



**OHIO**  
UNIVERSITY

# Board of Trustees

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

## Minutes

February 25, 2011

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

**February 25, 2011**

**Campus Center 431/432  
Ohio University, Zanesville Campus**

**THE OHIO UNIVERSITY BOARD OF TRUSTEES**  
**MINUTES OF February 25, 2011 MEETING**

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- A President's Report
- B Executive Vice President and Provost's Report
- C University Academics and Resources Joint Committee
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- F Governance Committee
- G Audit Committee
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Chairperson M. Marnette Perry called the meeting to order at 10:07 a.m.

Chair Perry requested Board Secretary Thomas E. Davis to call the role.

## **ROLL CALL**

Present—Chair Perry, Trustees Kevin B. Lake, C. Robert Kidder, Gene T. Harris, David Brightbill, David Wolfort, Norman “Ned” Dewire, Janetta King, Student Trustees Danielle Parker and Kyle W. Triplett and Alumni Representative Arlene Greenfield.

Not Present— Trustee Sandra J. Anderson

Also in attendance were President Roderick J. McDavis, National Trustees Henry Heilbrunn and Frank P. Krasovec, and Board Secretary Thomas E. Davis.

## **APPROVAL OF THE AGENDA**

Chair Perry asked for a motion to approve the agenda. Moved by Trustee Harris, seconded by Trustee Dewire, all approved.

## **APPROVAL OF THE MINUTES**

Chair Perry asked for a motion to approve the Minutes of the Board of Trustees Meeting of November 19, 2010. Trustee Kidder moved, seconded by Trustee Dewire, all approved.

## **COMMUNICATIONS, PETITIONS, AND MEMORIALS**

There were no communications, petitions, and memorials.

## **Report from the Chair of the Board of Trustees**

Chair Perry welcomed Trustee Janetta King to the Ohio University Board of Trustees. Chair Perry expressed pleasure for the opportunity to visit the regional campuses and indicated that Dean James Fonseca and Executive Dean of Regional Higher Education Dan Evans spoke last night about regional campuses. She expressed pride in the fact that there are currently more than 2,000 students on the Zanesville campus. While roughly half of the students on Ohio University’s Zanesville campus come from the Zanesville area, the campus also extends access to students from surrounding counties as well. Regional campuses are crucial to Ohio University in its goal to provide access and serve people across the state of Ohio.

Chair Perry highlighted the importance of two particular items on the agenda for this Board of Trustees meeting: The budget and residential housing. She thanked Executive Vice President and Provost Pam Benoit, and Vice President for Finance and Administration Steve Golding for the work they have done in communicating the message regarding these agenda items to so many constituents across the institution and for moving the University in the right direction toward its strategic goals. She expressed appreciation of Trustee involvement highlighting that six Trustees have been highly involved in the Residential Housing Advisory Committee co-chaired by Vice President Kent Smith for Student Affairs, and Trustee Wolfort. This committee was charged with explaining all options, and will propose a realistic and reasoned proposal for advancing the infrastructure needs of the University's Residence halls. This was all done through the lens of the environmental scan completed by the Executive Vice President and Provost and her team. Chair Perry expressed that this work has been exemplary. The parties involved have kept this process highly visible which will lead to better outcomes through the coming years.

## **Report of the President**

### **Strategic priority spotlight**

President McDavis stated that Ohio University is proud of our partnerships with the local community. Recently, Ohio University and the City of Athens have joined the International Town Gown Association. Ohio University anticipates many benefits to come from membership with this association and the continued partnership with the City of Athens. Each regional campus also has strong involvement with the community (see Appendix A for specifics). President McDavis expressed pride for the relationships our Deans and faculty have formed with the community.

### **Search updates**

President McDavis reported that Ohio University is currently working with the search firm Witt-Keiffer to fill the position of Vice President of University Advancement and President and Chief Executive Officer of The Ohio University Foundation. It was reported that Ohio University will have candidates for this position chosen by March 2011. Visits with candidates will occur in late March or April 2011. Remaining candidates will be invited to visit campus in late April. The search committee will then share its recommendation for the new Vice President for University Advancement. He expects the person to begin July 1<sup>st</sup> 2011. President McDavis reported that Dr. Smith, chairs this search committee of 17 people.

President McDavis reported that Chief of Staff Becky Watts is chairing the search for the Director of Government Relations position. There has been a state-wide and internal search for candidates to fill this position. President McDavis shared he fully anticipates having a strong candidate pool from which to choose. Mr. Eric Burchard currently serves as State

Director of Government Relations and Ms. Eleni Zulia is currently serving as Director for Federal Government Relations. President McDavis publicly thanked both Mr. Burchard and Ms. Zulia for taking on extra duties and responsibilities during this interim period.

### **Advancement Visits**

Ohio University representatives are currently visiting with alumni and President McDavis expressed excitement regarding Ohio University's advancement efforts. (A full listing of the President's advancement visits are listed in Appendix A.) Ohio University has reached greater than 50 percent of its fundraising goal. He explained that The Promise Campaign is an alumni-based campaign. There have been no negative visits with alumni, according to President McDavis. Ohio University has raised \$231 million as of Feb. 25, 2011 against its \$450 million goal with four more years in which to raise funds. He explained that the campaign continues to move forward and thanked everyone involved.

### **Program Spotlight**

President McDavis explained that whenever the Board of Trustees visits a regional campus, he likes to spotlight one of the programs from that campus. For this meeting of the Board of Trustees at the Ohio University Zanesville campus, he spotlighted the nursing program on the campus. Dean Fonseca reported on this program. The nursing program is a collaboration between the Ohio University regional campuses and the University's College of Health Sciences and Professions.

Dr. Mary Bowen from the Ohio University Athens campus is the Director of the School of Nursing. Dr. Bowen explained that the nursing program is a unique collaboration because of the ability to bring together faculty at the Athens campus and faculty at regional campuses. Dr. Bowen explained that this is working well and is a productive relationship. Nursing students comprise about a third of Zanesville enrollment, but 40 percent of the budget, as is the case at the Chillicothe and Southern campuses which offer a two-year registered nurse associates degree. Dr. Bowen reported that at any time 300 students are enrolled in the nursing program on the Zanesville campus, along with 600-900 pre-nursing students.

Ms. Pam Sealover explained that nursing is a practice discipline, so to help students meet these demands, faculty integrate simulation and other new technologies into coursework. Simulation can help students gain hands-on experiences. Three simulators, one of which can be programmed to speak with students, are used on the Zanesville campus. Zanesville nursing student Mr. Richard Higgs explained how students use a simulator to practice skills with various age levels of clients. These simulations help students gain confidence before giving treatment to a real patient. Student Ms. Morgan Creighton discussed electronic documentation and the importance of nursing students possessing computer skills. Nursing

students on the Zanesville campus are now using Nurse Squared to practice documenting and as a tool to submit assignments online.

Trustee Kidder brought up the drop-off in numbers of students and asked if that was due to e-learning. Dean Fonseca explained that some is due to the transfer to e-learning and that the number of students are fairly constant overall. All three of the regional campuses offering nursing programs have waiting lists because enrollment limits are met. National Trustee Krasovec asked Ms. Sealover to explain the history of the e-learning and where it is today. Ms. Sealover explained that at one time the program was a satellite program that reached out to each regional campus and enrollments were rather low. In the last few years, the RN to BSN program has been administered nationally for about \$6,000, which is nationally competitive. The masters program is blended online and they are looking to put that program nationally online as well, which will likely lead to increases in enrollment.

Trustee Dewire asked if morale was high among students. Mr. Higgs commented on the 97 percent Boards pass rate, which leads to student pride. Trustee Harris commented that the pass rate is incredible and a great marketing tool. Chair Perry asked administrators about opportunity for growth, disregarding current capacity levels. Ms. Sealover explained that on campus they are close to capacity and the community, and even the State of Ohio is saturated with nurses already. Ms. Sealover explained that quality students are the priority now and adding to admissions can come later. Chair Perry thanked Dean Fonseca, Ms. Sealover, Ms. Creighton, and Mr. Higgs.

### **Report from the Executive Vice President and Provost—Environmental Scan Update**

Dr. Benoit began by asking how Ohio University can transform to respond to financial pressures, new technology, and competitors. The environmental scan addresses external trends and identifies implications. She framed this environmental scan by a strategic plan detailing what is important to our institution. The primary institutional considerations at Ohio University are quality, geography, and community.

Quality—The quality of education needs to be primary to Ohio University. We must ensure that we are providing the best student learning experience possible.

Geography—We are in Southeast Ohio, which is both a challenge and an opportunity.

Community—We must consider community partnerships when considering the campus environment. It is important for faculty and students to feel like they are part of the community.

Dr. Benoit discussed five environmental scan implications: General education, globalization, multi-modal academic programs, technological resources, innovation, invention and entrepreneurship. General Education is the foundation to the education we provide for our students and for a brand for the University. Ohio University needs to

remain sustainable while funding is cut. There have been a number of national conversations regarding redefining general education. We at Ohio University need to redefine general education to make it effective within our resources.

Ohio University has a long tradition of international education and globalization. Creating environments that nurture students to compete globally is important. We have diverse cultures to be considered within our local environment. We need to have a constructive engagement of faculty staff and students to understand culture.

Multi-Modal Academic Programs are also important to consider. There has been a demographic decline in high school graduates in Ohio and we also experience challenges in this rural environment. The University needs to diversify how we offer the Ohio University education. Through residential campuses, distance education, regional campuses, web integrated courses, we need to get to urban environments to extend our brand.

There has been rapid growth of technology in higher education and a growing student expectation of access to technical resources. There has been continuing dialogue regarding how Ohio University will respond to needs for technology and how to prioritize those needs.

Innovation, invention and entrepreneurship are things we promote at Ohio University. We have terrific students at Ohio University and can integrate our students with these things. Ohio University also has assets like the Center for Entrepreneurship and needs to continue to facilitate these efforts toward innovation, invention, and entrepreneurship.

The next step in the environmental scan is to inventory these areas more completely to look for Ohio University's strengths. Then we will establish a tactical framework to generate three primary recommendations for each of the above areas within the next year. Chair Perry asked about the changes to general education and what it means for the future. Dr. Benoit explained that she wants a discussion to be held about what needs to be a part of general education to deliver skills efficiently across campus. Fewer courses or choices may be a part of the changes, but Ohio University needs to be careful to still deliver the foundational skills we want delivered to students. Chair Perry acknowledged that this is "heavy lifting" and work is involved in building this new foundation. She explained there is some useful discussion occurring on our campus regarding moving forward on general education and how we maintain quality within our constraints.

Trustee Kidder asked if maintaining quality within general education is changing. Dr. Benoit answered yes. Trustee Harris asked how these changes fit in with the shift from quarters to semesters. Dr. Benoit answered that the quarters to semesters transition changes what people are doing within departments, but not a whole lot with general education. A

number of the changes in the quarters to semesters transition help to facilitate this transition in general education. Chair Perry commented that the 4x4 strategic plan discussed by Dr. Benoit will last for a long time and has moved Ohio University to real clarity to take us into the future. Chair Perry asked what Dr. Benoit needs from Trustees to stay focused on this plan and not lose the passion. Dr. Benoit answered that it is important to align budget priorities with this plan and that Trustees should continue to ask questions regarding this alignment. Chair Perry thanked Dr. Benoit.

Dr. Benoit addressed Trustee Kidder's question about which trends Ohio University has chosen to address in this environmental scan and strategic priorities. She explained that Ohio University has chosen to focus on those things most important to the institution with the most long-term impact. There is compelling evidence on a particular trend that makes Ohio University pay attention and use the trend to build on our current strengths. Chair Perry commented that the work Dr. Benoit is doing helps the Trustees to make decisions regarding the University. Trustee Kidder asked Dr. Benoit to comment on the environmental scan committee. She responded that nine people across campus participated in this committee, including deans from regional campuses and Faculty Senate chair Joe McLaughlin. These committee members read widely about trends in higher education and consulted with individuals writing on trends. Committee members also talked with faculty across campus, held open forums, and posted invitations for feedback. There was a University-wide environmental scan and committee members also asked planning units to complete their own environmental scans. Those environmental scans have had an impact on planning unit budgets. Trustee Kidder asked about the most challenging discussions. Dr. Benoit answered that the wording of the implications were most challenging. The next step is figuring out the action steps, according to Dr. Benoit, and becoming narrow because if there are too many action steps we will not be able to accomplish anything. Chair Perry asked if Dr. Benoit was also teaching the environmental scanning skill across campus. Dr. Benoit responded that Student Senate is interested in the process and outcomes. Chair Perry commented that this could be part of organizational skill taught to students, faculty and staff alike.

## **University Academics and Resources Joint Committee Report**

Trustee Kidder reported on two main topics. The first topic was the residential housing master plan and the second topic was the development of the budget and associated challenges.

### **Residential Housing**

Dr. Kent Smith led the discussion on this topic and explained that this process of exploring residential housing options has been going on for some time and has involved many Trustees and Ohio University community members. The committee was concerned about

capital resources available and maintenance on current buildings and that Ohio University is currently uncompetitive in residential housing due to room types and quality. As a result of this six to eight month process, the committee has come to a plan and the resources committee has a recommendation. Discussions were driven by the strategy to improve the learning community at Ohio University and to make us competitive with our peer institutions and continue to require freshmen and sophomores to live on campus. The committee ended up with a master plan which envisions three phases of renovation and replacement while maintaining 8,000 beds and in the next 10 years touching over 60 percent of the beds. Residential housing will remain consistent and affordable in this plan and the University will move toward a mix of suites and away from single/double rooms. The committee has set a standard for new construction and renovation and will allow for maintenance of the aesthetic on campus. This plan is not totally complete, however, because of financing questions. There are several questions the committee has yet to have answered, such as the University's debt capacity and Ohio University's total capital needs. The committee has other issues to consider, such as the power plant renovation and normal capital demands, so Trustees need to be looking at the total picture. The committee still has work to accomplish and the committee hopes to get to the point of complete information by April of 2011. The team would like the committee to generally endorse their plan and develop a much more detailed master plan to get the cost right of civil engineering, etc., which would give a more complete financial picture for the Trustees to consider.

Committee Chair Trustee Kidder proposed the ability to take next steps on the master residential housing plan and recommended this. Trustee Kidder added that it is important to consider how Ohio University got to this point where we need major renovations to residential housing. Ohio University needs to be forward-thinking in building a model that is financially sustainable for housing, so we do not face this problem again in ten years. Trustee Wolfort added that there are efficiencies to be garnered in energy and maintenance to benefit the university through this project. Trustee Brightbill explained that this was a thorough, intense process which in the long run maintains the integrity of the University and brings some cost savings that will help pay for the changes. Trustee Dewire added that this plan supports Ohio University's goal to be a residential campus. Trustee Triplett echoed that this plan will be good for the University as a whole. National Trustee Krasovec added that our goal of making Ohio University a learning community means that we need to have housing that is competitive. President McDavis agreed this plan is about alignment with the 4x4 matrix discussed previously by Dr. Benoit.

### **Multi-year Financial Plan**

Ohio University's multiyear financial plan was discussed next in the joint meeting. Trustee Kidder explained that, because Ohio University has significant budget challenges in the short-term, the University also has to look forward to make sure our cash flows allow us to maintain a strong financial balance sheet. Mr. Golding explained that he began the financial

planning process by trying to identify the nature and size of the problem as Ohio University estimated it for planning purposes, recognizing that the University does not know what its State Share of Instruction (SSI) amount will be until March 15, 2011. Last fall University Finance and Administration projected a 10 percent cut in SSI, which could represent a range of 20 to 27 million dollars to Ohio University. Additionally, University Finance and Administration projects inflationary increases in benefits and utilities and sized the overall problem at 32.6 million dollars to begin planning processes. Given the magnitude of this gap, every part of the University had to participate in finding the solution. Finance and Administration also understood that Fiscal Year 2012 planning needed to take into consideration future years. Mr. Golding suggested that part of Ohio University's planning principles need to include diversifying revenue streams to bring stability to the budget. He claimed that it is time for Ohio University to move to responsibility-centered budgeting and management. Part of Mr. Golding's recommendation is to begin to implement Responsibility Centered Management (RCM) recognizing that this is a three to five year implementation process.

Dr. Benoit explained a comprehensive strategy containing four parts: Generating additional revenue sources, cost-sharing, parking, non-personnel savings involving procurement, fleet costs, and shutting down underutilized buildings. Procurement is the largest strategy. Last of the four are personnel savings, such as reducing overload contacts, administrative restructuring, and early retirements. A number of these strategies are focused on reducing costs before going to non-voluntary alternatives. Trustee Kidder thanked Mr. Golding and Dr. Benoit.

The goal by April, according to Trustee Kidder, is to have a preliminary budget for the Trustees to look at. There is nothing specifically to approve at this time. Trustee Kidder asked for comments. Chair Perry asked if we were working toward a balanced budget in April. Mr. Golding explained that yes, this is our goal. Trustee Kidder provided a written description including numbers of a cost reduction strategy. Dr. Benoit commented that we do not know for sure the numbers. Mr. Golding explained that this uses no reserves and just the cost saving strategies. Trustee Harris explained that the Ohio General Assembly has to deliberate the Governor's decision and the University still may not know his decision in April. Chair Perry commented that it is important for Trustees to know what to expect and how to prepare. Trustee Kidder commented that it is the task of the Resources Committee to stay in contact with this process and keep the Trustees informed. He does not see any need for auxiliary. He explained that certain changes will happen even if SSI is not cut, like the procurement, but not staff cuts.

## University Resources Committee Report

Trustee Kidder reported that the Resources Committee discussed a six year model. The Committee reviewed a proposal to provide a guarantee for the University Courtyard Residential debt. Mr. Angelini reminded Trustees this project was funded by the Ohio University Foundation. Ohio University's rate on that debt is around 0.25 percent but, because of increased conservatism of financial institutions, the letter of credit is no longer good enough. Trustees agreed that providing a guarantee was a reasonable thing to do. National Trustee Krasovec asked if Trustees need to move on this now or wait until the University has a residential plan. Mr. Golding commented that he thinks we need to have the resolution adopted now. Trustee Kidder moved the resolution. Trustee Brightbill seconded. All in favor. Motion carried.

### **RESOLUTION 2011-3200**

Providing for the authorization, issuance and sale of not to exceed \$28,195,000 General Receipts Bonds of The Ohio University, authorizing a Supplemental Trust Agreement securing such bonds, and authorizing matters related thereto

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

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

WHEREAS, the University has heretofore authorized, issued or entered into the following Obligations under such Trust Agreement (collectively referred to herein as the "Prior Obligations"):

- \$48,025,000 principal amount of Bonds (as defined in the General Bond Resolution) designated "Subordinated Variable Rate General Receipts Bonds,

Series 2001” (the “Series 2001 Bonds”), pursuant to a First Supplemental Trust Agreement dated as of May 1, 2001 (the “First Supplemental Trust Agreement”) for the purpose of paying part of the cost of certain University Facilities;

- an Interest Rate Hedge (as defined in Section 9.98 of the Ohio Revised Code) for a portion of the Series 2001 Bonds in the form of an ISDA Master Agreement, dated December 1, 2001 (which, together with the schedule and confirmations related thereto, are collectively referred to as the “Series 2001 Swap Agreement”) in a maximum notional amount of \$31,020,000 with Morgan Guaranty Trust Company of New York, under the Trust Agreement with respect to amounts payable by the University under the Series 2001 Swap Agreement (other than any Early Termination Amount, as defined in the Series 2001 Swap Agreement, and any amounts payable pursuant to Section 11 of the Series 2001 Swap Agreement by the University);
- \$47,860,000 principal amount of Bonds designated “Subordinated General Receipts Bonds, Series 2003” dated September 3, 2003 and maturing through December 1, 2023 (the “Series 2003 Bonds”), pursuant to a Second Supplemental Trust Agreement dated as of September 1, 2003 (the “Second Supplemental Trust Agreement”) for the purpose of retiring the University’s Subordinated General Receipts Bond Anticipation Notes, Series 2003 and refunding the University’s General Receipts Bonds, Series 1993 dated as of December 1, 1993, which were issued to finance the cost of certain University Facilities;
- Notes (as defined in the General Bond Resolution) pursuant to a Third Supplemental Trust Agreement dated as of October 1, 2003 (the “Third Supplemental Trust Agreement”) for the purpose of paying part of the cost of certain University Facilities; however, there are no Notes presently outstanding under the Third Supplemental Trust Agreement;
- \$52,885,000 principal amount of Bonds designated “Subordinated General Receipts Bonds, Series 2004” dated as of March 15, 2004 and maturing through December 1, 2031 (the “Series 2004 Bonds”), pursuant to a Fourth Supplemental Trust Agreement dated as of March 15, 2004 (the “Fourth Supplemental Trust Agreement”) for the purpose of paying part of the cost of certain University Facilities;
- \$28,145,000 principal amount of Bonds designated “Subordinated General Receipts Refunding Bonds, Series 2006A” dated as of February 16, 2006 and maturing through December 1, 2024 (the “Series 2006A Bonds”), pursuant to a Fifth Supplemental Trust Agreement dated as of February 1, 2006 (the “Fifth Supplemental Trust Agreement”) for the purpose of refunding all or a portion of the University’s outstanding General Receipts Bonds, Series 1999 dated as of March 15, 1999 issued pursuant to the Prior Indenture, as defined in the General Bond Resolution, for the purpose of paying part of the cost of certain University Facilities; and

- \$29,170,000 principal amount of Bonds designated “Subordinated General Receipts Bonds, Series 2006B” dated as of April 6, 2006 and maturing through December 1, 2036 (the “Series 2006B Bonds”) and \$8,025,000 principal amount of Bonds designated “Subordinated Variable Rate General Receipts Bonds, Series 2006C” dated as of April 6, 2006 and maturing through December 1, 2016 (the “Series 2006C Bonds”), both pursuant to a Sixth Supplemental Trust Agreement dated as of April 1, 2006 (the “Sixth Supplemental Trust Agreement”) for the purpose of paying part of the cost of certain University Facilities; and
- \$15,350,000 principal amount of Bonds comprised of \$13,345,000 principal amount of Bonds designated “Tax Exempt General Receipts Bonds, Series 2008A” dated July 10, 2008 and maturing through December 1, 2033 (the “Series 2008A Bonds”) and \$2,005,000 principal amount of Bonds designated “Taxable General Receipts Bonds, Series 2008B” dated July 10, 2008 and maturing through December 1, 2015 (the “Series 2008B Bonds”), both pursuant to a Seventh Supplemental Trust Agreement dated as of July 1, 2008 (the “Seventh Supplemental Trust Agreement”); and
- \$26,645,000.00 principal amount of Bonds designated “General Receipts Bonds, Series 2009” dated June 3, 2009 and maturing through December 1, 2019 (the “Series 2009 Bonds”), pursuant to an Eight Supplemental Trust Agreement dated as of May 1, 2009 (the “Eighth Supplemental Trust Agreement”); and

WHEREAS, The Ohio University Foundation, an Ohio nonprofit corporation created by the University, incorporated Housing For Ohio, Inc., as an Ohio nonprofit corporation (“Housing for Ohio”), for the purpose, among other things, of developing housing for the use of the University’s students, faculty members, officers, and employees, and their spouses and families; and

WHEREAS, in furtherance of such corporate purpose, Housing for Ohio has constructed an apartment complex known as “University Courtyard” (the “University Courtyard Project”) on certain real property located adjacent to the University’s main campus in the City of Athens, Ohio (the “Project Site”) and leased from the University for a term equal to the shorter of the date when all of the hereinafter-defined Housing for Ohio Bonds have been paid or provided for, or forty (40) years; and

WHEREAS, the University Courtyard Project was financed in part with proceeds of \$31,985,000 Adjustable Rate University Housing Revenue Bonds (Housing For Ohio, Inc., Project), Series 2000, issued by the Athens County Port Authority (the “University Courtyard Bonds”) which are secured, in part, by a letter of credit required to be obtained by Housing for Ohio (the “University Courtyard Letter of Credit”); and

WHEREAS, the current University Courtyard Letter of Credit is provided by Wells Fargo Bank, National Association (together with its successors, “Wells Fargo”), in accordance with the terms of a Letter of Credit and Reimbursement Agreement dated as of September 1, 2000 between University Courtyard and First Union National Bank, predecessor in interest to Wells Fargo (as the same may be amended and supplemented in connection with an extension or

renewal of the University Courtyard Letter of Credit, the “University Courtyard Reimbursement Agreement”); and

WHEREAS, the current University Courtyard Letter of Credit is about to expire and as a condition for renewing the University Courtyard Letter of Credit, Wells Fargo is requiring that certain of the obligations of Housing for Ohio under the University Courtyard Reimbursement Agreement be paid by the University should Housing for Ohio fail to do so; and

WHEREAS, in order to (a) enable the University Courtyard Project to provide housing for the University’s students, faculty members, officers, and employees, and their spouses and families at the lowest possible cost, and (b) assure the continued upkeep of the University Courtyard Project pending the termination of the Project Site lease and the reversion of the University Courtyard Project to the University, the University has determined to provide for such payments by issuing not to exceed \$28,195,000 principal amount of Bonds under the Trust Agreement, to be designated “General Receipts Bonds, Series 2011” (the “Series 2011 Bonds”), and desires to provide therefor by this Resolution; and

WHEREAS, there are no Superior Obligations, or any other bonds, notes or other obligations, presently outstanding under the Prior Indenture, and the Prior Indenture and the lien grant thereby have been released, satisfied and discharged.

WHEREAS, the Board finds that all conditions precedent to the authorization and sale of the Series 2011 Bonds have been or will be met by the time the Series 2011 Bonds are issued;

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

Section 1. Definitions and Interpretations. All words and terms defined in the General Bond Resolution and elsewhere in the Trust Agreement and all interpretations therein provided shall have the meanings, respectively, and be subject to the same interpretations as therein provided where used in this Resolution, unless the context or use indicates another or different meaning or intent, except that this Resolution is sometimes herein called and may be known as the “Series 2011 Resolution,” the Bonds authorized by this Resolution are referred to herein and in the Series 2011 Supplemental Trust Agreement hereby authorized as the “Series 2011 Bonds,” and the terms “hereof,” “herein,” “hereby,” “hereto” and “hereunder,” and similar terms, mean this Resolution. All words and terms defined in the preambles hereto shall have the respective meanings provided in the preambles hereto.

In addition, when used in this Resolution and the Series 2011 Supplemental Trust Agreement hereby authorized, the following words shall have the indicated meanings:

“Authorized Denominations” means with respect to the Series 2011 Bonds, the unpaid principal amount of the Housing for Ohio Bonds from time to time.

“Interest Draws” means draws under the Housing for Ohio Letter of Credit with respect to interest owed on the Housing for Ohio Bonds.

“Interest Payment Date” means, as to the Series 2011 Bonds, each date on which Housing for Ohio is obligated under the Reimbursement Provisions to repay Wells Fargo for Interest Draws.

“Original Purchaser” means, as to the Series 2011 Bonds, Wells Fargo.

“Principal Draws” means draws under the Housing for Ohio Letter of Credit with respect to the principal amount of the Housing for Ohio Bonds.

“Principal Payment Date” means, as to the Series 2011 Bonds, each date on which Housing for Ohio is obligated under the Reimbursement Provisions to repay Wells Fargo for Principal Draws.

“Reimbursement Provisions” means Section 3.2(a) and Section 3.3 of the University Courtyard Reimbursement Agreement (as such sections may be amended from time to time in accordance with Section 12 of this Resolution).

“Series 2011 Supplemental Trust Agreement” means the Supplemental Trust Agreement styled the Ninth Supplemental Trust Agreement by and between the University and the Trustee, and including other appropriate parties, supplementing the Trust Agreement and securing the Series 2011 Bonds, as the same may be amended as provided therein.

Section 2. Determinations by Board. The Board hereby finds and determines that:

(a) the Housing for Ohio Project constitutes “auxiliary facilities”, and specifically, “housing and dining facilities”, both as defined in the Act, and any payments on the Series 2011 Bonds will constitute payments for the financing of such facilities;

(b) the issuance of the Series 2011 Bonds is necessary and will be in the best interests of the University because doing so will (i) enable the University Courtyard Project to provide housing for the University’s students, faculty members, officers, and employees, and their spouses and families at the lowest possible cost, and (ii) facilitate the continued maintenance of the University Courtyard Project pending the termination of the Project Site lease and the reversion of the University Courtyard Project to the University; and

(c) this Resolution is adopted pursuant to the General Bond Resolution, the Trust Agreement, the Act and Section 2i of Article VIII of the Ohio Constitution.

In addition, the Board finds that the conditions stated in numbered subparagraphs (1) and (2) of Section 3(a) of the General Bond Resolution will be satisfied by the time of authentication of the Series 2011 Bonds. The Fiscal Officer shall confirm these findings by a certificate in form satisfactory to, and to be filed with, the Trustee prior to the authentication of the Series 2011 Bonds, and the Fiscal Officer may provide such other evidence with respect thereto as the Trustee may reasonably request.

Section 3. Authorization, Designation and Purpose of Series 2011 Bonds. It is hereby declared to be necessary and in the best interests of the University to, and the University shall, issue, sell and deliver, as provided and authorized herein, Bonds of the University, on a parity

with all other outstanding Obligations from time to time, which shall be designated “General Receipts Bonds, Series 2011” (the “Series 2011 Bonds”), for the purposes of financing Costs of University Facilities, as defined in the General Bond Resolution, related to the Housing for Ohio Project upon the terms set forth herein. The principal amount of the Series 2011 Bonds shall equal the unpaid principal amount of the Housing for Ohio Bonds from time to time, provided that the aggregate principal amount of all Series 2011 Bonds Outstanding at any time shall not exceed \$28,195,000. The Series 2011 Bonds shall be issued in a single Interest Rate Mode as a single series of Variable Rate Obligations.

#### Section 4. Terms and Provisions Applicable to the Series 2011 Bonds.

(a) Forms, Denominations, Dates and Numbering. The Series 2011 Bonds shall be negotiable instruments in accordance with the Act, shall be issued only as a single, fully registered bond, without coupons, shall be substantially in the form thereof set forth in the Series 2011 Supplemental Trust Agreement, shall be in Authorized Denominations and shall express upon their faces the purpose for which they are issued and that they are issued pursuant to the Act. The Series 2011 Bonds shall be dated the date of their delivery to the Original Purchaser and shall be numbered from R-1 upward in order of authentication.

Any Series 2011 Bond shall be transferable only to a successor of Wells Fargo as the provider of the Housing for Ohio Letter of Credit.

(b) Execution, Interest Rates and Maturities. (i) The Series 2011 Bonds shall be executed by the Chairman of the Board or the President of the University and by the Fiscal Officer or the Secretary of the Board and may have the seal of the University affixed or printed thereon; provided that all of such signatures and such seal may be facsimiles.

(ii) The unpaid principal amount of the Series 2011 Bonds from time to time shall bear interest calculated as provided for the calculation of interest on the Housing for Ohio Bonds and payable on each Interest Payment Date, provided that payments of interest by Housing for Ohio under the Reimbursement Provisions shall be deemed payments by the University of a corresponding amount of interest of the Series 2011 Bonds.

(iii) The Series 2011 Bonds shall mature on June 1, 2032, subject to prepayment on each Principal Payment Date, provided that payments of principal by Housing for Ohio under the Reimbursement Provisions shall be deemed payments by the University of a corresponding amount of principal of the Series 2011 Bonds.

(c) Optional Redemption. The Series 2011 Bonds shall not be callable for redemption prior to stated maturity at the option of the University.

(d) Place of Payment; Record Dates. Debt Service Charges on the Series 2011 Bonds when due shall be payable to the registered holders thereof at the places and in the manner provided in the Series 2011 Supplemental Trust Agreement. Upon payment in full of the Series 2011 Bonds, the then-registered owner thereof shall cancel the same and return it to the Trustee.

The Regular Record Date for the Series 2011 Bonds shall be the tenth day of the month next preceding an Interest Payment Date applicable to that Series 2011 Bond. The Special

Record Date for the Series 2011 Bonds shall be the date established by the Trustee in connection with the payment of overdue interest on that Series 2011 Bond pursuant to Section 5(e) of the General Bond Resolution.

(e) Paying Agent and Registrar. The Trustee shall serve as Paying Agent and Registrar for the Series 2011 Bonds.

(f) Payment. Debt Service Charges with respect to the Series 2011 Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Trustee or the Paying Agent, in the manner provided in the Trust Agreement.

Section 5. Sale of the Series 2011 Bonds; Series 2011 Bond Issuance Agreement. The Series 2011 Bonds shall be awarded and sold to the Original Purchaser in consideration for its extension of the University Courtyard Letter of Credit in accordance with and subject to the terms and conditions contained in a bond issuance agreement with the Original Purchaser (the "Series 2011 Bond Issuance Agreement"). Such award and sale shall be evidenced by the execution and delivery of the Series 2011 Bond Issuance Agreement by the Fiscal Officer setting forth such award and sale, the other matters to be set forth therein referred to in this Resolution, and such other matters as the Fiscal Officer determines are consistent with this Resolution, the Trust Agreement and the Series 2011 Supplemental Trust Agreement and not substantially adverse to the University. That the matters contained in the Series 2011 Bond Issuance Agreement are consistent with this Resolution, the Trust Agreement and the Series 2011 Supplemental Trust Agreement and not substantially adverse to the University shall be conclusively evidenced by the execution of the Series 2011 Bond Issuance Agreement by such officer. The Series 2011 Bond Issuance Agreement shall be and hereby is incorporated into this Resolution and the Series 2011 Supplemental Trust Agreement.

Subject to receiving any necessary appointment by the attorney general of the State, the Fiscal Officer is hereby authorized to make arrangements with Peck, Shaffer & Williams LLP to serve as bond counsel for the Series 2011 Bonds, and such firm is hereby appointed to serve in such capacity.

The Fiscal Officer, and any other appropriate officer of the University, are each hereby separately authorized to make arrangements for the delivery of the Series 2011 Bonds to the Original Purchaser. It is hereby determined that the price for and the terms of the Series 2011 Bonds, and the sale thereof, all as provided in this Resolution, the Series 2011 Supplemental Trust Agreement and the Series 2011 Bond Issuance Agreement are in the best interest of the University and in compliance with all legal requirements.

Section 6. Proceeds of Series 2011 Bonds. (a) As there will be no proceeds from the sale of the Series 2011 Bonds received by or on behalf of the University, no allocation of proceeds is required.

(b) No provision shall be made for a Debt Service Reserve Account with respect to the Series 2011 Bonds, and there shall be no Required Reserve for the Series 2011 Bonds. The Series 2011 Bonds shall not be payable from, and the Series 2011 Bonds shall not be secured by, any moneys in or investments credited to the Debt Service Reserve Account, and therefore, Debt

Service Charges on the Series 2011 Bonds shall not have access to or claims upon the Debt Service Reserve Account.

Section 7. Series 2011 Supplemental Trust Agreement. The Chairman of the Board, the President of the University, the Secretary of the Board and the Fiscal Officer, or any one or more of them, are each authorized and directed to execute, acknowledge and deliver, in the name of and on behalf of the University, a Series 2011 Supplemental Trust Agreement pursuant to the Trust Agreement in connection with the issuance of the Series 2011 Bonds, in a form not substantially adverse to the University as may be permitted by the Act and the Trust Agreement and approved by the officer or officers executing the same on behalf of the University. The approval of such form by the Board and such officer or officers, and the fact that such forms are not substantially adverse to the University, shall be conclusively evidenced by the execution of the Series 2011 Supplemental Trust Agreement by such officer or officers.

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

The appropriate officers of the University shall do all things necessary or proper to implement and carry out the orders and agreements set forth in or approved in this Resolution for the proper fulfillment of the purposes of the General Bond Resolution and this Resolution. The Secretary of the Board shall furnish to the Original Purchaser a true and certified transcript of all proceedings taken with reference to the authorization and issuance of the Series 2011 Bonds along with other information as is necessary or proper with respect to the Series 2011 Bonds.

Section 8. Tax Matters. The interest payable with respect to the Series 2011 Bonds shall be subject to federal income taxation to the same extent as other income not specifically exempted.

Section 9. Series 2011 Credit Support Instrument. There shall not be a Series 2011 Credit Support Instrument or a Series 2011 Financial Institution.

Section 10. Prior Actions Approved. All actions hereto taken by officers and employees of the Board and the University in connection with the approval, authorization, sale, execution, delivery and issuance of the Prior Obligations or the security therefor, or any Interest Rate Hedge or Credit Support Instrument related thereto or to the Series 2011 Bonds, are hereby approved, ratified and confirmed.

Section 11. Additional Special Funds and Accounts. The Fiscal Officer is hereby authorized to create such additional Special Funds and Special Accounts in connection with the Series 2011 Bonds and the security therefor and the remarketing thereof as the Fiscal Officer deems necessary. Any such Special Funds and Accounts and the permitted investment thereof shall be described in the Series 2011 Supplemental Trust Agreement.

Section 12. Amendment of Reimbursement Provisions. Any amendment to the Reimbursement Provisions must be approved on behalf of the University by any one of the

Chairman of the Board, the President of the University, the Secretary of the Board or the Fiscal Officer, acting alone or with others. Each of such officers is hereby authorized to give such approval if, in such officer's sole judgment, it is appropriate to do so.

Section 13. Relationship of this Resolution to General Bond Resolution. It is understood and acknowledged by the University that the Series 2011 Bonds are being issued pursuant to the terms of the General Bond Resolution, as amended and supplemented by the terms of this Resolution; that the Series 2011 Bonds are subject to all of the terms and conditions of the General Bond Resolution, as amended, except as otherwise provided herein; and that all of the terms, conditions, covenants and warranties contained in the General Bond Resolution, as amended, except as otherwise provided herein, shall apply with like force and effect to the Series 2011 Bonds as if originally made in connection therewith. The General Bond Resolution and the Trust Agreement, as amended and supplemented to date including by this Resolution, and the Obligations issued to date thereunder, including the Prior Obligations, are hereby approved, ratified and confirmed.

Section 14. General. This Resolution is adopted pursuant to the General Bond Resolution and the Trust Agreement. The appropriate officers of the University shall do all things necessary and proper to implement and carry out the orders and agreements set forth in or approved in the General Bond Resolution and this Resolution for the proper fulfillment of the purposes thereof. Without limiting the generality of the foregoing, the Fiscal Officer and other appropriate officers of the University are hereby authorized to apply to the Ohio Board of Regents for any required approvals with respect to the Housing for Ohio Project or the Series 2011 Bonds.

Section 15. Inconsistencies. All orders, resolutions and other official actions, or parts thereof, inconsistent herewith or with the documents hereby authorized, approved, ratified or confirmed are hereby repealed, but only to the extent of such inconsistency. This Resolution shall not be construed as otherwise revising any order, resolution or other official action, or part thereof.

Section 16. Open Meeting Determination. It is found and determined that all formal actions of the Board concerning and relating to the adoption of this Resolution were adopted in an open meeting of the Board, and that all deliberations of the Board and of any of its committees that resulted in such formal actions were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Revised Code of Ohio.

Section 17. Effective Date. This Resolution shall take effect and be in force immediately upon its adoption.

Adopted: February 24, 2011

The Resources Committee also heard details from Chief Human Resources Officer, Ms. Linda Lonsinger on retirement plans. These plans encompass slightly different choices dependent on levels of staff and length of service. The Resources Committee, as reported by Trustee Kidder, is in support of the separation plan. Trustee Kidder recommended adoption of this plan. Trustee Brightbill seconded.

**RETIREMENT AND EMPLOYMENT SEPARATION INCENTIVE PLANS  
RESOLUTION 2011 – 3201**

**WHEREAS**, an anticipated decrease in state support for the University will require significant budgetary reductions in the coming fiscal year; and

**WHEREAS**, the best interests of the University will be served by offering its employees early retirement or voluntary employment separation opportunities that will minimize the need for other types of personnel reductions and assist in strategically refocusing university programs; and

**WHEREAS**, the early retirement or voluntary employment separation opportunities will be offered on or about April 4, 2011, in order to give eligible employees sufficient time to decide whether to participate and to maximize the budgetary savings realized by the University.

**NOW THEREFORE, BE IT RESOLVED**, that the President is authorized to develop and implement early retirement incentive plans, (“ERI Plans”), in accordance with rules of the State Teachers Retirement System and the Public Employees Retirement System on such terms as he deems appropriate; and

**BE IT FURTHER RESOLVED**, that the President is authorized to offer to employees additional employment separation incentives that may include bonuses on such terms as he deems appropriate; and

**BE IT FURTHER RESOLVED**, that the President may impose conditions for participating in the ERI Plans and receiving the other employment separation incentives in order to attract the optimum number of participants and thereby achieve the appropriate level of benefit to the university.

The Resources Committee also reviewed a Memorandum of Understanding which involved Ohio University permitting Belmont Technical College the educational use and occupancy of the Natural Science and Science and Engineering Buildings located on the Ohio University Eastern campus. There was also discussion on the capital plan, which is still in process. The Resources Committee then looked at the resolution about the Ten-year residential housing master plan. There was also a report on the capital campaign. Trustee Kidder reported that Ohio University is more than halfway to target and making good

progress to look forward over the next couple of years to making the goal. The next discussion focused on a small piece of property contiguous to the Athens Campus that the University would need to purchase to resolve title and property issues. The Committee recommended the decision to purchase this property at a total cost of \$14,000. Trustee Kidder moved the resolution. Trustee Dewire seconded. All in Favor. Motion carried.

## **OHIO UNIVERSITY PURCHASE OF PROPERTY**

### **RESOLUTION 2011 - 3202**

**WHEREAS**, certain land comprising of 3 parcels of property immediately adjacent to the Ohio University golf course property has been identified as belonging to an individual (private citizen) who recently purchased land from another individual, and

**WHEREAS**, the original prior owner had given Ohio University verbal permission to encroach upon and use the subject parcels in the development of Ohio University's golf course, and

**WHEREAS**, it is necessary for the University to purchase the parcels of land in order to maintain the full use and ownership of the golf course, and

**WHEREAS**, the appropriate appraisals, surveys and negotiations of a purchase and sale agreement have been completed, with the approval of the purchase for and on behalf of Ohio University and the State of Ohio, and a request to purchase is ready to go to the Controlling Board of the State of Ohio for final approval.

**NOW THEREFORE, BE IT RESOLVED**, that the Board of Trustees of Ohio University hereby approves the terms and conditions of the Purchase and Sale Agreement for this property, and hereby authorizes the Vice President for Finance and Administration to continue with the acquisition and purchase of the subject property.

### **University Academics Committee Report**

Trustee Harris reported regarding two items in the consent agenda. The first is the recommendation for the establishment of the Center of Entrepreneurship behind Tab 14. This Center allows students opportunity for outstanding educational experiences. Also, behind Tab 15 the Kennedy Museum of Art asked for a resolution to comply with accreditation standards. A third item to be considered separately concerns the name change for the Institute of Neuromusculoskeletal Medicine. This name change adds "Ohio" to the name, making it recognizable as a part of Ohio University. Trustee Harris moved. Trustee Dewire seconded. All in favor. Motion carried.

**CHANGING THE NAME OF THE  
INSTITUTE OF NEUROMUSCULOSKELETAL MEDICINE**

**RESOLUTION 2011 – 3203**

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

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

**NOW, THEREFORE, BE IT RESOLVED** that the Ohio University Board of Trustees does hereby approve the renaming of the Institute of Neuromusculoskeletal Research to the Ohio Musculoskeletal and Neurological Institute. The name change will provide benefits to the institute by allowing it to be recognized more readily as being associated with Ohio University, better delineating its mission, and making it more promotable.

Trustee Harris reported that the Academics Committee also had a good update on tuition and fees, including a good explanation of SSI, which is a complicated formula. Ohio University staff have a good handle on SSI and are using it strategically to inform recruitment. In discussing SSI, Trustee Harris reported that there are three discipline areas: arts and humanities; business, education and social sciences; and science, technology, engineering and math (STEM). Some categories provide a greater share of instruction than others. Trustee Harris reported that when Dr. Day, Associate Provost for Academic Budgeting and Planning, presented his analysis, he stated the total revenue received versus the cost incurred for Ohio University, is below average in the state in all areas of the models with the exception of the second level arts and humanities credit hours and also the level six STEM class. This connects with the next presentation regarding access and affordability.

There was a presentation by Mr. Craig Cornell on access and affordability at the Academics Committee meeting. Of 4,000 freshmen in 09-10, 98 percent were awarded aid. 94 percent were awarded a need-based scholarship or grant. Mr. Cornell was able to show how reinvestments have been strategically used to help students afford Ohio University.

The Academics Committee meeting also included three updates. Dr. Benoit reported that progress with the quarters to semesters transition is going well. Dr. Benoit also discussed program development, communication across campus, student advising, and an update on metrics for strategic priorities. There was also an update by Mr. Jim Schaus on an overview

of Intercollegiate Athletics. The graduation rate for student athletes who have exhausted eligibility is at 94 percent. Mr. Schaus explained that Ohio University has to adhere to a program requiring students to advance toward degrees.

### **Governance Committee Report**

Trustee Brightbill reported that consent agenda items were discussed. The Governance Committee needs to do an annual review of bylaws and will get the information back by March 17, 2011, according to Trustee Brightbill. A draft of dates for next year's meetings was also discussed.

### **Audit Committee Report**

Trustee Wolfort reported that Mr. John Biancamano began the Audit Committee meeting with information regarding signature authorization, mainly updating and defining who will sign important documents. A discussion of the Office of Internal Audit charter followed. Trustee Wolfort offered that Ms. Kathy Gilmore is working to update the Ohio University Office of Internal Audit charter and is doing an excellent job. This charter has been circulated to legal counsel, President McDavis, Chair Perry, and Trustee Wolfort and all changes have been incorporated.

Trustee Wolfort reported on a presentation by Plante and Moran. Ohio University is entering the fourth year of a five year audit. Ohio University is on task and the target for this audit is October 17, 2011. Ohio University completed this past year audit on time.

Trustee Wolfort reported on the internal audit update. Tressa Ries, Senior Auditor took the Audit Committee through the presentation requested previously by the Committee regarding professional development, recent special projects, audit plan completion and quality assessment. He commented that Ms. Kathy Gilmore has done a fantastic job with her staff.

Lastly, Trustee Wolfort commented on Ohio University's status on findings. Ms. Kathy Gilmore and the audit team presented on all significant findings and corrective actions, as well as reported on all completed audits.

### **Executive Committee**

Chair Perry reported. Executive session consisted of receiving a briefing from legal counsel and personnel discussions.

## **Consent Agenda**

Trustee Perry presented the Consent Agenda items to the Trustees for action. It is important to note that 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.

Chair Perry called for a motion to approve the remaining items on the Consent Agenda. Trustee Dewire moved the motion, seconded by Trustee Harris. All voted approval. Motions carried.

### **Residential Housing Ten-Year Housing Master Plan RESOLUTION 2011 - 3204**

WHEREAS, Ohio University will be the nation's best transformative learning community, and

WHEREAS, the residential experience of Ohio University's campus contributes to the success of the academic mission, and

WHEREAS, the Board of Trustees recognizes the current housing infrastructure challenges and opportunities, and

WHEREAS, President Roderick J. McDavis appointed an Ad Hoc Residential Housing Advisory Committee to update the Ten-Year Student Housing Master Plan for the Athens Campus, and

WHEREAS, the Ad Hoc Residential Housing Advisory Committee revised the Ten-Year Residential Housing Master Plan, and

WHEREAS, the plan has been reviewed and approved by University Administration, and

WHEREAS, the President recommends approval of the updated plan to the Board of Trustees.

NOW THEREFORE, BE IT RESOLVED that the Board of Trustees approves the updated Ten-Year Residential Housing Master Plan (excluding debt service) which will allow University Administration to move forward with hiring a Project Manager and conducting architectural and engineering services.

**Establishment of the Center for Entrepreneurship  
RESOLUTION 2011- 3205**

WHEREAS, Ohio University seeks to provide its students with outstanding educational experiences, and

WHEREAS, Ohio University maintains a long-standing commitment to improving the economic circumstances of the region, and

WHEREAS, the College of Business and the Voinovich School of Leadership and Public Affairs have been successful in providing experiential learning experiences to undergraduates and graduates, and

WHEREAS, the Center for Entrepreneurship will involve significant numbers of academic units across the University, and

WHEREAS, the Center for Entrepreneurship will advance Ohio University's mission of teaching, research, and service in meaningful ways.

THEREFORE BE IT RESOLVED, that Center for Entrepreneurship be established.

**KENNEDY MUSEUM OF ART  
RESOLUTION 2011 - 3206**

WHEREAS, the Kennedy Museum of Art plays an essential role in enhancing the quality of educational experiences for Ohio University students, faculty, and staff as well as the community.

WHEREAS, Ohio University is committed to using its resources to assist the Kennedy Museum of Art and its mission, and to protect the Museum's tangible and intangible assets held in the public trust.

WHEREAS, the University fully recognizes the highest museum field standards with regard to the Museum's collections, the use of deaccessioning proceeds, and collecting and gift-acceptance policies.

THEREFORE BE IT RESOLVED, that the Ohio University Board of Trustees supports the Kennedy Museum of Art as a valued contributor to the educational and cultural ambitions of the University as well as an important asset to the region.

**FACULTY SENATE REPRESENTATION  
VOINOVICH SCHOOL OF LEADERSHIP AND PUBLIC AFFAIRS  
RESOLUTION 2011 - 3207**

WHEREAS, the Voinovich School of Leadership and Public Affairs has been restructured and approved as a free-standing academic unit by the Ohio University Board of Trustees, and

WHEREAS, the faculty in the Voinovich School are entitled to representation on Faculty Senate, and

WHEREAS, a vote of Group I and Group II faculty has approved an amendment to the Faculty Senate Constitution allowing for Voinovich School representation.

THEREFORE BE IT RESOLVED, that the Faculty Handbook VI. A. Article 1 be changed to the following [changes in bolded italics]:

**Article 1 Composition and Election**

1. The Faculty Senate shall be composed of faculty members with faculty status, with or without tenure. Forty-**nine** Senators shall be elected by the Group I faculty of degree-granting colleges *with deans* or academic units *with a dean's equivalent (e.g. Voinovich School)* of the Athens campus and Group I faculty of each of the regional campuses. **Representation shall be** in proportion to the numbers of such faculties eligible to serve on the Faculty Senate, with the following provisions: each degree-granting college or unit headed by a dean *or dean's equivalent* and having Group I faculty shall be entitled to have at least one representative on the Senate. Two Senators who are Group II faculty shall be elected by the Group II faculty of Ohio University. The election shall be conducted in accordance with the Rules of Election stated in the Senate Bylaws.

**INTERNAL AUDIT OFFICE AMENDED CHARTER  
RESOLUTION 2011 – 3208**

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

**WHEREAS**, the University Trustees recognize the benefit of an Internal Audit Office and having a charter that addresses the Internal Audit Office’s role, authority, responsibility, scope, and accountability, and have proposed that the Internal Audit Charter be amended to reflect the following changes, and

**WHEREAS**, the Ohio University Internal Audit Office has proposed an addition to note the department’s reliance on the Institute of Internal Auditors’ (IIA) Professional Practices Framework which includes the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing, and

**WHEREAS**, the Ohio University Internal Audit Office has proposed in the section noting the department’s participation in an advisory capacity, in the planning, development, implementation, and modification of major computer-based and manual systems to delete “thus suggested audit trails or other controls will be transmitted through formal correspondence,” due to documented professional advice potentially appearing to suggest Internal Audit taking management’s role, and

**WHEREAS**, the Ohio University Internal Audit Office has proposed an amendment to reflect the actual practice of internal audit report distribution which is to “the President, the Audit Committee, senior administrators, deans, the external auditors, and others as deemed appropriate. Reports will also be made available to the full Board,” and

**WHEREAS**, the Ohio University Internal Audit Office in consultation with General Counsel has proposed a clarifying amendment to add “Consistent with Ohio Law and the Open Meetings Act” to the section stating that the CAE shall, at a minimum, meet in executive session with the Board, and outside the presence of University officials, at least annually, and

**WHEREAS**, the Ohio University Internal Audit Office has proposed an addition to bring the charter additionally in alignment to the IIA standards stating “The CAE will communicate to the Board and senior administrators the results of Internal Audit’s quality

assurance and improvement program, including external assessments to be conducted at least every five years and ongoing internal assessments,” and

**NOW THEREFORE, BE IT RESOLVED**, that the Ohio University Board of Trustees approves the amendments made to the Ohio University Internal Audit Office Charter presented to them formally this day.

**UNFINISHED BUSINESS**

None

**NEW BUSINESS**

None

**ANNOUNCEMENT OF NEXT STATED MEETING DATE**

April 21-22 in Athens

**ADJOURNMENT**

Chair Perry adjourned the meeting at 12:16pm.

**CERTIFICATION OF SECRETARY**

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

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M. Marnette Perry  
Chairperson

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Thomas E. Davis  
Secretary

# PRESIDENT'S REPORT



presented to

Ohio University Board of Trustees

April 22, 2011



# Overview

- **Strategic Priority Spotlight**

- Office of Nationally Competitive Awards

- **Search Updates**

- Vice President for University Advancement, President/CEO for The Ohio University Foundation
- Director of Government Relations

- **Advancement Travel**

- **Program Spotlight**

- Academic Advancement Center

- **Points of Pride**



# Vision :: Top Strategic Priorities

## Nation's Best Transformative Learning Community

1. Inspired teaching and research
2. Innovative academic programs
3. Exemplary student support services
4. Integrative co-curricular activities

Effective Total Compensation

Short & Long-Term Enrollment Goals

Improve Financial Strength

Complete Capital Campaign

### FOUR FUNDAMENTALS

1. **Inspired teaching and research** dedicated to students' academic success and focused on the connections between student learning and the advancement of knowledge and creative activity.
2. **Innovative academic programs** that draw on the best traditions and practices in liberal arts, professional, and interdisciplinary education.
3. **Exemplary student support services** committed to helping students fulfill their academic promise.
4. **Integrative co-curricular activities** that foster a diverse environment of respect and inclusivity and facilitate students' development as citizens and leaders.



**OHIO**  
UNIVERSITY  
UNIVERSITY

# **Strategic Priority Spotlight :: Office of Nationally Competitive Awards**

- **146 applications submitted for nationally competitive awards in 2010-2011 to date**
- **For the 11<sup>th</sup> year in a row, an Ohio University student has received the Barry M. Goldwater Scholarship. This year's recipient is sophomore Keith Hawkins, an HTC student majoring in astrophysics.**
  - **This success speaks to the faculty in our mathematics, science and engineering departments who mentor, teach, and inspire our students**
  - **The Goldwater Scholarship fosters, supports, and encourages outstanding students to pursue careers in the fields of mathematics, the natural sciences, and engineering**
- **Nationally Competitive Awards Total to date = 25**
- **Still awaiting word on a number of awards including U.S. Fulbright and Teach for America**



## 2010-2011 Ohio University Nationally Competitive Awards \*

- Barry M. Goldwater Scholarship
- College Photographer of the Year
- UCLA Institute for Pure and Applied Mathematics
- Research in Industrial Projects for Students
- Benjamin A. Gilman International Scholarship, Indonesia
- Benjamin A. Gilman International Scholarship, Austria
- Department of State Critical Language Scholarship, Japanese
- National Weather Association Cassens/Phillips Family Undergraduate Scholarship for Meteorology
- American Cancer Society Joseph S. Silber Student Summer Research Fellowship
- National Oceanic and Atmospheric Administration Ernest F. Hollings Undergraduate Scholarship
- National Science Foundation (NSF) REU- Pennsylvania State University, Atmospheric Chemistry
- NSF REU- University of California-Irvine, Atmospheric Chemistry
- Sigma Xi Undergraduate Grant-in-Aid of Research
- 2011 DAAD (German Academic Exchange Service) Rise
- DAAD Graduate Study Scholarship, Germany
- The Ohio Space Grant Consortium Grant Program
- The Science, Mathematics and Research for Transformation (SMART) Scholarship
- NSF Graduate Research Fellowship, Chemistry
- Sigma Xi Graduate Grant-in-Aid of Research
- Sigma Xi Graduate Grant-in-Aid of Research
- Department of State Critical Language Scholarship, Arabic
- Benjamin A. Gilman International Scholarship, Ecuador
- Fulbright U.S. Student Program, Germany
- Fulbright U.S. Student Program, India
- Fulbright U.S. Student Program, Germany
- Department of State Critical Language Scholarship, Chinese

*\*Awards listing courtesy of the Office of Nationally Competitive Awards; current as of April 6, 2011*



# **Search Update ::**

## **Vice President for University Advancement**

- **Search committee for the position of Vice President for University Advancement and President and CEO of the Ohio University Foundation completed initial round of candidate interviews and recommended finalists to be brought to campus**
- **Two finalists visited campus on April 7<sup>th</sup> and April 14<sup>th</sup> for interviews and an open forum with the University community**
  - **Lori Lewis, vice president of advancement at Marietta College in Marietta, Ohio**
  - **Bryan Benchoff, president and CEO of the University of South Dakota Foundation**
- **Based on feedback about the two finalists during their visits, the search committee will make its recommendation to me**
- **Continue to be on schedule to install a new Vice President for University Advancement and President and CEO of the Ohio University Foundation by July 1<sup>st</sup>**



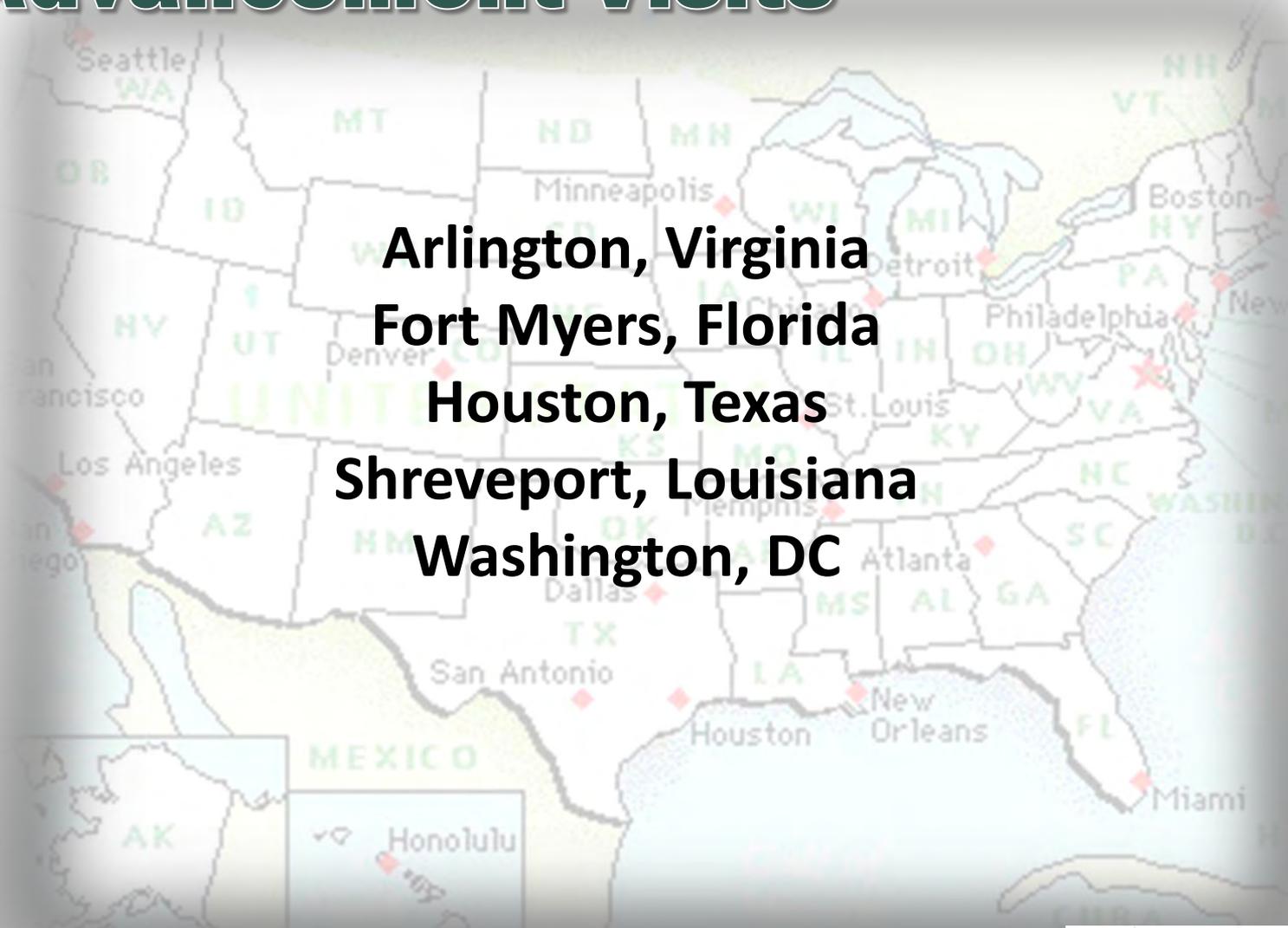
# **Search Update ::**

## **Director of Government Relations**

- **Two finalists visited campus on April 4<sup>th</sup> and April 5<sup>th</sup> to meet with members of the University community and to take part in an open forum**
- **Finalists are Eric Burchard, Ohio University interim director of state government relations, and Jane Harf, director of University Clean Energy Alliance of Ohio**
- **Based on feedback about the two finalists during their visits, the search committee will make its recommendation to me**
- **Anticipate naming a new Director of Government Relations in the coming weeks**



# Advancement Visits



**Arlington, Virginia**  
**Fort Myers, Florida**  
**Houston, Texas**  
**Shreveport, Louisiana**  
**Washington, DC**

Travel from February 26, 2011 to April 21, 2011





# **University Spotlight: Academic Advancement Center**

**Dr. David Descutner, Dean, University College  
Cynthia King, Director, Academic Advancement Center  
Students Courtney Fort • Derek Hasselbusch • Laurent Logan**

# Points of Pride

- **OHIO filmmaker and second-year faculty member in the School of Film Annie Howell debuted her feature film "Small, Beautifully Moving Parts" at the prestigious South By Southwest (SXSW) Festival**
  - **Film selected as one of only eight narrative features from 984 submissions**
- **Ohio University astrophysicist Madappa Prakash is part of an international team of researchers that have discovered a remarkable state of matter in the high-density neutron star – its core is made of superfluids and superconducting materials based on initial evidence**



- **A team of electrical engineering undergraduate students from the Fritz J. and Dolores H. Russ College of Engineering and Technology placed first in the Institute of Navigation's first robotic snow plow competition held in St. Paul, Minn.**
- **The Speaking Bobcats, Ohio University's Forensics Team, won 28 individual awards, including six state championship titles, at the 2011 Ohio Forensic Association Varsity State Championship at Ohio State University**
- **Katie Kostohryz, a doctoral student in Counseling, received the 2011 Outstanding Doctoral Student Award from the Ohio Association for Counselor Education and Supervision**



- **Assistant Professor of Computer Science Razvan Bunescu was awarded a \$224,000 grant from the National Science Foundation to create tools to automatically extract world knowledge from Wikipedia**
  - **Project a collaboration with Ohio University graduate students and faculty and graduate students from the University of North Texas**
  - **The result will be a repository of world knowledge that can then be used to improve artificial intelligence applications that process natural language**

- **The 2011 Baker Peace Conference addressed the military, diplomatic, economic, and political challenges posed by so-called failed states and included a keynote address from Anthony Zinni, a retired Marine Corps general**
- **U.S. Sen. Sherrod Brown (D-OH) announced nearly \$900,000 in federal funds awarded to the Voinovich School of Leadership and Public Affairs to spur small business growth in 19 southeastern Ohio counties**
  - **Funding to allow the Voinovich School to leverage private investment, expand business assistance, create jobs, bring new products to market, and improve the economy in southeast Ohio**

# PRESIDENT'S REPORT



presented to  
Ohio University Board of Trustees  
April 22, 2011





**Joint Meeting of the University Academics and University Resources Committees  
February 24, 2011, 9:00 am**

Board Vice Chair C. Robert Kidder called the meeting to order at 9:01 am. Other board members present included Trustee Arlene Greenfield, Faculty Representative David Thomas, Student Trustee Kyle Triplett, Trustee Frank P. Krasovec, Trustee Kevin B. Lake, Trustee Norman E. Dewire, President Roderick J. McDavis, Trustee Gene T. Harris, Trustee David Brightbill, Trustee Henry Heilbrunn, Student Trustee Danielle Parker, Faculty Representative John Gilliom, and Board Secretary Thomas E. Davis.

Due to the importance of two discussion points, a joint meeting was called. The first topic to be discussed is the updated Housing Master Plan. The Board and Administrators feel that it is important to address the South Green and deferred maintenance needs on the Athens campus. Because the amount of capital is so substantial, it is important that all trustees understand the plan and have the opportunity to take part in these discussions. The second topic is the budget. Everyone understands the pressure at the state level and the implication of how changes at the state level will affect the University.

Trustee Kidder then turned the discussion over to Vice President for Student Affairs, Kent J. Smith, Jr., Co-Chair of the Ad Hoc Residential Housing Advisory Committee (RHAC).

Dr. Smith presented an overview of the president's charge and most importantly, noted the importance of insuring its fit within "the University's top strategic priorities, Strategic Enrollment Plan, Six Year Financial Plan and Capital Plan."

The RHAC consisted of a faculty, students, administration, and Trustees. The group spent many hours developing a recommendation and feel confident that the updated plan is a compromise based on the University's needs and what it can afford over the long term.

During discussions, it was important to note that the following items were presented as "non-negotiables":

- 1). Commitment to the two year parietal rule – the RHAC feels that it is important that this does not change. The reality is that unless the numbers drastically change, the reality is that the Athens campus will never be a commuter campus. As such, it is important that the University offers quality housing to students.
- 2). Learning Communities – because OHIO is a residential campus, it is important that the living/learning experience remain a core focus for the University.
- 3). Academic Purpose for Renovations/New Construction – it is important that any new renovations or new construction have an academic purpose.

Dr. Smith presented the following key recommendations on behalf of the RHAC:

- 1) Maintain the two year parietal rule. As mentioned before this assures that the Athens campus remains residential.
- 2) Utilize University Debt in lieu of Public Private Partnership (P3). The timing is right and everything is lining up in a very positive way to support this recommendation.

- 3) Assure that Residential Housing remain an auxiliary. The committee agreed on the importance of having a self sustaining model and pricing housing so that all actual costs are covered, including deferred maintenance. It is critical that the plan is truly self sustaining so that future Trustees are not faced with the deferred maintenance problem the University is facing today.
- 4) Affordability – necessity of maintaining the Universities standing as third in the state for overall costs of room and board.
- 5) Product offering – the University needs to assure that we are offering potential students a competitive product. Ohio University is currently “behind the 8 ball”. Other universities have better product (more suites). The earliest Ohio University could open if we make a decision today is Fall 2013.
- 6) Ability to minimize construction costs and take advantage of decreased costs of textiles and materials.

Dr. Smith went on to summarize that the RHAC is not asking for approval for the debt service or financing at this time. What the committee is hoping to get approval on is the concept of the updated Ten-Year Master Plan. There will be a resolution presented at the Resources Committee this afternoon, requesting this approval. If approved, the administration would work to further define the financing and debt need over the next few months.

Dr. Smith also noted the flexibility of the plan and the ability to increase or decrease beds and/or financing needed based on actual enrollment, the economy, or several different “levers”. In short, the plan can adjust based on the need of the University.

To review the updated Ten-Year Master Plan, Dr. Smith introduced consultants Paul Brailsford, President and CEO of Brailsford and Dunlavey (B&D) and Kim Martin, Project Manager from B&D. Before turning the discussion over to the consultants, Dr. Smith thanked all the committee members for their work.

Ms. Martin presented the key components included in the updated Ten-Year Housing Master Plan which includes:

- 1) Residential campus with 8,000 beds. This has been decreased from the plan presented to the board in November and is just slightly less than what the University has currently. This supports the two year live in requirement and the enrollment plan.
- 2) Funding strategy – minimize University debt and maximize the University’s equity. Currently looking at utilizing 90M of equity, including demolition and site infrastructure and 190M of debt, including parking. The benefit of the way the plan is structured, the financing will be broken up into phases, over a ten year period.
- 3) Affordability – one of the key drivers and a reoccurring theme as the RHAC met was the importance of affordability and remaining competitive compared to other state institutions. The RHAC goal would be to maintain a position of number three in the state.
- 4) Competitive Offering – it is important that the University invest in the future of the Residential Housing through renovations and new construction. The updated plan touches 61% of beds on campus in the next ten years. B&D would also suggest that this plan be reviewed half way through the plan to insure that the plan still meets the Universities needs and adjust as needed.

Trustee Krasovec questioned whether it would be possible to touch more/less beds if the amount invested changed. Trustee Brightbill commented that while this is possible, in reviewing the existing housing stock, it wouldn’t make sense to renovate the South Green due to poor construction quality and maintenance issues

- 5) Projected Costs are estimated at \$200/square foot for renovations and \$250/square foot for new construction. This includes programmatic costs and estimated rate of inflation.

Trustee Kidder also mentioned that the committee discussed a number of variables and decided that this balance would best suite the University's needs

B&D also commented that this is consistent with the University standards. This led President McDavis to ask the question as to whether the planned architecture was in line with the University standard. B&D confirmed that this is correct.

Dr. Smith went on to note that if the Housing Plan Resolution is approved, further research will be needed to further determine the equity and debt financing that would be needed.

Ms. Martin assured the Board of Trustees that the plan supports the residential campus. These residence halls will be more than just living units, the new buildings will focus on common spaces that support the academic mission of the University.

In summary B&D presented the different phases of the Ten-Year plan including new construction, demolition, and renovations.

Dr. Smith summarized that the new plans call for less buildings but a greater density for efficiency. In addition each hall will be include all-purpose rooms that could be utilized for programming, classrooms, or be repurposed to meet future needs.

President McDavis went on to applaud this idea and how it will reiterate the University's academic mission. Trustee Kidder agreed with this and pointed out the benefits to having a housing plan that supports the University mission.

Trustee Greenfield asked about the demolition of the residence halls and whether or not the consultants have looked into recycling materials to help defer costs. The consultants agreed that this could be an option but that it had not been explored to-date. However, moving forward this could be included in planning.

In summary, Dr. Smith thanked the board on behalf of the students. From his point of view, if this updated Ten-Year Residential Housing Plan is approved, there will be no excuses for not having a positive experience outside the classroom. Between Baker University Center, Ping Center, and new Residence Halls, the experience at Ohio University will be second to none. The Board of Trustees will be changing the campus for the next 30-50 years.

Trustee Brightbill went on to support Dr. Smith's comment and noted to the board that this had been a thorough process. If approved, this would truly be a commitment to the student experience, something that will not only give students a place to live but to learn and grow as well.

Kidder dismissed for a brief break at 10:05 a.m.

### ● **Deficit Reduction & Multi-Year Planning Strategies**

Trustee Kidder introduced the topic by reminding the audience of the difficult state budget environment. Stephen Golding, Vice President for Finance and Administration and CFO, and Executive Vice President and Provost, Pam Benoit, will share in this presentation of budget planning

activities on campus. Mr. Kidder remarked about the coverage of the budget discussions on campus and appreciates the efforts to communicate and keep the campus informed.

VP Golding remarked about the evolving presentation, thanked the staffs in his and the Provost's offices, thanked the campus constituencies and board members for their input as they have been informed along the way, and expressed his appreciation for the working relationship he and Provost Benoit have developed. This joint committee conversation reminds us that the budget development processes are all in support of the academic mission of the university.

VP Golding prefaced his remarks by reminding that the budget work to date and this presentation are based on what we 'think' will evolve in Ohio's next biennial budget. The state budget from the Governor is due March 15. The presentation today is based on the Athens campus presentation. OUCOM and regional campuses are likely to receive proportional state cuts and will require the same attention to their budget issues in order to build a balanced budget. At the April Board of Trustees meeting those unit's budgets will be integrated into the 6 Year Sources and Uses models along with budget modeling assumptions for the out years.

Over the past decade, the Athens campus budgeting has resulted in annual unit reductions due mainly to economic factors. The 2012 cut is related to cuts in State Share of Instruction directly. In a Responsibility Centered Management (RCM) environment such a direct hit to funding is directly tied to instruction and would result in a restructuring of the academic units. In our multi-year budget approach, the effort will be to build a sustainable budget model via implementation of RCM for budgeting and move away from the traditional 'incremental' model. In an RCM environment, there are rewards for units which act responsibly in the use of university resources and assets and which are prudently managed. RCM also promotes quality in the delivery of service as there is a direct linkage between of revenue flows to the planning units and the quality of their programs, faculty and research.

Budget discussions have revolved around the anticipation of the loss of Federal Stimulus and a 10% reduction of SSI. Based on the components of SSI, three different computations of the 10% loss result in a range of reduction between \$20-\$27 million, or 6.34% - 8.52% of the Athens General Fund budget. For purposes of the current budget planning and this presentation, we have used the high end - \$27 million. This level of reduction planning is deemed prudent – other Ohio institutions may be dealing with a higher reduction target due to the loss of Federal stimulus, the additional 10% SSI, and some institutions' reliance in their FY11 budget on what has been referred to as the 'lapsed payment'. Ohio did not include realization of the 'lapsed payment' in the FY11 budgeting. Trustee Harris shared that 10% is an average, beginning target being used by other state agencies, such as public schools.

On top of the \$27 million SSI loss, estimated inflationary cost increases for health benefits and utilities increase the size of the planned deficit by an additional \$6 million. Additionally, there has been approximately 425 additional undergraduate student headcount to serve. We are projecting modest continued growth in an environment of declining Ohio high school graduates through creative enrollment marketing effort in non-traditional student markets.

Mr. Golding further discussed the SSI versus tuition growth, reflecting an inverse relationship over time and more reliance on tuition dollars. This relationship trend is important to consider as the foundation for future budgets. On a per student basis, the subsidy has gone down in real and constant terms and the value of subsidy on a per student basis is shrinking in relationship to what it pays for. This helps to explain the need for \$60M in budget reallocation since 2003.

The Athens budget has grown about 30%, \$65M, since 2003. The annual budget growth tracks the Higher Education Price Index (HEPI), which includes greater weighting to salary and facilities cost increases – different from CPI. In looking at where the growth has occurred within the university – academic units have grown 16%. Academic support less specific investments in Athletics, technology, Baker Center, and Advancement reflects flat to a modest decline. Administrative units are supporting much more with less funding and have taken proportionately more in budget reductions over the past 8 years.

Details showing the areas of investments over the past 8 years show significant investments in compensation and benefits, scholarship, technology, and academics as well as other areas. The reprogramming of monies out of administration and academic support has been significant. Academic investments include priority programs such as General Education and Learning Communities and investments in new academic programs such as Nursing. The majority of the academic spending is for personnel costs to support increased enrollments and instructional capacity needs.

Budget growth in a real sense does not necessarily reflect constant dollar growth on a per student basis. Mr. Golding showed a chart suggesting that Ohio is teaching more students at a lower cost.

EVPP Benoit discussed the comprehensive strategy that has been developed to address the budget issue of the projected SSI cut. The strategy includes 1) non-personnel savings targets, 2) revenue enhancement targets 3) personnel targets, and 4) a multi-year deficit financing plan. Much work has been done to drill into opportunities for each of the 4 components of the strategy while maintaining a focus on quality and core alignment. Grids reflecting the options for revenue generation, cost sharing, non-personnel savings items, and options impacting personnel were shared as part of the presentation. Much effort has been expended with the Deans to identify opportunities for each of the grid option areas.

Revenue generation ideas by the academic units will be more incented in an RCM environment. The conversations surrounding this budget cycle have been in a more urgent funding environment – creativity in options is evident. Cost sharing options include the sharing of costs with employees for increased health care and the potential for employees paying for parking. Non-personnel items include contract buying opportunities, fleet reduction, operating efficiencies through better space utilization, and taking a look at travel. The advent of Sciquest and anticipated resultant procurement savings is influencing that high savings target. Personnel options revolve around voluntary separation plans and other ways of impacting the methods and costs of employment.

EVPP Benoit noted that although there has been a more central review of the budget strategies to address the budget issues, the principles of RCM will ultimately relinquish central control to the units for some of the ‘opportunities’ listed. She stated that the institution-wide directives being developed should serve as a principle for university practice whether in a traditional or RCM budget planning environment. Centrally, the spending in certain expenditure categories has informed the reduction targets, but specific units may not have the ability to cut in the identified opportunity areas. Each unit must decide their ability to push against the opportunity areas as they achieve their targeted reduction. Principles will also limit the type of cutting allowed so as to maintain the ‘core’. Overload contracts represent payment for effort outside of the job of the employee – some of this type of spending is very effective but there needs to be tightening in this area and the planning units have the opportunity to determine specific cuts.

The Athens campus budget reduction plan has been formulated based on the estimates for targeted savings in the 4 strategic areas discussed. After considering the savings targets, balancing the budget requires \$6.5M in planning unit reductions for 2012.

Trustee Kidder questioned whether the types of actions being taken and the associated reductions were cutting too deeply in any strategic areas. EVPP Benoit responded that some of these targeted opportunities are 'good' to do regardless of the economic environment. The multi-year process involves a move to RCM with more control in the planning units. Coupled with the reductions of the past, the levels of the cuts currently identified in the 4 strategic areas do result in damaging levels of cuts across some areas of the university - examples include library services, some academic program delivery, and maintenance of facilities. Some of the items in the opportunity areas need to occur regardless of the state budget process – procurement improvements, employee buyout program, travel – but this budget plan is cutting much deeper than we would go if the state budget problem wasn't looming so large.

Some of the traditional 'siloed operations' within university are addressed in the item under 'Personnel' – Administrative Restructuring. We will continue efforts to standardize, in conjunction with technology enhancements, to achieve efficiencies in transactional and administrative operations such as finance, human resources, and technology. In an RCM environment we must provide a cost-effective, responsive solution for technology utility, service and back-office operations so that the units aren't tempted to purchase outside.

Today's presentation is to bring to the board an understanding that the funding problems that exist with the state are not sustainable. We need to move to a sustainable model and the budget actions described today are necessary to prepare us for a responsible future, to start to diversify our revenue stream, and explore and exploit operational efficiencies.

Trustee Krasovec reminded that Ohio should be marketing our programs to states that don't have capacity to absorb additional college students such as his home state of Texas. EVPP Benoit acknowledged that the Enrollment are is aware of this opportunity and criticality and out of state and international students are part of our marketing. There is a cost involved and we have invested and are seeing a return. Another avenue of revenue growth is distance learning and we are starting to capitalize in some areas – Nursing is one example of an online, high quality, high delivery program. We are also working through our University Communications and Marketing area to market more visibly and successfully out of our region. Military veterans should also be regarded as a ripe market for the university.

EVPP Benoit also remarked that the long range strategic plan is being informed by the Environmental Scan process to determine areas and trends for investment and how the university should look in 5 years. She reminded that to be successful in the long-range planning there must be institutional commitment to the strategies identified for balancing the 2012 budget – procurement, etc. Tuition is another important tool that we must deploy strategically. It is unclear how state caps on tuition will be handled until the Governor's budget is announced in mid-March. The new administration is likely to change the relationship of funding and may provide more flexibility in tuition setting at the university level.

When asked about the response to the planning strategies on campus, EVPP Benoit responded that there have been many efforts to share the plans across campus via email messages, senate meetings, and 2 budget open forums this week. Constituent reaction to the budget has been varied. There is concern about the lack of details in this year's budget at this time, but that is directly related to not knowing the state budget yet. Equity in budget cutting across units is also a concern of the campus community. Also questions are being asked about how the early retirement and voluntary employment separation plans may influence future staffing decisions. There was a note of thanks to the administrative team, which has been sharing the budget message across campus

President McDavis responded to a question generated from the discussion of ‘rebalancing’ tuition. He reminded that the balance between general fund and general fee components of tuition and fees is an annual conversation on campus and reflects differing points of view. General fee is to be used for ‘all things non-academic’ – outside the classroom - such as athletics, student activities, recreation, etc. The student general fee committee annually recommends areas for expenditure of that portion of the tuition and fees and it will likely initiate conversation across campus this year.

Trustee Kidder brought the meeting to a close and expressed thanks to the Zanesville campus for hosting. He is anxious to hear a more complete discussion about the impacts and issues of the regional campuses as the meeting continues on through tomorrow.



**Resources Committee Meeting  
February 24, 2011, 1:30 pm**

Committee Chair C. Robert Kidder called the meeting to order at 1:33 pm. Other board members present included Trustee Kevin B. Lake, Trustee David Brightbill, National Trustee Frank P. Krasovec, Student Trustee Kyle W. Triplett, Faculty Representative John Gilliom, and President Roderick J. McDavis.

● **6 Year Sources & Uses Model and Interim Financial Report, December 2010**

Stephen Golding, Vice President for Finance and Administration, provided a brief update on the 6 Year model development project and will provide a comprehensive report for the April board meeting. The finance staff is working through mapping issues in the reconciliation of the budget and in-year actual financial data within the new model.

Year-end revenues are projected to be at \$48 million over budget, driven largely by tuition for distance education for Nursing, increases in federal stimulus grants, and proceeds from the sale of the rights to SOMAVERT royalties through 2015, monetizing the drug royalty income stream for a price of \$27 million. Increases in revenue are driven by over-attainment in enrollment especially for undergraduates, Lifelong and Distance Learning and the Nursing program. The increase in revenue is offset by expenditure increases in financial aid and the University's contract related to distance learning.

The end of year net operating performance is forecast at \$63 million over budget due mainly to an accounting action related to quasi-endowments, the SOMAVERT sale which will be moved to quasi-endowment to potentially support, through earnings on the corpus, research professorships, graduate stipends, and research support. In addition, a slowdown in capital expenditures in the capital budget and investment income are impacting the positive bottom line performance.

The committee members discussed the SOMAVERT monetization in some detail as to the particulars of the contract and the distribution and uses of the proceeds. This new money does not necessarily supplant any of the losses in state funding but will likely provide alternative funding for some salaries or activities.

● **University Courtyard Debt**

Michael Angelini, Associate Vice President for Finance, explained the history of the Housing for Ohio (HFO) / University Courtyard project and connection to the university and the foundation. Recent apartment complex competition and the financial market crisis have combined to create the need for the university to act on providing a guarantee of the HFO debt to Wells Fargo, the provider of the letter of credit (LOC). There is currently \$28.2 million in outstanding debt on an original borrowing of \$30 million.

The debt is variable rate debt which is priced weekly. During the financial crisis of 2008 the bonds were put back to the university as there was no market for the bonds. The bonds ultimately were purchased. There has been an unprecedented favorable interest rate during this time, but Wells Fargo is requiring a university guarantee of the debt, in exchange for a lowering of the LOC cost by 100 bps. This debt will not negatively impact the university's bond rating as it has always been considered on the university's credit by the rating agencies. The debt does impact the SB6 ratios but is not significant enough to change our composite score.

Discussion of why the need for the LOC if the debt is now backed by the assets of the university? Wells Fargo failed to allow the university an appropriate amount of time to seek alternative options. Given the current interest rate market, the value of a Wells Fargo letter of credit affords the debt extremely low interest rates. The university will be reviewing several longer-term alternatives to the financing prior to expiration of the current LOC which occurs on October 15, 2011. The committee members stressed the need for a plan for this asset for both the university and the foundation as we talk through the needs of Residential Housing – there is no concrete strategy today to build Courtyard into the university housing stock. Between now and October management would like to explore all options for this property.

**The committee recommended moving the resolution to guarantee the University Courtyard Debt to the full Board for approval.**

- **Retirement and Employment Separation Incentive Plans**

Linda Lonsinger, Chief Human Resources Officer, presented options for separation that are being developed for faculty and staff.

There are 3 options for tenure track faculty which include the purchase of 1 year of service credit for those in STRS, differing treatments regarding participation in the faculty early retirement program, bonus for early enrollment and separation of employment by June 30, 2011, as well as an option for those faculty not enrolled in STRS. The faculty early retirement program allows eligible faculty to receive 1/3 of their salary for 1/3 teaching load until age 70. There are approximately 617 faculty members eligible for the separation incentive plans and we are estimating ~22% participation. The opportunity exists to reshape the faculty composition through the replacement of tenured faculty with newer faculty members. The Deans are supportive of this tool to assist them in their budget restructuring. It is also possible that the impending quarters-to-semesters move may encourage some faculty to consider the separation incentive. There are 2 similar options proposed for non-tenure track / part time faculty.

A one-year of service buyout option is being offered to Administrative and classified staff with a small bonus to enroll and depart by June 30, 2011. There are 419 eligible staff with an estimated 15-22% participation.

Schedules shown today are updated from those in the advance materials based on updated assumptions and information. There have been three previous voluntary separation programs offered to staff since 2003, but this is the first time options have been presented for faculty in recent memory. These plans have been communicated to campus and the plans are modeled in the budget at a 60% replacement

rate to rehire into vacancies. These plans do not preclude the colleges from hiring retired faculty back as a temporary (Group III) hire.

**The committee recommended moving the resolution to authorize the President to develop and implement Retirement and Employment Separation Incentive Plans to the full Board for approval.**

- **OUE Co-location MOU with Belmont Technical College**

VP Golding discussed the memorandum of understanding between the Eastern campus and Belmont Technical College to co-locate, as they have done for years.

- **Capital Improvement Plan (CIP)**

VP Golding shared the status of the state capital bill as also being influx, much the same as the next biennial budget. There has been a delay and the university has responded to the state regarding the impact of not having the delayed capital bill in place. Additional reductions in the capital plan are a possibility and would result in the need to reprioritize our planned projects further. The possibility of missing a complete year of funding exists which would seriously impact planned projects, delay job creation in the communities, and jeopardize match funding secured from donors. The delay is also adding to the backlog of deferred maintenance on all our campuses.

Over the 8 years under review in the budget discussion early today, more than 1 million in gross square footage was added to campus (mainly Baker University Center and ARC) at a time when the facilities staff / funding was reduced by \$2 million reflecting restructuring in the way campus is maintained. The state commissioned Sightlines, a consulting group, to perform a deferred maintenance study for public universities across the state which suggests the university needs to be investing much more than provided by the biennial state capital appropriations.

The capital plan magnitude to date is closing in on \$435 million, which does not include the Housing plan discussed earlier today. This will be added once the enabling resolution is adopted. Less than 5% of the funds to cover the total capital needs are identified and available. Planning for the future must incorporate the reality that sufficient dollars to deal with the capital issues on campus(es) are not coming from the state. Deans and VPs are identifying their top priority projects and funding sources. An updated 6 year CIP will be brought to the board in April.

Michael Angelini updated the board on the Debt Affordability study being conducted by PFM. Through analysis of financial statement data, including existing debt and expected retirement, and growth expectations over the next five year period, the constraint of holding the university's ratings constant, and estimated debt burden ratios, PFM is arriving at a range of \$100-\$175 million of new debt.

There is a high degree of uncertainty surrounding all state funding. The phasing of the Housing plan provides some level of control over the incurrence of that debt and is the most rational plan for solving the housing issues on this campus. VP Golding said the housing plan is necessary and will be incorporated into the future CIP plan. Housing does have the ability to earn their funds for equity investment and debt service. In April the board will have information from which to reaffirm their support for the Housing plan as it fits with the other pieces of the capital plan.

- **Performance Contracting**

No discussion – information for update only.

- **Updated Ten-Year Residential Housing Master Plan**

Dr. Kent Smith, Vice President for Student Affairs, requested the committee move the resolution for approval of the Housing Plan in concept to the full Board. Trustee Kidder stated again his support but is anxious to see the next iteration of the plan and how it will be incorporated into the comprehensive Capital Improvement Plan.

There was further board discussion about the need to consider all capital projects across all campuses. The maintenance costs incurred for the current residential housing stock are enormous. The resolution provides the Housing team with the board approval of the plan concept - the financial risk is minimal before the April meeting.

**The committee recommended moving the resolution for the Updated 10-Year Housing Master Plan in concept, excluding financing, to the full Board for approval.**

- **Capital Campaign Update**

Dr. Roderick McDavis, President, updated the board with good news about the campaign – total raised is \$231 million (51%) of a \$450 million goal - \$111 million in endowed scholarships, professorships, and chairs. Campaign tallies started in 2007. \$17.5 million has been raised in this fiscal year and the campaign is making good progress. Alumni make up the bulk of the donors to the campaign. Asks-to-date for the campaign are at \$551 million. 28 gifts of over \$40,000 for \$15+ million have been received so far this fiscal year.

The VP for Advancement search is being chaired by Dr. Kent Smith and is progressing. The President is looking to have a permanent hire on campus by July 1, 2011. There are also several searches underway for key positions in the Advancement staff and fundraising staff in the colleges.

Other Business: At 3:35 the committee met in Executive Session to discuss real estate matters.

Meeting adjourned at 3:45 pm.

**Academics Committee Meeting, February 24, 2011**  
Board of Trustees Meeting  
Ohio University-Zanesville

The meeting commenced with a brief discussion of the Academics Committee's items on the consent agenda:

- Resolution to establish a Center for Entrepreneurship
- Resolution in support of the Kennedy Museum of Art

A third item--a resolution to change the name of the Institute of Neuromusculoskeletal Research to the Ohio Musculoskeletal and Neurological Institute--was removed from the consent agenda because corrections needed to be made to the text of the resolution.

The committee then heard a presentation from Associate Provost for Academic Budget and Planning John Day about the State Share of Instruction (SSI), which is often referred to as subsidy.

Dr. Day began his presentation by discussing the 22 cost models that go into the formula for determining how the state calculates the payment for instructional costs at public universities. The formula, also referred to as the "taxonomy," is based on statewide average costs of producing an FTE (Full Time Equivalent). An FTE is a way to designate or estimate full-time status of student enrollment in various contexts. With regard to student enrollment, FTE is calculated by dividing the total credit hours by 45 (quarterly FTE).

The state recognizes that instructional costs vary between disciplines and within disciplines between levels of courses. Arts & Humanities courses are subsidized at a lower level than Science, Technology, Engineering, and Mathematics (STEM) courses. In addition to the differences between disciplines and levels, the state also provides weighting factors that increase the level of subsidy. For example, there is a weighting factor for graduate courses, for upper level STEM classes, for course completion rates, and for the completion of courses for "at risk" students.

Dr. Day noted that Ohio University generates 10% of the weighted student credit hours produced at Ohio institutions and receives 8.5% of SSI. In his analysis of the total revenue received vs. the costs incurred, Dr. Day concludes that Ohio University's costs are below the average in the state in all areas of the model with the exception of second level Art & Humanities credit hours and level six STEM classes. Dr. Day's analysis tells us that Ohio University does an excellent job at generating credit hours efficiently.

Dr. Day went on to describe changes that will begin to be phased in to the taxonomy such as a new calculation for doctoral set aside that will focus on degrees granted, funded research dollars, and a factor related to the institution's mission.

Dr. Day was questioned as to whether there were ways to maximize our ability to increase our share of SSI. He responded that it would not be wise to change our array of

academic programs to “chase” subsidy but that we should concentrate instead on student success issues—course completion and degree granting. These are areas that will play an increasingly important role as the taxonomy phases in new elements and they are also areas that align perfectly with our stated mission as an institution.

Vice Provost for Enrollment Management Craig Cornell gave a presentation to the committee, which was an update on financial aid, scholarships, and affordability. A key part of Mr. Cornell’s presentation was the documentation of the significant increase in the number of students applying and receiving financial aid. In 2009-2010, Ohio University across all of its campuses awarded \$332,724,076 in financial aid.

When compared to other institutions in the state, Ohio University has the fourth highest total tuition and fee rates (behind Miami, Cincinnati, and BGSU). When tuition/fees are added to room/board costs Ohio University has the third highest combined costs in the state behind Miami and Cincinnati.

What Mr. Cornell pointed out was that even with our cost profile we were doing well with our access mission by attracting a large number of students with significant financial need. We have moved from having about 3,400 Pell Grant recipients on the Athens campus in 2009-2010 to having over 5,500 in 2010-2011. Mr. Cornell indicated that we have been able to attract and support these students by carefully building financial aid packages and by setting aside funding from tuition increases to make it possible for students with need to receive an Ohio University education.

Mr. Cornell in this regard provided evidence of our success as follows:

- Of our 4,056 new freshmen in 2009-10 – those who applied for aid and had need:
- 98% were awarded aid
- 94% received a need-based scholarship or grant
- The average aid award was \$8,272 before any secondary loan options (Parent, Alternative or Unsubsidized Loans)
- This covers 86% of Tuition/Fees
- This left an “Out-of-Pocket” cost for tuition and fees to be \$1,331 on average for the students of need at Ohio University

When compared to other institutions in the state, Ohio University was second only to Toledo in the percent of needy students who were awarded a scholarship or grant.

Mr. Cornell pointed out that the Strategic Enrollment Management Plan (SEMP) was built on a financial model that calls for a continuation in our established practice of setting aside funds in order to make additional investments in financial aid and scholarships.

At the end of his presentation, Mr. Cornell summed up the accomplishments that we have made through the judicious use of financial aid as well as some of the challenges that we will face in the future.

- A growing number of our students continue to rely on and benefit from our financial aid scholarship and grant programs.
- OU's commitment to affordability has made education possible for our neediest students and are foundational in maintaining our enrollments.
- We have built a model in the SEMP by which we will be able to maintain this commitment to affordability to the extent possible in light of the current state environment.
- Where we have committed scholarship dollars, we have seen success in relation to student access, success and affordability.
- Our Gateway and general fund based scholarship programs as an entity are solid programs in merit and need as well as competitively on the macro-level. However, our top competitors on average are out-spending us for other populations when need is not a factor, both with internal (general fund) and external (endowed) programs when taken in combination ( see, April 2009 BOT presentation on affordability).
- We will continually modify these leveraging programs on the micro-level to best meet our enrollment and retention goals aligned with our strategic direction and the SEMP.
- We are currently evaluating responses to an RFP for a scholarship leveraging study to be conducted
- We will continue to update you regularly on progress relative to our affordability mandate, in light of the USO and national trends as the definition of affordability continues to refine.

Following Mr. Cornell's presentation, Executive Vice President and Provost Benoit provided an update on Quarters to Semesters and on the ongoing work on strategic planning metrics.

The work on Quarters to Semesters is proceeding well. Dr. Benoit praised the work of Dr. Jeff Giesey who is serving as the co-director of the Q2S transition. She also noted the hard work done by the various curriculum committees from the departmental level on up through UCC, which is chaired by Dr. David Thomas. She saved her highest praise for the efforts of the faculty all across the institution who have worked carefully and creatively to transform their curriculum so that Ohio University will emerge as an even stronger academic institution after the change to semesters.

Dr. Benoit also noted:

- The strong communication plan developed by Linda Lockhardt (University Communications and Marketing) that includes a frequently updated website and email updates sent to faculty and staff.
- The work that academic units are undertaking to create semester advising plans for their students.
- The creation of a draft of "Transition Student and Program Guidelines" that provides the framework, policies, and procedures that will be used to shape the

graduation requirements for current students to graduate under a semester calendar.

On the subject of metrics for strategic priorities, Dr. Benoit indicated that work is proceeding on variety of issues including:

- Developing ways of assessing student learning at multiple levels: course, program, and institutional.
- Integration of the data reported for purposes of external accountability (e.g. graduation rates, passage on licensing exams, placement rates, transfer rates) into student learning assessment.
- Involvement of faculty in defining learning outcomes and creating strategies to determine whether those outcomes are achieved.
- Incorporating ways of regularly reviewing whether educational strategies, activities, and technologies are enhancing student learning.
- Ensuring the budgeting priorities reflect the improvement in teaching and learning that is a core value of the University.

Following Dr. Benoit's report, Jim Schaus, Director of Intercollegiate Athletics reviewed the academic support and academic expectations that surround student athletes at Ohio University. In his presentation, Mr. Schaus introduced Tricia Turley, Associate Athletic Director for Compliance and Student Services who oversees much of the work connected to the academic success of student athletes.

Mr. Schaus presented information about recent academic accomplishments of student athletes:

- 94% graduation rate for those student-athletes who have exhausted their eligibility
- Graduation Success Rate (GSR) is 83%
- Throughout the 2009-2010 academic year, 260 student-athletes were placed on the Dean's List
- Overall graduation rate is comparable with that of the general student population
- The student-athlete cumulative GPA for the 2009-2010 academic year was 3.09
- The cumulative GPA for the 37 transfer student-athletes for the 2009-2010 academic year was 2.48
- 7 teams received recognition for academic achievement from their individual sport governing bodies for maintaining outstanding GPA's during the 2009-2010 academic year
- In Fall 2010, 24 student-athletes earned a 4.0

He also detailed some of the ways in which student-athletes receive academic assistance: tutoring, study hall, life skills classes, progress reports on class performance, study skills

workshops, and dual advising between Ms. Turley's staff and department/school faculty advisors.

Also discussed were the NCAA rules for academic performance, Title IX compliance issues, and the ways in which athletic scholarships are distributed across the different teams. That Ohio University has never been cited for a major NCAA violation is something that Mr. Schaus indicated is a good measure of the quality of the work that is done with student-athletes.

Mr. Schaus also pointed out that community service is also an integral part of the campus life of all student-athletes as they are expected to demonstrate leadership in the community by contributing time to a variety of different organizations and projects.

He concluded his presentation with a list of student-athlete alumni who have gone on to pursue successful careers in a variety of different endeavors. The point of including these names was to illustrate that ICA tries to do all that is possible to help its student-athletes "turn pro" in whatever field of endeavor excites their interest and aligns with their academic training.

Ohio University Board of Trustees

**Governance Committee Meeting**

February 24, 2011

Ohio University Inn

Present– Committee Chair David Brightbill, Trustee Norman E. “Ned” Dewire, Trustee Janetta King, Student Trustees Kyle Triplett and National Trustee, Henry Heilbrunn

Also attending was Board Secretary Thomas E. Davis.

Trustee Brightbill called the meeting to order at 4:00 pm. The first item addressed dealt with Amendment to the Faculty Constitution concerning representation of faculty to the Voinovich School. Faculty Senate Chair Joe McLaughlin who spoke in support of the adoption of the resolution as did EVP7 Provost Pam Benoit. The Committee, by consensus, supported the addition of the resolution to the Consent Agenda.

Trustee Brightbill drew the attention of the committee members to the Board of Trustee By-Laws found in the beginning of the board documents. It is the responsibility of the Governance Committee to do a yearly assessment of the by-laws and make any recommendations to the full board that may be deemed appropriate. He asked that all committee members review the by-laws and forward to him any modifications that may be appropriate for consideration by the committee. Such recommendations will be reviewed at the April board meeting. Any proposed changes will be voted upon at the June Board of Trustees meeting.

Finally, Secretary Davis distributed a copy of proposed meeting dates for the academic year 2011-12. Committee members were asked to review and offer any thoughts on the recommended dates prior to the April meeting.

The meeting was adjourned at 4:45am.



**AUDIT COMMITTEE MEETING  
OHIO UNIVERSITY – ZANESVILLE CAMPUS  
Elson Hall, Room W110  
February 24, 2011 – 4:00 PM**

Trustee David Wolfort, Chair of the Audit Committee, called the meeting to order at 4:00 p.m. Other committee members present were Trustee Frank Krasovec, Trustee Kevin Lake, Student Trustee Danielle Parker and President Roderick McDavis.

- **Signature Delegation**

John Biancamano, General Counsel, discussed changing the University's signature delegation policy which would be presented at a future meeting.

- **Internal Audit Charter**

Kathy Gilmore, Chief Audit Executive, present amendment to the Internal Audit Charter for the committee's review. Amendments intended to align charter with Institute of Internal Auditor Standards. The presentation also addressed ethical standards for internal auditing. Trustee Wolfort moved to approve the revised Internal Audit Charter. Trustee Lake seconded. Vote was Unanimous.

- **External Audit**

Robert Shenton and Keith Martinez of Plante and Moran updated the Trustees on the upcoming FY11 external audit. Audit scope, audit approach, deliverables and the timing of the audit were discussed.

- **Internal Audit Update**

Kathy Gilmore, Chief Audit Executive, and Tressa Ries, Senior Auditor, presented an update on the internal audit activities since the last committee meeting. Mr. Ries presented on professional development, recent special projects, audit plan completion and quality assessment.

- **Status of Significant Findings**

Kathy Gilmore, Chief Audit Executive, presented on the status of all open significant findings, along with corrective action taken as reported by the unit audited. Action taken will be reviewed as part of Internal Audit's regularly scheduled follow-up process.

Significant audit items for the audits of Advancement and Foundation Accounting, College of Osteopathic Medicine, Human Resources, Shared Services, Student Affairs and Southern and Proctorville Campuses were discussed.

There was no unfinished business.

Meeting adjourned at 5:25p.m.

Ohio University Board of Trustees

**Executive Committee Meeting**

February 25, 2011

Ohio University Inn

Present– Chair, M. Marnette Perry, Trustees, Trustee Robert Kidder, Trustees Sandra Anderson, David Brightbill, Norman E. “Ned” Dewire, Yvette, McGee Brown, Gene T. Harris, Kevin B. Lake, and David Wolfort, Student Trustees Kyle Triplett and Danielle Parker, and National Trustee, Henry Heilbrunn, Arlene Greenfield, National Alumni Board of Directors

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

Chair Perry began the meeting by welcoming all of the members of the Board of Trustees, after which she asked Secretary Davis to initiate a roll call vote to move into Executive Session for the purpose of consulting with Legal Counseling on pending cases. All voted yes. The Board Members received an update of current legal matters from Council John J. Biancamano.

Absent from the meeting was Trustee Janetta King.

At 7:40 am by roll call vote of all trustees present voted (8-0) to move into executive session: Trustees M. Marnette Perry, Robert Kidder, Sandra J. Anderson, David Brightbill, Kevin B. Lake, Norman E. “Ned” Dewire, Gene T. Harris, and David Wolfort voted aye

Secretary Davis reviewed the procedures around the Presidents Annual Evaluation to be conducted by the Executive Committee. A tentative timetable was discussed.

At 8:30 by roll call vote of all trustees present voted (8-0) to move out of executive session: Trustees M. Marnette Perry, Robert Kidder, Sandra J. Anderson, David Brightbill, Yvette McGee Brown, Norman E. “Ned” Dewire, Gene T. Harris, and David Wolfort voted aye

President McDavis offered a brief update on the capital campaign, and shared information on pending gifts currently being pursued.

The meeting was adjourned at 9:36am.