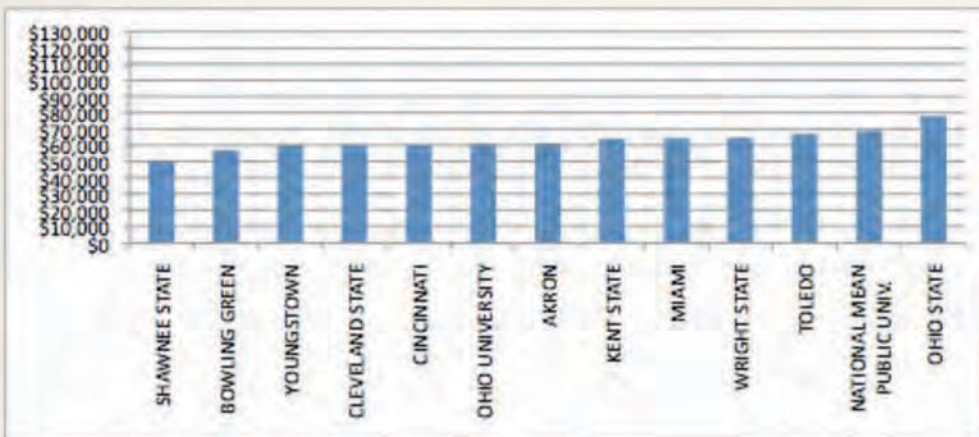
Note: CPI adjusted to 2002 base year; academic year (July to June).



Professor Salaries--Ohio Institutions & National Mean for Public Category 1 Universities, 2009-10



Associate Professor Salaries--Ohio Institutions & National Mean for Public Category 1 Universities, 2009-10



Assistant Professor Salaries--Ohio Institutions & National Mean for Public Category 1 Universities, 2009-10

Table 6
Average Faculty Compensation by Rank: 2009-10
Public Universities in Ohio

	<u>Professor</u>		<u>Associate</u>		<u>Assistant</u>		<u>All Ranks</u>	
	<u>Average</u>		<u>Average</u>		<u>Average</u>		<u>Average</u>	
	<u>Compensation</u>	<u>Rank</u>	<u>Compensation</u>	<u>Rank</u>	<u>Compensation</u>	<u>Rank</u>	<u>Compensation</u>	<u>Rank</u>
AKRON	\$118,400	9	\$91,600	10	\$79,900	8	\$94,100	9
BOWLING GREEN	\$115,100	10	\$89,600	11	\$72,500	12	\$80,600	12
CINCINNATI	\$134,100	4	\$97,400	6	\$79,800	9	\$105,700	2
CLEVELAND STATE	\$124,700	8	\$92,200	9	\$80,400	7	\$95,600	7
KENT STATE	\$130,800	6	\$99,100	5	\$85,800	4	\$95,100	8
MIAMI	\$141,300	2	\$101,900	3	\$88,700	2	\$102,700	3
OHIO STATE	\$158,500	1	\$107,500	1	\$98,200	1	\$128,000	1
OHIO UNIVERSITY	\$126,200	7	\$97,100	7	\$82,400	6	\$101,800	4
SHAWNEE STATE	\$101,900	12	\$88,300	12	\$76,100	11	\$84,500	11
TOLEDO	\$135,800	3	\$105,700	2	\$88,200	3	\$98,000	5
WRIGHT STATE	\$132,600	5	\$100,000	4	\$85,100	5	\$97,900	6
YOUNGSTOWN	\$114,700	11	\$93,100	8	\$79,400	10	\$94,100	9
Difference Ohio University to Next Highest University	\$4,600		\$300		\$2,700		\$900	

Table 5
Number of Full-Time Faculty by Rank: 2009-2010
Public Universities in Ohio

	Professor		Associate Professor		Assistant Professor		Instructor/ Lecturer		Total All Ranks
	N	%	N	%	N	%	N	%	
AKRON	273	38%	229	32%	161	22%	61	8%	724
BOWLING GREEN	156	21%	250	33%	134	18%	214	28%	754
CINCINNATI	467	38%	406	33%	307	25%	45	4%	1,225
CLEVELAND STATE	146	30%	194	40%	137	28%	14	3%	491
KENT STATE	206	30%	229	33%	249	36%	0	0%	684
MIAMI	254	35%	228	31%	193	26%	58	8%	733
OHIO STATE	994	44%	729	33%	507	23%	6	0%	2,236
OHIO UNIVERSITY	222	31%	296	41%	209	29%	0	0%	727
SHAWNEE STATE	39	26%	48	32%	35	23%	27	18%	149
TOLEDO	208	34%	234	38%	152	25%	19	3%	613
WRIGHT STATE	180	32%	184	33%	142	25%	58	10%	564
YOUNGSTOWN	163	36%	111	25%	125	28%	48	11%	447

Ohio University Office of Institutional Research

Source: AAUP Faculty Salary Study, 2009-2010 Ohio Universities Faculty Salary Study, Ohio State University

**Ohio University Athens Campus
Full-Time Group I Faculty
Tracking from 2002-2003 to 2008-2009**

	Total	N Continuing as Group I	% Continuing as Group I	N Retired	% Retired	N Assistant Professor Resigned/ Tenure Denied	% Assistant Professor Resigned/ Tenure Denied	N Professor/ Associate Professor Resigned	% Professor/ Associate Professor Resigned	Deceased	Status Change/ Still at OU
2007-08 to 2008-09	726	665	91.6%	14	1.9%	26	3.6%	12	1.7%	2	7
2006-07 to 2007-08	749	684	91.3%	23	3.1%	21	2.8%	15	2.0%	3	3
2005-06 to 2006-07	744	691	92.9%	11	1.5%	19	2.6%	14	1.9%	0	9
2004-05 to 2005-06	737	683	92.7%	15	2.0%	21	2.8%	12	1.6%	0	6 *
2003-04 to 2004-05	746	698	93.6%	11	1.5%	14	1.9%	12	1.6%	0	11
2002-03 to 2003-04	724	676	93.4%	25	3.5%	11	1.5%	7	1.0%	0	5
2001-02 to 2002-03	698	649	93.0%	12	1.7%	22	3.2%	8	1.1%	0	7

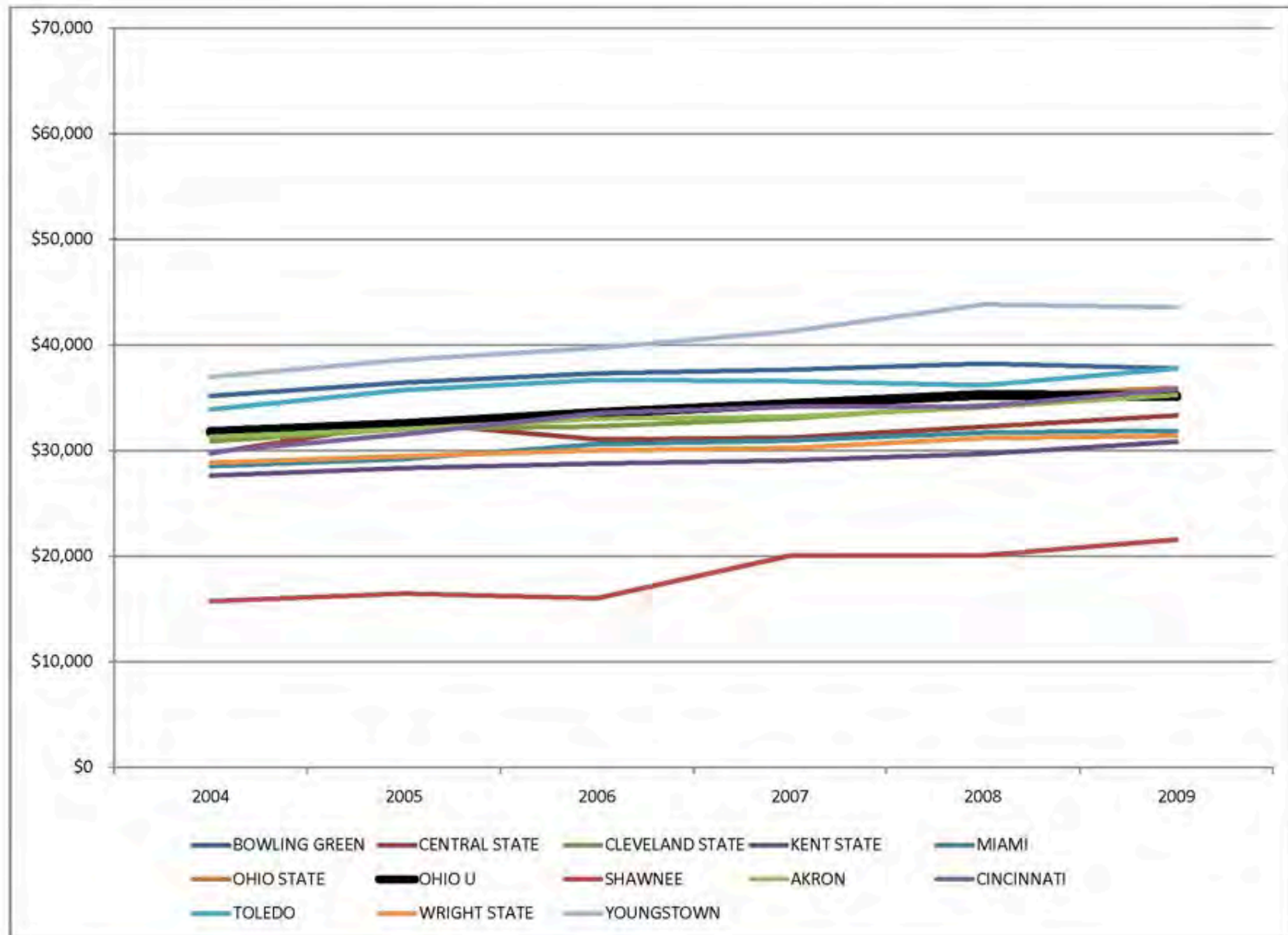
*6 Nursing faculty moved from Athens to regional campuses.

STAFF COMPENSATION

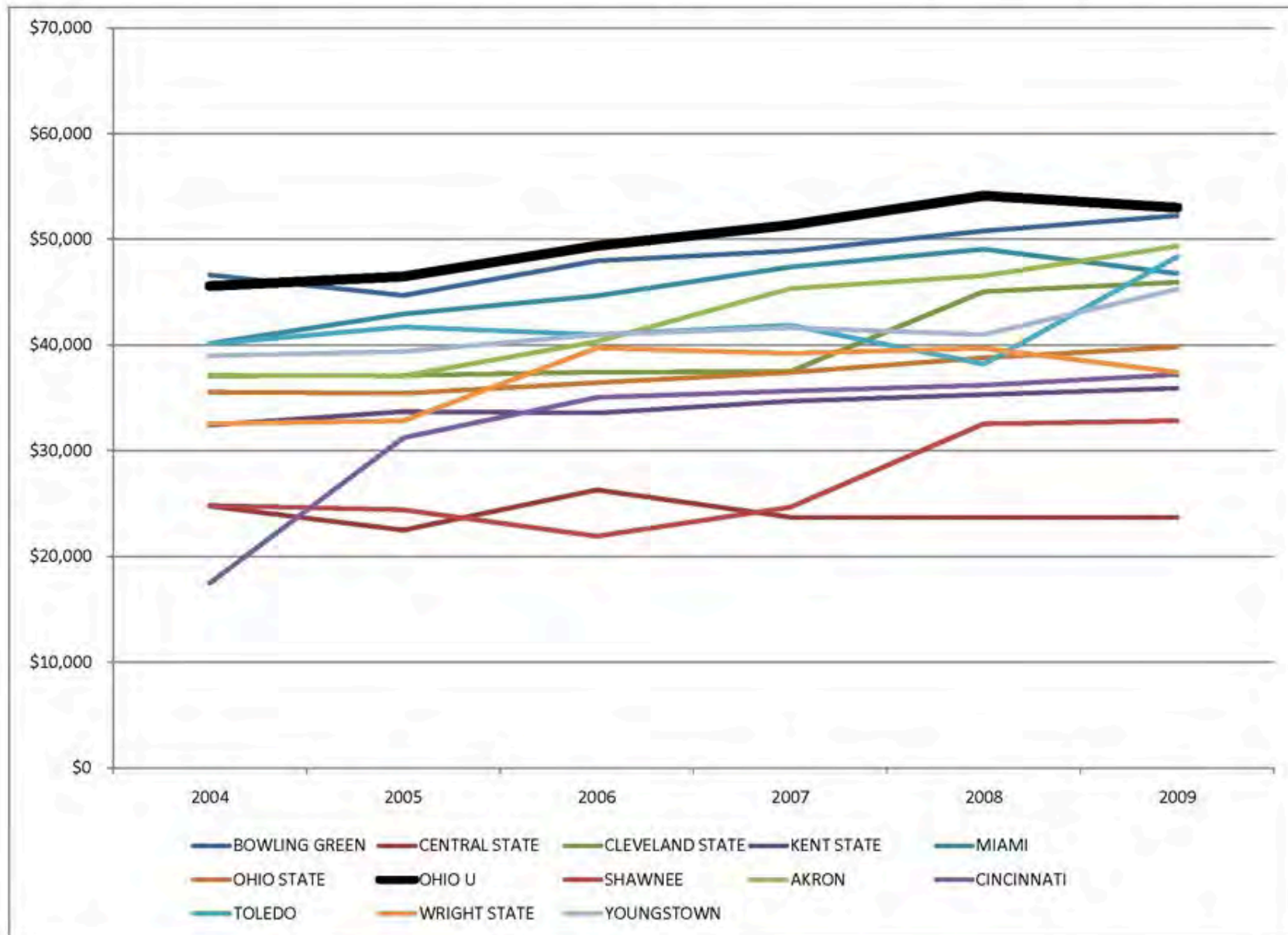
Building the Nation's Best Transformative Learning
Community



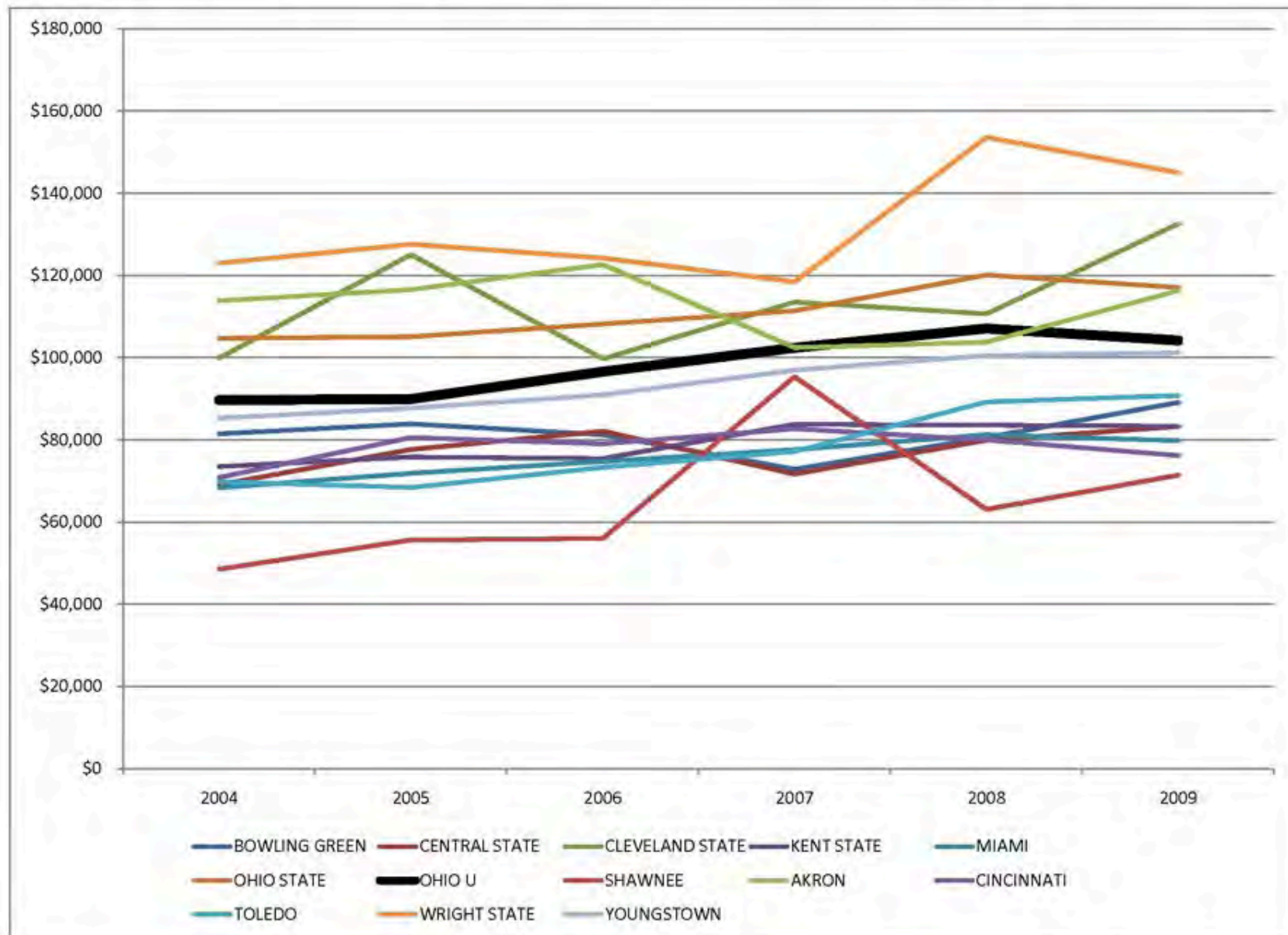
Public Universities in Ohio: Average Annual Salary for Clerical and Secretarial Employees



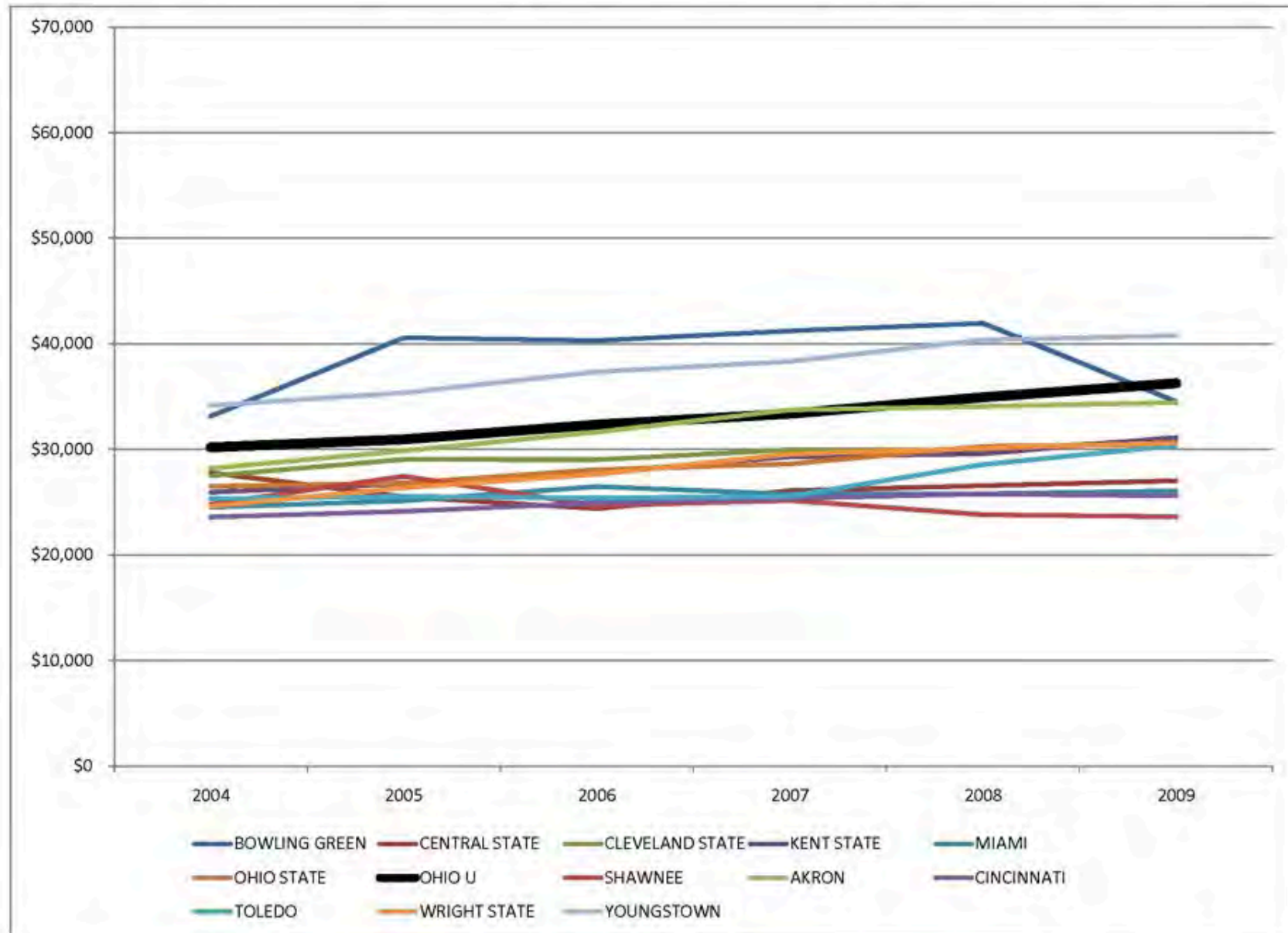
Public Universities in Ohio: Average Annual Salary for Technical and Paraprofessional Employees



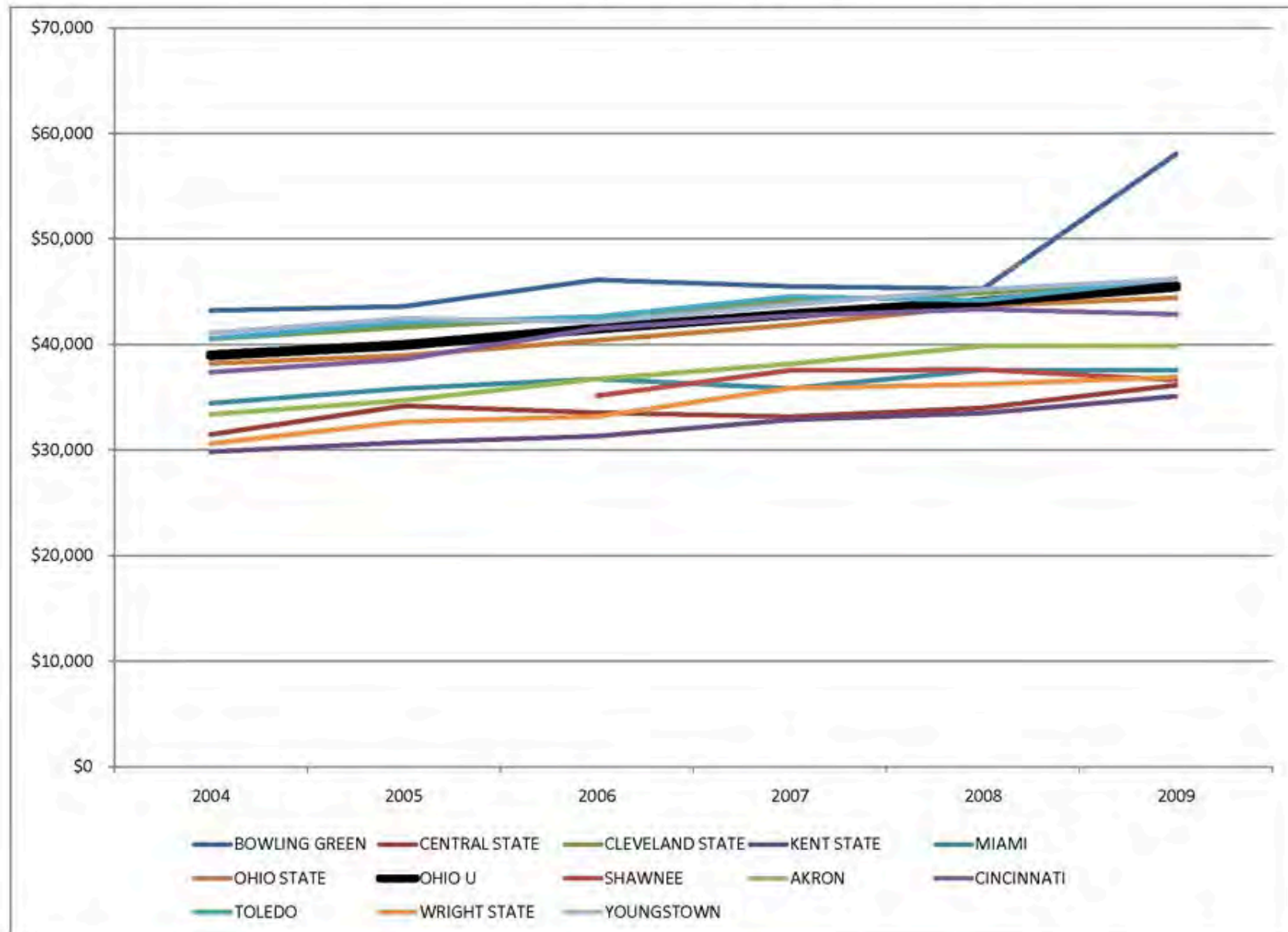
Public Universities in Ohio: Average Annual Salary for Executive, Administrative, and Managerial Employees



Public Universities in Ohio: Average Annual Salary for Service and Maintenance Employees



Public Universities in Ohio: Average Annual Salary for Skilled Craft Employees



Administrative Professional Pay Plan-- University Human Resources

❖ Career Banding

- ❖ Executive**
 - ❖ Management**
 - ❖ Professional**
 - ❖ Administrative Support**
- ❖ Set band and pay level ranges based on market**
 - ❖ Establish career maps**
 - ❖ Focus on Ohio University total rewards**
 - ❖ Develop streamlined performance management strategy**

Determining Salary Increases

- ❖ Merit
- ❖ Performance
- ❖ Promotion & Tenure Adjustments
- ❖ Equity
- ❖ Across the Board

How do we approach recruitment and retention of faculty and staff in difficult economic circumstances?

How do we become a sustainable university able to make substantive progress toward becoming the nation's best transformative learning community?

HOW DO WE ALIGN
TUITION,
ENROLLMENT, AND
COMPENSATION?

OHIO
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Executive Vice President & Provost's Report

Academics Committee, June 24, 2010



OHIO
UNIVERSITY

Office of Information Technology

Progress Update Board of Trustees Academics Committee

J. Brice Bible
Chief Information Officer
Office of Information Technology
June 24, 2010

Rufus Initiative Update

- ▶ Dashboard
- ▶ Timeline
- ▶ Funding Review

Rufus Initiative Update

Initiative	Progress	Status
1. Overall Project Status	<p>Program Schedule – 49% complete</p> <ul style="list-style-type: none"> • Integration planning and development are well underway (SOA Strategy). • Program governance teams are proving very effective (reduction of modifications, assistance with designs, advice on delivery). • Program is lacking necessary resources for the delivery of training and the service desk support. Major deployments begin in approximately two months. • Security planning efforts are gaining momentum and should overcome the delay in resource assignments. <p>Program Budget – 36% spent; contingency balance \$2.1m.</p> <p>Program Scope – the CRM project scope changes have been approved by stakeholders and a revised SOW is being updated.</p>	
2. PeopleSoft Campus Solutions	<ul style="list-style-type: none"> • Configurations and data conversions are progressing very well. • The Admissions team is completing a go-live readiness assessment in preparation of their scheduled July 2010 deployment date. This assessment includes user acceptance, validation and training. • Records has conducted end user training for PeopleSoft Navigation and Requisite Loading. • Overcoming previous delays in Admissions due to the CRM project scope changes; specifically the online application. • Modifications continue to be reviewed and minimized, developed, and tested. 	
3. Service Oriented Architecture (SOA)	<ul style="list-style-type: none"> • Continuing to document student processes and integration flows. • Currently focusing on integration development for Online Graduate Appointments, Academic Progress Reporting and Adirondack. 	

Completed
On Schedule
Funding Issue or Delays

Rufus Initiative Update

Initiative	Progress	Status
4. Identity Management / MDM	<ul style="list-style-type: none"> • Designs are being developed and the IdM integrations are well underway. Initial deployments begin in early June. • Decision pending on the appropriate Person Master Data Management (MDM) solution to store, protect, cleanse, and uniquely identify entities. 	
5. University Portal	<ul style="list-style-type: none"> • Portal design activities are underway and the initial design was deployed in May for campus-wide input and advice. 	
6. Enterprise Reporting and Intelligence (ERI)	<ul style="list-style-type: none"> • Proof of concept has been built for the Institutional Research team's acceptance. • The ERI team has completed the installation of the Campus Solutions data warehouse and have been successful in loading a limited amount of data. 	
7. DARS upgrade, Transfer Articulation	<ul style="list-style-type: none"> • The team has installed the Darwin 3.5.8 product, with the majority of the coding complete. • CIBER has been working with OHIO to assist in the planning for conversion and implementation of Campus Solutions transfer credit. 	
8. Security Review	<ul style="list-style-type: none"> • As requested from the OHIO Board of Trustees, preparations are underway to conduct a security review of sensitive data creation, storage, and processing within PeopleSoft Campus Solutions. • A vendor selection process is underway. 	

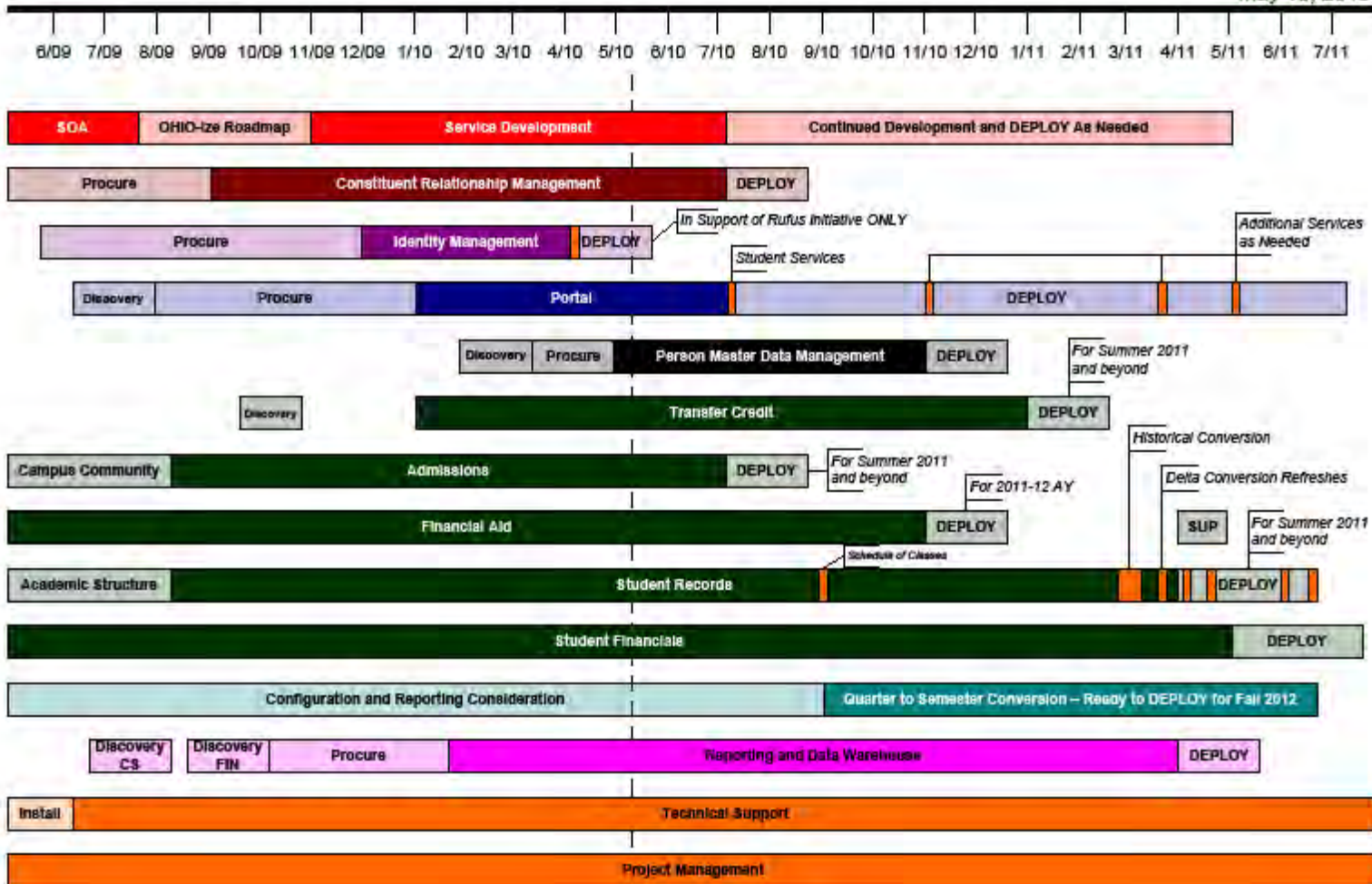
Completed
On Schedule
Funding Issue or Delays

Rufus Initiative

Implementation Timeline

Version 1.6

May 10, 2010



Rufus SIS Bond

	Current Budget	Projected June 1 2010 Spend	Projected Spend to Completion	Projected Funds Remaining
Campus Solutions	\$ 4,644,900	\$ 2,017,820	\$ 4,487,820	\$ 157,080
Enterprise Reporting	\$ 741,000	\$ 285,000	\$ 685,860	\$ 55,140
University Portal	\$ 468,000	\$ 95,000	\$ 466,000	\$ 2,000
CRM	\$ 626,170	\$ 324,000	\$ 606,500	\$ 19,670
IdM	\$ 1,009,000	\$ 544,523	\$ 727,453	\$ 281,547
MDM	\$ 794,760	\$ -	\$ 655,304	\$ 139,456
SOA	\$ 686,925	\$ 420,000	\$ 580,421	\$ 106,504
DARS/Transfer Credit	\$ 450,660	\$ 23,400	\$ 233,700	\$ 216,960
Hardware	\$ 1,750,000	\$ 905,700	\$ 1,491,951	\$ 258,049
Other 3rd Party	\$ 796,000	\$ 187,851	\$ 726,584	\$ 69,416
Ohio Staffing	\$ 4,503,280	\$ 2,062,038	\$ 4,292,386	\$ 210,894
Bond Reserves	\$ 467,720	\$ -	\$ 5,280	\$ 462,440
Contingency	\$ 2,106,083	\$ -	\$ 631,825	\$ 1,474,258
New value-added project functionality (tbd)	\$ -	\$ -	\$ 3,453,414	\$ (3,453,414)
Total SIS Bond:	\$ 19,044,498	\$ 6,865,332	\$ 19,044,498	\$ -

NextGen Network Update

- ▶ Dashboard
- ▶ Major Task Progress
- ▶ Timeline

Next Generation Network Update

Initiative	Progress	Status
1. Design Status	Network Design 100% complete.	
2. Network Equipment Provider	Juniper was selected as the manufacturer for network equipment.	
3. Bond Approval	Bond approved in May and funded at \$9M for the first-half of the Network Upgrade.	
4. Project Management	Initiated implementation teams, project management team, communications schedule, and change management plan.	
5. OU Procurement	Purchasing and receiving network gear and wiring.	
6. Athens Campus Wired Network	Completed: 17 Buildings In Progress: 3 Buildings	
7. Regional Campus Network	In Progress: Chillicothe	

Completed
On Schedule
Ahead of Schedule
Funding Issue or Delays
Stopped

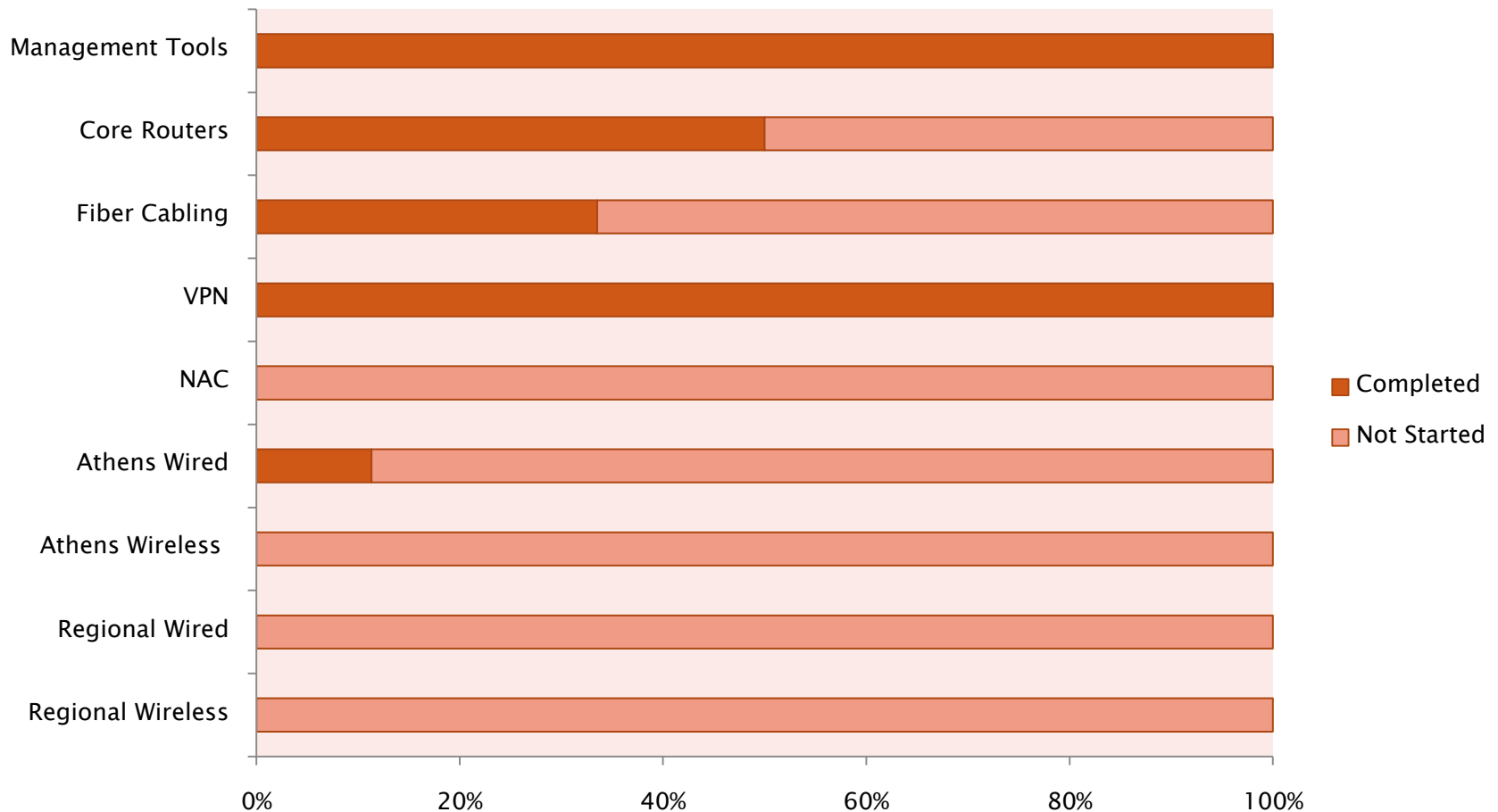
Next Generation Network Update

Initiative	Progress	Status
8. NAC Pilot	<ul style="list-style-type: none"> • Continuing to work with Juniper to resolve issues discovered during testing. • Reviewing client side integration options. • Developing NAC informational pages and user interface pages. • Changes in vendor personnel as well as the OIT NAC Engineer vacancy will impact the project schedule. The extent of the impact will depend on the replacement of these key personnel. 	
9. VPN	Completed VPN installation.	
10. Facilities	Office of Design and Construction has reviewed the list of facilities needs submitted by OIT, and are coordinating with respective contractors for completion of work.	
11. Training	Completed all necessary training.	
12. Staffing	Temporary employees hired.	

Completed
 On Schedule
 Ahead of Schedule
 Funding Issue or Delays
 Stopped

NextGen Network Upgrade

Major Task Update

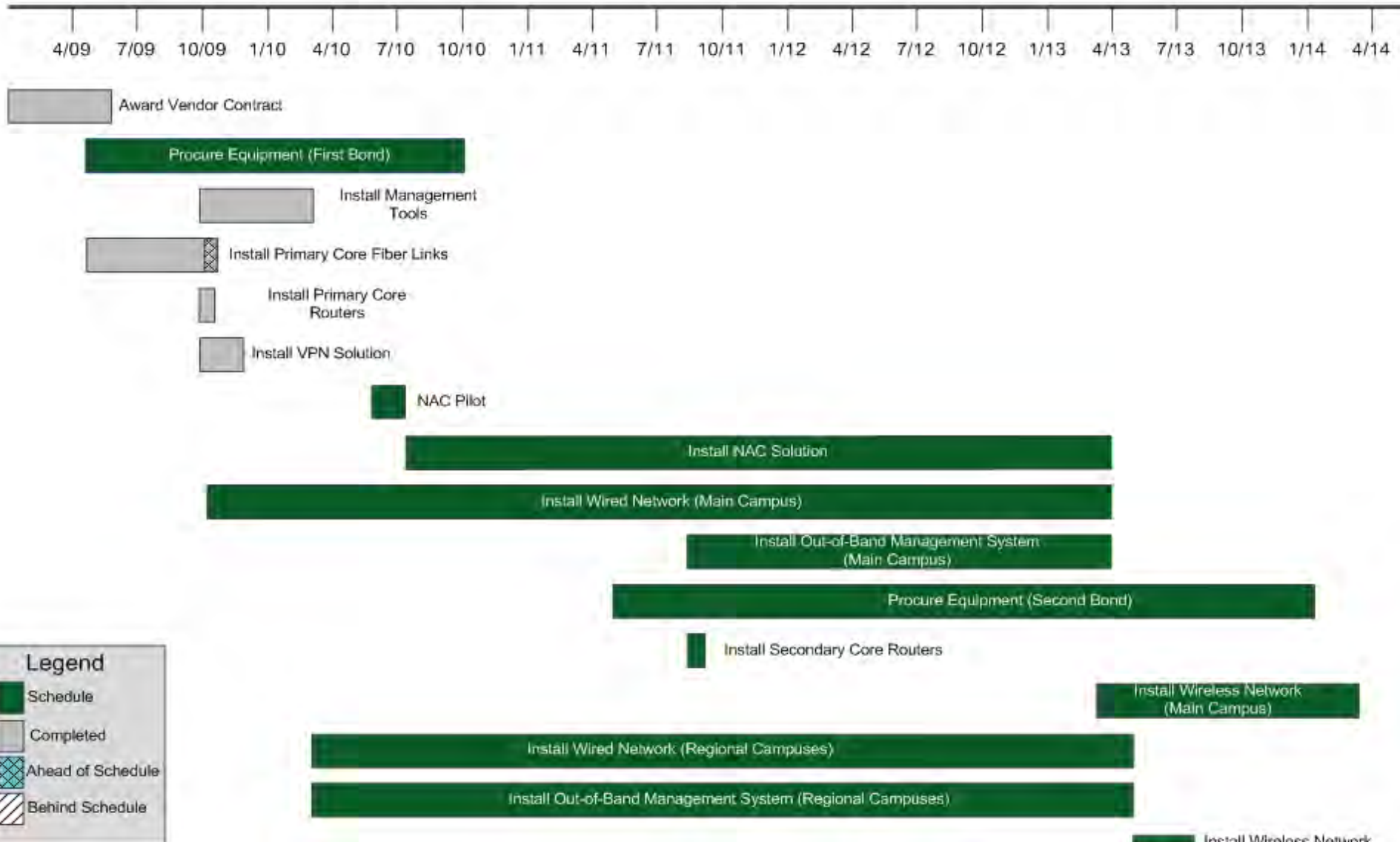


March 23, 2010



OHIO
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NextGen Network Implementation Timeline



IT Realignment

- ▶ Dashboard
 - ▶ First-year Savings
 - ▶ Server/Services Realignment Progress
 - ▶ Improved Efficiencies
- 

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 8 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

NextGen Network – Bond 1

	Current Budget	Projected June 1 2010 Spend	Projected Spend to Completion	Projected Funds Remaining
Network Equipment	\$ 4,104,161	\$ 2,455,952	\$ 4,104,161	\$ -
Network Tools (management tools)	\$ 760,587	\$ 623,069	\$ 760,587	\$ -
Cabling	\$ 900,000	\$ 651,901	\$ 900,000	\$ -
Network Infrastructure Facilities	\$ 578,000	\$ 71,000	\$ 578,000	\$ -
Staff (Temp workers and NAC admin)	\$ 962,754	\$ 298,628	\$ 962,754	\$ -
Data Center Upgrades	\$ 1,450,000	\$ 186,202	\$ 1,450,000	\$ -
Total NextGen Network:	\$ 8,755,502	\$ 4,286,751	\$ 8,755,502	\$ -

NextGen Network – Bond 2

	Original Budget	Requested Budget
Network Equipment	\$ 3,355,898	\$ 3,089,444
Network Tools (management tools)	\$ 16,000	\$ -
Cabling	\$ 2,271,600	\$ 570,000
Network Infrastructure Facilities	\$ -	\$ -
Staff (Temp workers and NAC admin)	\$ 975,000	\$ 1,288,164
Data Center Facility Upgrades	\$ 1,600,000	\$ 2,554,922
Total NextGen Network:	\$ 8,218,498	\$ 7,502,530

College of Medicine CORE network	\$ -	\$ 313,598
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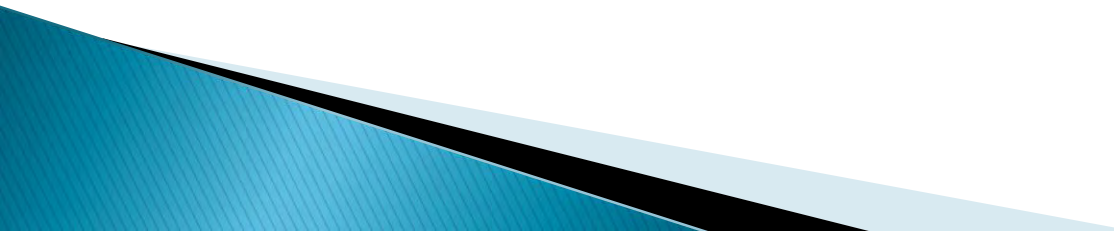
First Year University-Wide IT Savings

Charge: Reduce total IT spend by 10% of University-wide total of \$33M


	Central IT	Non-centralized IT	Total
2010 Expenditure	\$20M	\$13M	\$33M
10% Reduction (target)	2.0	1.3	3.3
FY 2011 Base Reduction	1.0	0.6	1.6
Reduction Remaining	1.0	0.7	1.7
Percent of target savings realized 2010	50%	46%	48%

- ❑ Non-centralized IT savings reflects the elimination of 7 FTE: three layoffs, three vacancies within Enrollment Management, and one vacancy within the College of Osteopathic Medicine
- ❑ Non-centralized IT savings also reflects the elimination of \$150,000 in annual server refresh costs, however, this has been partially offset by a \$50,000 annual increase in central IT costs
- ❑ A significant portion of these savings are attributable to the Directive One server consolidation initiative.
- ❑ The FY 2011 reduction for Central IT does not reflect the FY 2011 \$405,000 reduction in technology support from Residence and Dining which will be addressed as part of the FY 2012 budget development process (total \$810,000)

Server/Services Realignment Progress

- ▶ Eliminated 218 servers and migrated 65 physical/virtual servers to OIT support
 - ▶ Migrated 339 college and planning unit IT services
 - ▶ Security framework in place to accommodate Research & Academic servers
 - ▶ Executed 8 MOU's with remaining under final development
 - ▶ Establishing SLA's with planning units
- 

Improved IT Efficiencies


- ▶ Reduced Capital & Operating Costs
 - ▶ Energy savings (HB 251) through virtualization
 - Estimated current reduction in power consumption 379,351 KWH per year (OIT servers only)
 - \$28,000 rebate from AEP/VMWare rebate program for OIT consolidation-- Additional rebate likely from departmental consolidation
 - ▶ Elimination of 218 duplicative servers has resulted in non-OIT department savings of an estimated annual technology refresh savings of \$152,600
 - ▶ Elimination of outsourced IT support contracts retained by departments
- 

Improved IT Efficiencies cont.


Resource Provisioning

- ▶ Savings through thin provisioning of enterprise data storage and elimination of redundant growth capacity on decommissioned departmental systems
- ▶ Consolidated software licensing

Technology Procurement

- ▶ Increased buying power through consolidated procurements
 - ▶ Utilizing USO, OARNet, and IUC contract purchasing instruments for buys
 - ▶ OIT review of University IT related purchases
- 

Other Significant OIT Activities

- ▶ Internet Connection Upgrade
 - From 1Gb to 10Gb
 - ▶ Blackboard 9 Upgrade
 - Most current version
 - ▶ Unified Communications Strategy Implementation
 - Voicemail upgrade
 - Email & calendar conversion
 - ▶ Broadband Stimulus Proposal
 - “due diligence phase”
 - ▶ Enterprise Applications Upgrades
 - ▶ Service Model Review
- 



**The Ohio University Board of Trustees
Governance Committee
June 24, 2010**

Committee Chair Sandra J. Anderson called the meeting to order at 4:40 p.m. In addition to Chair Anderson, Trustees Yvette McGee-Brown, Charles Stuckey, Dennis Minichello and Student Trustee Kyle Triplett were present. Also attending were Board Secretary Thomas E. Davis and General Counsel John J. Biancamano.

1. Recommendation for appointment of national trustees

Chair Anderson reviewed the Bylaw provisions relating to the national trustee positions and the Guidelines for the Appointment of National Trustees approved by the Board in January, 2010. After discussion, the Committee agreed to recommend that appointment of Frank Krasovec to serve a two year term and Henry Heilbrunn to serve a three year term, both beginning July 1, 2010.

2. Assessment of the faculty representative to the Board position

In Resolution 2009-3101, the Board invited the Chair of the Faculty Senate Finance and Facilities Committee and the Chair of the Faculty Senate Curriculum Council to serve as ex officio nonvoting faculty representatives to the University Resource and Academics Committees, respectively. The Board also agreed to evaluate the efficacy of these positions after one year.

Chair Anderson suggested that the Committee discuss four questions:

- a. Have the faculty representative positions facilitated shared governance and enhanced understanding and communication between faculty and the Board?
- b. Are the chairs of the Faculty Senate Finance and Facilities Committee and the Curriculum Council the appropriate faculty representatives?
- c. General comments on the value of these positions.
- d. Does the Committee recommend continuation of the faculty representative positions?

Dr. Scott Titsworth, the current faculty representative on the Resources Committee stated that he had discussed these questions with Dr. David Thomas, representative on the Academic Committee and that they both felt the experiment was a success. Dr. Titsworth said that the faculty representative positions had improved communications between the Senate and the Board and also facilitated communication with the President and the Executive Staff. He observed that

service on the Board had enabled them to bring a more holistic view of university issues to Senate discussions. He also agreed with the current method of assigning faculty to the positions.

Trustee Stuckey stated that the arrangement was working exceptionally well and that it was helpful for the Board to hear the faculty perspective.

Dr. Davis said that in his view that faculty representative positions had been a success and he noted that Drs. Titsworth and Thomas had served the faculty and the Board well. He also recommended that the Chair of the Faculty Senate be allowed to substitute for one of the designated representative in the event of their unavailability.

The Committee agreed to recommend the continuation of the faculty representative positions. Chair Anderson asked Dr. Davis and Mr. Biancamano to prepare a resolution addressing the substitution issue for a future meeting.

3. Board retreat planning

The Board Retreat was discussed at a special meeting of the Committee on June 8, 2010. In that meeting, a consensus was reached to have the Board meeting on September 2, 2010 and the retreat on September 3, 2010.

Chair Anderson reported that Board Chair M. Marnette Perry had suggested two topics for the retreat agenda: (a) financial ratio analysis and balance sheets, and (b) future growth of institutional enrollment on Athens and regional campuses. It was agreed that the annual Board ethics training and a presentation on the University System of Ohio would be postponed until the November meeting.

Dr. Davis will get additional feedback from the Chair and the other trustees and continue to develop the agenda. The retreat will be held either in Athens or at a location in Dublin.

Mr. Stuckey recommended that an orientation session be developed for new trustees. Dr. Davis will follow up on this.

4. Meeting dates for Fiscal Year 2010-11

The meeting dates for the coming fiscal year are in the consent agenda.

The meeting adjourned at 5:25 p.m.



**AUDIT COMMITTEE MEETING
OHIO UNIVERSITY – ATHENS CAMPUS
Margaret M. Walter Hall, Room 127
June 24, 2010 – 4:30 PM**

Trustee David Wolfort, Chair of the Audit Committee, called the meeting to order at 4:38pm. Other Committee Member present was Trustee Ned Dewire. President McDavis, Trustee Kevin Lake and Student Trustee Danielle Parker were also present.

Trustee Wolfort provided an updated on the status of the external audit. Plante and Moran's interim testing was completed the weeks of May 17 and 24 and there are no significant issues to report to the Audit Committee as of that date. Plante will continue to complete the audit planning and programming and prepare for yearend fieldwork, which will commence in August. Interim Vice President Angelini and his team were well prepared for the interim testing.

- **FY11 Annual Audit Plan**

Kathy Gilmore, Chief Audit Executive, presented on the FY11 audit plan. Six assurance audits are included as well as ten follow-up audits. Ms. Gilmore discussed the risk assessment process used to prepare the annual audit plan. Ms. Gilmore also discussed a quality assurance review for the Internal Audit office. The review evaluates conformance with auditing standards. Internal Audit plans to use a team of Inter-University Council of Ohio (IUC) auditors in the review process. The committee members discussed the audit plan.

At 5:06 p.m. Trustee Wolfort motioned to adjourn to executive session. Trustee Dewire seconded. Vote was Unanimous. The focus of the Executive Session was for the sole purpose of details relative to the security arrangements for the university, pursuant to the provisions of R.C. 121.22 (G)(6).

At 5:06 p.m. Trustee Wolfort motioned to adjourn to executive session. Trustee Dewire 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).

There was no unfinished business.

Meeting adjourned at 5:30p.m.



OHIO
UNIVERSITY

Internal Audit

HDL Center Suite 275
Athens OH 45701

T: 740.593.1865
F: 740.597.1842

DATE: June 24, 2010

TO: Dr. Tom Davis, Secretary to the Board of Trustees

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

SUBJECT: Internal Audit Plan

Below is the Office of Internal Audit's FY 11 proposed audit plan. It is presented to the Ohio University Board of Trustees for authorization.

Included in our audit plan is time for a quality assurance review (QAR), required once every five years by the Institute of Internal Auditors (IIA) Standards. We have elected using self-assessment with independent validation. The validation will occur using a team of Inter-University Council of Ohio (IUC) auditors. In FY 12, Ohio University Internal Audit plans to assist in the validation of another IUC university. We will maintain independence by assisting in the review of a university that did not validate our assessment.

The IIA offers assistance for external reviews but the cost exceeds our available funds as it does at other Ohio institutions. IUC Internal Audit offices currently planning to participate in this arrangement are Bowling Green State University, University of Cincinnati, University of Toledo, and Cuyahoga Community College.

FY 11 Audit Plan

Admissions
General Accounting and Reporting
Payroll
Plant and Grant Accounting
Registrar
Residential Housing
Accounts Payable Follow-up
Advancement Follow-up
College of Osteopathic Medicine Follow-up
Facilities Department Follow-up
Foundation Accounting Follow-up
Human Resources Follow-up
Procurement Services Follow-up
Southern and Proctorville Regional Campuses Follow-up
Student Affairs Follow-up
Zanesville Campus Follow-up

Ohio University Internal Audit Office Annual Audit Plan

scale: 1 - 5 (5 = highest risk);
 no knowledge assumed 3.0
 1st level risk ranking: 3.31 +
 2nd level risk ranking: 3.06 - 3.30
 3rd level risk ranking: 2.96 - 3.05
 4th level risk ranking: 2.71 - 2.95
 5th level risk ranking: 0 - 2.70

Risk Assessment Template								
Auditable Units	10%	15%	5%	20%	15%	15%	20%	100%
	Outside Influence	Personnel & Management	Systems	Control Environment	Inherent Risk	Internal/ External Audits	Materiality	Total Rating
	10%	15%	5%	20%	15%	15%	20%	100%
Accounts Payable	5	5	4	4	5	3	5	4.45
Admissions	5	3	3	3	3	3	4	3.40
Airport	4	3	3	3	4	4	1	3.00
Baker University Center & University Events	5	3	3	3	3	3	3	3.20
Chief Information Officer	3	3	4	3	5	1	4	3.25
Chillicothe Campus	3	2	3	2	3	1	3	2.35
College of Arts and Sciences	3	3	3	3	3	1	5	3.10
College of Business	3	3	3	3	3	1	4	2.90
College of Education	3	3	3	3	3	1	3	2.70
College of Fine Arts	3	2	3	3	3	1	4	2.75
College of Health and Human Services	3	3	3	2	3	1	4	2.70
College of Osteopathic Medicine	5	2	3	2	3	1	5	2.95
Communications and Marketing	5	3	2	3	3	3	2	2.95
Dining Services	4	3	4	3	3	1	4	3.05
Eastern Campus	3	1	3	2	3	1	3	2.20
Facilities Department	4	4	4	4	5	1	5	3.90
General Accounting/Reporting, Tax Compliance and Payroll	5	5	4	4	5	3	5	4.45
Honors Tutorial College	3	3	3	3	2	3	1	2.45
Human Resources	4	2	3	3	3	1	5	3.05
Intercollegiate Athletics	5	3	3	4	4	1	3	3.25
Lancaster/Pickerington Campuses	3	3	3	3	3	1	3	2.70

FY 11 Audit Plan

Audits

- Admissions
- General Accounting and Reporting
- Payroll
- Plant and Grant Accounting
- Registrar
- Residential Housing

FY 11 Audit Plan

Follow-up Audits

- Accounts Payable
- Advancement
- College of Osteopathic Medicine
- Foundation Accounting
- Human Resources
- Procurement Services
- Southern and Proctorville Regional Campuses
- Student Affairs
- Zanesville Campus

Other Audit Time

- Investigations
Planned at 13% of audit time
- Internal Audit Risk Assessment
- Ohio Compliance Supplement Chapter 7 testing for Plante and Moran
- Quality Assurance Review (QAR)

Quality Assurance Review

- Institute of Internal Auditors (IIA) standard states an external assessment must be conducted at least every five years by a qualified, independent reviewer or review team from outside the organization
- Options include an external assessment or self-assessment with independent validation

Quality Assurance Review

- Evaluates conformance with the standards and the efficiency and effectiveness of internal audit
- Builds stakeholder confidence by documenting management's commitment to quality and successful practices
- Provides evidence to the board and management, that the audit committee and the internal audit activity are concerned about the success of the organization's internal controls, ethics, governance, and risk management processes

Self-assessment with Independent Validation

- Involves completion of a rigorous self-assessment by internal audit followed by a qualified external review and test of the self-assessment documentation
- Results are shared with senior management and the audit committee
- Internal Audit plans to validate using a team of Inter-University Council of Ohio (IUC) auditors, potentially including Bowling Green State University; University of Cincinnati; University of Toledo; and Cuyahoga Community College
- We will maintain independence by assisting in the review of a university that did not validate our self-assessment

Other Time

- Special Projects
 - Consulting activities such as process reviews requested by senior management
 - Internal control guidance
 - Educational efforts

Conclusion



Ohio University Board of Trustees
Executive Committee Meeting
June 24, 2010
Wilson Room, Ohio University Inn

Present– Chair M. Marnette Perry; Vice Chair C. Robert Kidder; Trustees Sandra Anderson, Gene T. Harris, Kevin B. Lake, Yvette McGee Brown, and David Wolfort; Student Trustees Kyle Triplett and Danielle Parker; and National Trustees Frank P. Krasovec and Charles R. Stuckey.

Not Present- Trustees Sandra J. Anderson, David Brightbill, Norman E. “Ned” Dewire

Also attending were President Roderick J. McDavis, Board Secretary Thomas E. Davis, Chair, National Alumni Board of Directors Dennis Minichello, Executive Vice President and Provost Pam Benoit, and General Counsel John Biancamano.

The meeting was called to order at 7:40 a.m. by Chair Perry.

Chair Perry began the meeting by welcoming two new members to the Board, Dr. Kevin B. Lake from Columbus and Student Trustee Dani Parker from Akron.

Expectations for the meeting were reviewed and include the recommendations of items coming before the Board which appear on the Consent Agenda, the President’s annual evaluation and a legal update.

The Chair asked for feedback on the items appearing on the Executive Committee’s agenda for placement on the Consent Agenda. These included the election of the Acting Treasurer, the election of the Secretary to the Board, the election of the President and a recommendation for an honorary degree to Dr. Atul Gawande. There was a consensus to move all four items forward for action on the Consent Agenda to the full Board.

At 8:00 a.m. Chair Perry made a motion to move into Executive Session, with a unanimous roll call vote to do so.

Topics addressed included a brief legal update by General Counsel John Biancamano. President McDavis and Executive Vice President and Provost Benoit reviewed a recently-reviewed promotion and tenure case. This served as an update to the Trustees as a result of a recent communication received by some members of the Board.

The next topic dealt with the feedback received by Trustee Kidder as a result of phone conversations with the Trustees concerning President McDavis' performance over the past year. Discussion focused on strategies and plans for continuous professional improvement. Trustee Kidder will offer a brief report during the Board meeting.

At 9:35 a.m. Chair Perry made a motion to come out of Executive Session with a unanimous roll call vote to do so.

The meeting was adjourned at 9:36am.