



OHIO
UNIVERSITY

Board of Trustees

Minutes

November 16, 2012

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

November 16, 2012

Walter Hall, Ohio University

Athens, Ohio

**THE OHIO UNIVERSITY BOARD OF TRUSTEES
MINUTES OF November 16, 2012 MEETING**

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CALL TO ORDER

Chair Gene Harris called the meeting to order at 10:00 a.m. and asked Board Secretary Peter Mather to call the roll.

ROLL CALL

Present—Chair Gene T. Harris, Vice-Chair Sandra J. Anderson, Trustees David A. Wolford, David Brightbill, Kevin B. Lake, Janetta King, N. Victor Goodman, and Dave Scholl.

Also in attendance were President Roderick J. McDavis, Student Trustees Allison Arnold and Amanda Roden, National Trustees Henry Heilbrunn and J. Patrick Campbell, Alumni Representative William Hilyard, and Board Secretary Peter C. Mather.

APPROVAL OF THE AGENDA AND THE MINUTES

As Chair Harris asked for a motion to approve the meeting agenda, Ron Luce, Executive Director of Athens County Historical Society and Museum, requested a suspension of the rules to discuss the planned demolition of a building on The Ridges. Chair Harris declined the request indicating that the administration had been in communication with the Historical Society concerning these plans, and she noted that there is no public participation forum as part of the Board meeting. Chair Harris noted that the administration is planning to continue to engage the public in discussions regarding plans for the buildings on The Ridges. Trustee Lake moved to approve the agenda, which was seconded by Vice-Chair Anderson; all approved and the motion carried.

Chair Harris indicated that each Trustee had a hard copy of the minutes. She asked for a motion to approve the Minutes of the Board of Trustees Meeting held on September 6, 2012. Trustee Goodman made the motion. The motion was seconded by Trustee Lake. All approved and the motion carried.

REPORTS

Report of the Chair

Chair Harris commented on the work the Trustees conducted on Thursday and on Friday morning. On Thursday, the joint meeting of the University Resources Committee and the University Academics Committees focused on the financial future of the University. Chair Harris also noted that the Trustees visited Nelson Dining Hall for lunch on Thursday. She expressed appreciation for the opportunity the Trustees had to interact with the students there. Chair Harris shared that she had spoken with a student about the financial challenges the student faced in attempting to maintain her enrollment at Ohio University. Chair Harris

noted that the Board is concerned about the state of the economy and the amount of debt carried by many students. She also expressed appreciation for the interest being displayed by the students in attendance at the meeting. Chair Harris indicated to the students that during Thursday's joint committee meeting, the Trustees focused on meeting the challenges of supporting the University's educational mission during a time of financial challenges. She stated that the Board will continue to work on this issue throughout the fiscal year and is attempting to find solutions to best serve students. She then invited Vice Chair Anderson to report on Thursday's joint committee meeting.

Report on Joint Committee Meeting

Vice-Chair Anderson noted that the Board held two joint committee sessions on the previous day. The morning session focused on alternative tuition models, while the afternoon session focused on strategies for space needs and utilization. She mentioned that the slide deck from the presentations was contained in the Board book, and is available on the Board of Trustees' web site.

The Board heard presentations from the Executive Vice President and Provost, Pam Benoit, and Vice President for Finance and Administration, Steve Golding. Vice-Chair Anderson explained that Dr. Benoit and Mr. Golding reported on national tuition trends, so that the Board could understand Ohio University's record in a larger context. The state universities in Ohio had a relatively low increase in tuition over the past five years, with an average annual increase of three percent. Relative to other states, Ohio had the second lowest rate increase in the country. The Board heard that the average debt burden incurred by graduates of Ohio public universities was about \$28,000. Golding and Benoit cited an article projecting that public support for Ohio public universities would reach zero by the Year 2090. However, the presenters noted that assuming the concurrent trajectory data from Year 2000 to present, the loss of state support would actually be reached by 2039. The Board was reminded that Ohio University graduates carried the third lowest levels of debt among peer institutions in Ohio. A large percentage of Ohio University students received some form of financial aid, and the average out-of-pocket expenses for Ohio University financial aid recipients after financial aid is \$1,689 a year.

Currently, for every dollar the University has in revenue sources, forty-seven cents come from tuition and fees and nineteen cents come from state appropriations. This ratio signals a decrease in the proportion of the state's contribution over the past several years. Sixty-six percent of Ohio University's budget revenues come from two sources: the State Share of Instruction (SSI) and tuition and fees. The next largest revenue source is the University's auxiliary functional areas—residence halls, dining halls, etc.—which contribute thirteen cents to the dollar. The implementation of strategic changes, including distance learning, has been important in the University's response to declining state revenue. The decline in subsidy dollars has occurred at a time in which enrollment has grown. Based on the current

economic reality, Benoit and Golding maintained that Ohio University can neither grow its way nor cut its way out of the economic situation. The University has cut \$75 million from the budget over the past several years. Like many public universities, Ohio University has increasingly become a tuition driven business model and it requires multiple stable revenue streams in order to address its needs, provide academic quality, and support the mission of the University.

To begin exploring how the University can address the situation, the Trustees heard a presentation on two possible strategies: 1) alternative tuition models that could maintain accessibility, affordability, predictability for students and their families; and 2) smart growth with respect to the University's space needs. In the morning the Trustees discussed different tuition models other universities had implemented. One is a differential tuition model, which bases tuition costs on factors that might include: particular major, program, or class standing; projected starting salary; projected student debt load; or the cost of competitors' academic programs. A second model discussed in the meeting was guaranteed tuition, in which the university fixes a student's tuition rate over four years. A number of conditions have to be imposed to guarantee the fixed tuition. This approach provides predictability for the University and for the students and their families in determining costs. The Board heard about the advantages and concerns of both models and will learn from the successes and mistakes of other institutions that have instituted these two models.

On Thursday afternoon the Board focused on smart growth and campus space usage. With the current realities, the University needs to expand and grow academic programs. These changes necessitate increases in research and adaptable classroom spaces. In order to match physical environments with emerging pedagogies, the University will need to increase collaborative learning environments, and reduce the number of traditional lecture rooms. The Board also discussed efficient and strategic space usage and discussed specific goals, for example: forming the core campus area for academic programs and finding other places for the administrative side of the University to be housed; combining administrative offices so that there is a one-stop shop available for students and others; and collaborating with the Athens community in the use of space. The Board also discussed how the upcoming change in the budgeting model (RCM) will be helpful in addressing our cost needs, particularly in smart utilization of space for academic programs. Vice-Chair Anderson concluded her report by noting that the Board had a very rich discussion on these issues. In summary, the joint committee meeting provided a useful platform for further strategic discussions by the Board.

Chair Harris wanted the students and everyone at the meeting to know that matters of tuition and cost will be an on-going conversation. The Trustees, together with the President and his team, will continue the conversation throughout the year. This may lead to adjustments for the next academic year and in future years. Trustee Arnold stated that she

and Trustee Roden had engaged in a lot of discussions about the tuition models. They have an office and their door is open to students. Although she was excited to see her fellow students at the Board meeting, she raised the question of why they have not been to the student Trustee office and why they have not made appointments with her or Trustee Roden. She encouraged the students to go to see them, talk to them, and work with them between Board meetings. Chair Harris thanked the student Trustees for their availability.

New Trustee Welcome

Chair Harris welcomed new Trustee, Dr. Dave Scholl, to the Board of Trustees. Trustee Scholl is a PhD from Ohio University and whose research and work has contributed greatly to the University, to the local community and beyond. The Board was pleased that this distinguished alumnus has been appointed by the Governor to serve on the OU Board of Trustees. Chair Harris invited Trustee Scholl to make a comment. Trustee Scholl thanked Chair Harris and fellow Trustees. He expressed that his experience at Ohio University and in the Athens community had been exceptional for him and his family, including the time when he was teaching at the Ironton campus as a graduate student in the 1980s. He also noted that his undergraduate degree was at a branch campus of Indiana University, primarily because he could not afford to live on campus due to the high cost of education. He noted that Ohio University and Athens provided an idyllic community for his family. He welcomed the opportunity to return and serve the University in this capacity. He looked forward to working with the other Trustees and all the support staff in Athens, as well as the faculty and students, to try to continue to make the University the finest university in Ohio. Chair Harris commented that Trustee Scholl contributed a great deal in the last twenty-four hours and the Board was pleased to have him as a member.

Report of the President

President McDavis introduced his report by thanking Chair Harris and greeting the Board members and others in attendance. He began by acknowledging the importance of the vision of Ohio University: to be the nation's best transformative learning community. He also referred to the four fundamentals: inspired teaching and research, innovative academic programs, exemplary student support services, and integrative co-curricular activities. In addition, he mentioned the four supporting priorities: effective total compensation (short and long term), enrollment goals, improved financial health, and complete capital campaign. He highlighted the importance of keeping in mind the macro level vision and priorities of the institution in guiding the Board's work.

Legislative Update

President McDavis and others from the University travelled to Washington, D. C. a few weeks prior to the meeting to advocate for Ohio University and other public universities with federal government officials. They held an Ohio University Federal Government Alumni Luncheon in D.C. and awarded alumnus Kennedy Kies the Outstanding Federal

Government Alumni Award for his work on tax reform. The President and his team also had a number of conversations with senators and members of Congress about the potential impact and process for dealing with the sequestration issue, commonly referred to as the fiscal cliff. Sequestration calls for an 8.2% across-the-board program cut for domestic discretionary programs and 7.6% cut for mandatory spending programs. These cuts would have a potential negative impact on the University, through reductions in the following: federal financial aid programs (excluding Pell Grant and College Access Challenge Grant), Supplemental Educational Opportunity Grant, Federal work-study, National Science Foundation program, National Institutes for Health program, National Endowment for the Arts program, Federal College Access Programs such as TRIO and GEAR UP.

The President noted that University officials have been in contact with several governmental officials over the past several months, including: President Barack Obama, U.S. Senator Sherrod Brown, U.S. Congressman Steven Stivers, State Senator Tim Schaffer, State Senator Chris Widener, State Senator Troy Balderson, State Senator Lou Gentile, and State Representative Debbie Phillips

Personal and Civic Responsibility

President McDavis discussed trends in the numbers of out-of-town guests who register to stay in University residence halls during Athens' Halloween Party. The number of registered guests decreased from 2,052 in 2009 to 1,126 in 2012. The President noted that this decline is a positive trend, and suggests that it provides an opportunity for both the University and the City of Athens to direct energy to positive aspects of community development. The President acknowledged the contribution from the faculty and students, who serve as "Green Jackets" to promote safety during the event. Green Jackets have grown from ninety-nine volunteers in 2009 to one hundred and twenty in 2012. This increase in volunteers speaks well for the faculty and staff and students who are invested in promoting personal and civic responsibility.

Complete Capital Campaign

President McDavis was pleased to announce that the Capital Campaign has brought in over \$412 million by November—more than 91% of the way toward the \$450 million campaign goal. He thanked Vice President Bryan Benchoff and his team, the development officers and staff, as well as the deans who provide significant assistance in these efforts. In terms of contribution sources, \$219 million came from alumni; \$17 million came from other individuals; \$8 million came from corporations; \$148 million came from foundations; and \$18 million came from other organizations. The President noted that alumni understand the fiscal challenges the University is facing and are motivated to support student scholarships, faculty, chairs and professorships, and academic programs. The President expressed excitement about the status of the Capital Campaign and conveyed confidence that the campaign would reach its goal by June, 2015. Since the last Board meeting,

President McDavis has traveled to Chicago, Cincinnati, Columbus, Huntington, Oxford, and Washington to meet potential donors, to thank those who have already given, and to reach out to encourage more alumni and friends of the University to contribute to the Capital Campaign.

Points of Pride

President McDavis reviewed the University's Points of Pride:

- Ohio University's Common Experience Project on Sustainability is a multi-year effort to engage faculty, staff and students across disciplines. The aim of the project is to promote and expand sustainability literacy. President McDavis noted that the University is focusing on sustainability for the long term. He has presented updates on the sustainability project to the Board on numerous occasions and notes that the project has become a university-wide focal point among faculty, staff and students.
- Ohio University kicked off its annual United Appeal campaign on November 1 to raise funds for 19 local partner organizations. The University has been a part of this campaign for a several years and will continue to be that part of the campaign in future years. President McDavis noted that the University sent material about the United Appeal campaign to the faculty and staff on November 1.
- Ohio University Lancaster Campus is the first regional campus to offer the Diversity Studies Certificate.
- For the third consecutive year, Ohio University's Flying Bobcats team has won the safety award at Region III National Intercollegiate Flying Association's (NIFA) Safety and Flight Evaluation Conference (SAFECON). Student aviator Jessica Belzer was named top scoring woman pilot. President McDavis highlighted the University's strong aviation program.
- With a National Science Foundation Grant, assistant professor Ryan Fogt and his students are studying weather systems that are impacting Antarctic climate change.
- On August 31, the *Wall Street Journal* published an article entitled "College Football's Grid of Shame," which placed Ohio football among the nation's more respected programs in terms of athletic and academic excellence. President McDavis said he was proud of what the student athletes do as ambassadors for the University and he praised Athletic Director Jim Schaus as a great athletic director and leader of the Ohio University's intercollegiate athletics programs. President McDavis stressed that Ohio University received national recognition through the *Wall Street Journal* article. President McDavis also announced that Ohio University football has a new

fan—President Barack Obama. When President Obama was on campus on October 17, the University presented him with a jersey (photo displayed during meeting). President McDavis told the Board and the audience that he was very proud to have a United State President visit Ohio University on October 17, 2012, the first visit to Ohio University by a sitting President since Lyndon Baines Johnson on May 7, 1964.

Report on Veterans Initiatives

President McDavis introduced the next speaker, Dr. David Descutner, Dean of University College and Associate Provost for Undergraduate Studies, noting that Dr. Descutner has been very instrumental in helping student veterans at Ohio University.

Dean Descutner thanked the President and the Board of Trustees for giving him and Michael Logue the opportunity to discuss the University's work in enhancing the educational experience of student veterans on campus. He said the University has made steady progress on this front. Support for the progress and the work they have been doing is broad-based. None of the successes would have been possible without Michael Logue. Dean Descutner pointed out that he was honored to meet Senator Voinovich on the previous evening. He had the opportunity to hear the Senator discuss the opportunities he had received at Ohio University, which established a foundation for his national leadership. He noted that Michael Logue also exemplifies the power of student leadership. He met Mr. Logue in 2009 through Patti McSteen, Associate Dean in Student Affairs. Mr. Logue is a graduate in Aviation and is currently a second year student in the PMBA program. While on campus he was a catalyst for action and change. One of Mike's accomplishments was to connect alumni back to the campus and convince them that it is important to give back to the University. For instance, Mr. Logue made a terrific connection with a gentleman named Ken Peak, who has been connected to the University and is a good friend of Steven Schoonover. Mr. Peak has been very generous in supporting students and student veterans as a result. Dean Descutner finally pointed out that Mr. Logue was recently honored by the USO. What Mr. Logue did was not just great work—he left behind a better university than the one he found when he arrived on campus.

Michael Logue thanked the Board for letting him speak about veteran services at Ohio University. He grew up in Cincinnati and originally came to campus to visit his older brother who entered Ohio University in 2000. He detailed his significant commitments and activities with the military as well as his first-year as a student at Ohio University in 2004. He recalled that he had found out during his first weekend at the University that his unit was likely to be scheduled for deployment. He noted that he was undergoing significant transitions when he began college. He ultimately decided to withdraw from the University during his seventh week of his first quarter in order to complete his infantry training. Subsequently, he was deployed to Iraq, as a member of a combat unit. During this deployment, one-third of the unit was injured or killed. In total, they lost 23 members of

the company.

When he returned to the University as a twenty-year old combat veteran, Michael saw first-hand the challenges for a student transitioning to campus. He recalled that there were a lot of logistical challenges when he returned to the University—for example, making sure the Registrar was communicating with the Bursar's Office, etc. It could be a very daunting task for people coming from a very structured military life to the unstructured reality associated with getting signed up for the GI bill and registering for classes. He realized that there was not a coordinated effort on campus for veteran programs and services. In addition, in 2007, there was not a student organization for veterans. Marines had to find each other without institutional support. As a group, they began to informally discuss how to tackle the challenges together.

These conversations resulted in the initiation of the Combat Veteran's Club in 2007. In 2008 the organization began to work with a committee of staff members from across the University, meeting once a month. It was common to see a room of thirty people who were interested in assisting veteran students on campus. There was a consensus among this group of administrators and staff that it was important to tear down the barriers standing in the way of veteran enrollment. Mr. Logue noted that there were many stories of how the transitional challenges resulted in veterans dropping out of the University. Because there was no formal program for them, the University lost many good individuals.

With the influx of more veterans returning from combat, they recognized the importance of assisting veterans with their transitions into civilian life. Mike noted that the program was the inverse of the ROTC program that teaches the civilians to be leaders in the military; he envisioned a program at Ohio University for leadership transition from the military into civilian life. He noted that there are alumni who actively support this. At the recent USO event, a Wendy's executive and an Ohio University alumnus asked Mike what he could do for veterans at Ohio University. He expressed hope of having more support from the alumni. Michael is currently in graduate school and working on the creation of the Veteran Alumni Association, which will track and engage the veteran alumni and bring them back to the University. The organization developed an online forum for veterans and sent out the invitation to alumni through collaboration with the Development Office. Fifty alumni signed up, expressing willingness to engage with the University and stay apprised of what is happening for student veterans on campus.

Dean Descutner thanked Mr. Logue and commended him as a great partner to work with. He noted that Mr. Logue was a catalyst to direct the University's attention to the needs and experiences of the veteran students. They have built a collaborative network on campus—the Veteran's Committee is strong, representing the Division of Student Affairs, the colleges, and the University leadership. He particularly commended President McDavis and Provost

Benoit as strong advocates for ROTC military education. When Dean Descutner approached the President about the interest in veteran's needs four years ago, he responded with full support. Provost Benoit responded in the same way. This support has ultimately led to more than \$150,000 in gifts; the Advancement Office has been a terrific partner along with the Alumni Association. One of the former Trustees, Arlene Greenfield, was behind the process every step of the way. Michelle Parsons from the Registrar's Office worked closely with their academic advisors in University College. Although he regretted that he could not mention all contributors' names because there are a lot of people and extraordinary services involved, Dean Descutner thanked Craig Cornell, who offered to provide money for a one-year position that would support veterans' academic and educational needs. That support resulted in the hiring of Angel Lash, who worked closely with the coordination of veteran programs. That position was later upgraded following a staff retirement, and is now a full-time position, dedicated to veteran affairs. Dean Descutner also praised the Student Senate who continues to be a great partner in this work. Dean Descutner noted that a lounge has been established for student veterans in Bromley Hall; this project would not have happened without the support of Residential Housing and Student Affairs. He again praised Michael Logue for bringing the Eyes of the Freedom Memorial, which features fallen Marine veterans, to Ohio University. This Memorial will be featured next September 11th in the Cincinnati Ball Park, because of Mr. Logue's connection with recent alumnus, Thom Brennaman. Descutner noted that this was one of the most emotionally moving exhibits he had ever seen on this campus—it was broadly attended by the campus community. The veterans now have a Graduate Commissioner as a member of the Graduate Student Senate. In addition, the University agreed to offer a priority registration for veterans. Veteran students are able to register early for classes, just like the student athletes do. They are also building up a significant set of faculty advocates such as Dr. Dave Bayless and Dr. John Kopchick, both distinguished professors, among others. Recently the University was named a Military Friendly School; in addition, it joined the ranks of the Service Members' Opportunity Colleges, which has a strict set of eligibility criteria. Finally, Dean Descutner thanked Michael Logue again for the network he had developed on and off campus among alumni, faculty, staff, and students. He expressed his determination to continue to make progress on behalf of veterans at Ohio University.

Trustee King commented that this issue was close to her heart because she had a sister who was on campus in 2003 and who was deployed for duty as a member of the National Guard. She commended Mr. Logue that, when facing a tough situation, he not only overcame barriers in returning to school but also committed to addressing the problem for others. Trustee King expressed pleasure with the administration's attention to this need and its response to the challenges faced by veterans. She thanked Mr. Logue for his work.

Trustee Hilyard inquired how many veteran students are enrolled in the University and on average how many come in each year. Michael Logue responded that when they began to

track the information in his undergraduate study in 2008, there were 275 veterans, and that number continued to grow to over 550 last year. This was before they put together the veteran's program in its current status. He envisions further growth in part because of the award-winning veteran leadership transition program. He recently spoke with the president of the USO about the organization's support in creating a national recognized college program model. The president of the USO voiced full support.

Chair Harris thanked Michael Logue for his service and acknowledged the support of President McDavis and Dean Descutner in addressing this issue. She also thanked Mr. Logue for his leadership on and off the campus. President McDavis echoed Chair Harris's sentiment to Michael Logue, and expressed his appreciation to Dean Descutner for his leadership. He then concluded his report.

University Resources Committee Report

Trustee David Wolfort first updated the Board that Beth Quitsland had substituted for faculty representative Judith Lee, and participated in Thursday's committee meeting. He then reported the minutes from the University Resources Committee meeting as follows.

Capital Campaign Update

Vice President for Advancement, Bryan Benchoff, provided an update for the Capital Campaign, noting campaign contributions totaling \$410.6 million as of October 25, 2012. Since October 25 the total has grown to \$412 million with \$22 million in planned proposals through the end of fiscal year 2013 and \$61 million through the end of the campaign. College campaign attainment, the sources of gifts, and the areas supported by the gifts were reviewed.

Mr. Benchoff provided information on The LEAD Hotline, which is an online tool enabling campaign volunteers to submit LEAD information on potential donors. Advancement staff follows up on all possible leads.

Mr. Benchoff shared recent operational accomplishments, goal attainment, and success in hiring the final Advancement leadership position. Regional Campaign Events are occurring with great attendance from alumni and other supporters.

FY 2012 Financial Statement Highlights

Vice President for Finance and Administration, Stephen Golding, introduced Associate Vice President for Finance, Michael Angelini. Mr. Angelini reported that the audited financial statements were filed October 12 – the statements indicated that the audit would be discussed more fully in the Audit Committee report. Increase in net assets for FY 2012 totaled \$59.4 million, down from \$107.4 million the previous year. The FY 2011 increase in net assets was significantly impacted by the one-time \$27 million monetization of the

Somavert royalty cash flows and \$12 million favorable investment performance. Net asset growth has been steady with unrestricted net assets growing and favorably impacting the Senate Bill 6 ratios.

Mr. Angelini discussed the year-over-year changes in revenues and expenses and the changes in University debt over the recent past. Debt was being rapidly paid down and FY 2012 figures reflect the new debt added in FY 2012. Mr. Golding also commented on the nature of the recent debt issuances and the efficiencies and savings the university has experienced from debt refinancing and the issuance of Air Quality bonds to finance the performance contract activities.

Senate Bill 6 ratios over the past decade were shared and the impacts of current year activity on the three ratios were reviewed. The viability ratio's absolute value dropped from FY 2011 due to the issuance of debt, but it still ranks in the '4' range (on the 1-5 scale) with Primary Reserve and Net Income values ranking a '5', the highest possible rank. It is difficult to "move the needle" for each ratio's rank year-over-year, but the University's ratios have shown significant improvement over the past 10 years due to conscious budgetary efforts to strengthen the University's balance sheet and financial position.

In response to a question regarding higher write-off of bad debt as noted in the audited financials, Mr. Angelini attributed that to a change in the bad debt calculation and an increase in write-off activity for past uncollectible amounts. The Attorney General's Office collects on the University's bad debts with any net collections remitted to the University.

Investment Policy

Mr. Angelini reminded the committee that the oversight of the University's investments has been handled by the Foundation's investment managing fiduciary. The changes that were made to verbiage and asset allocation within the Investment Policy by the Ohio University Foundation board were reviewed. The managing fiduciary for the Foundation's and University's investments is Hirtle Callaghan. Hirtle Callaghan is responsible for selecting investment managers, managing portfolio asset allocations, and attaining asset class performance against benchmarks. The spending policy for the endowments follows UPMIFA and ultimate approval of the spending rate is made by the Executive Committee of the Foundation.

The resolution for board action cites the law, reaffirms the delegation of the University Trustee's responsibility over investments to the Foundation, and acknowledges and endorses the changes to the Ohio University Foundation's Investment Policy.

The committee recommended moving the Endowment and Non-Endowment Investment Policies resolution to the full board for approval.

Approval of the Resolutions

Trustee David Wolford moved to approve the Endowment and Non-Endowment Investment Policies resolutions. The motion was seconded by Vice-Chair Anderson and Vice-Chair Harris asked for a roll call. All approved and motion carried.

**ENDOWMENT AND NON-ENDOWMENT INVESTMENT POLICIES
RESOLUTION 2012 -- 3306**

WHEREAS, The Board of Trustees of Ohio University is vested by Ohio Law (Section 3345.05 of the Revised Code) with certain responsibilities, as follows:

- 1) that title to investments made by the Board of Trustees with funds derived from tuition, fees, subsidy and other revenues be held in trust by the Board of Trustees, and
- 2) that the Board of Trustees adopts an investment policy that complies with certain requirements as set forth in the statute, and
- 3) that the Board of Trustees establishes an Investment Committee that meets at least quarterly, and

WHEREAS, the Resources Committee of the Board of Trustees has reviewed and recommended formal adoption of The Ohio University Foundation investment policy as adopted by the Foundation board November 7, 2009, as it applies to endowment funds, which is also covered by Ohio Law (Section 3345.16 of the Revised Code) where the endowment investments are managed by The Ohio University Foundation, and

WHEREAS, The Board of Trustees has developed and recommended a non-endowment investment policy that complies with Section 3345.05 of the Revised Code, and

WHEREAS, any funds invested as diversified pool investments, pursuant to the aforementioned non-endowment investment policy, will be further governed by the aforementioned endowment funds investment policy.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees recommends adoption of The Ohio University Foundation investment policy as adopted by the Foundation board November 7, 2009, as it applies to the University endowment funds, and recommends adoption of the separate non-endowment investment policy.

BE IT FURTHER RESOLVED, that future changes to The Ohio University Foundation investment policy as it applies to the University endowment funds and funds invested as diversified pool investments will be brought before the Board of Trustees for its review and approval, and

BE IT FURTHER RESOLVED, that the Board of Trustees has empowered The Ohio University Foundation's Investment Committee to act on its behalf in accordance with the aforementioned investment policy, and

BE IT FURTHER RESOLVED, that the aforementioned endowment and non-endowment investment policies supersede all previously adopted investment related policies; and all prior resolutions concerning endowment and non-endowment investment policies of the Board of Trustees not specifically referenced herein shall be rescinded.

Campus Updates

Associate Vice President for Facilities, Harry Wyatt, provided an overview of significant projects that have been moving forward on campus. The summer included a focus on safety projects, high-visibility grounds projects, and continuing capital improvement projects. It was a 'short summer' due to the quarter-to-semester shift – 2 weeks were lost due to that transition – and the two significant storms, which resulted in losses across campus. Relationships were strengthened during and in the aftermath of these weather events due to the collaborative responses and aid to the city and county. Mr. Wyatt reviewed many capital projects and special activities which occurred over the summer and early fall.

Mr. Golding summarized the themes within the presentation, expressing that the dollars being spent across campus for landscaping, safety, and deferred maintenance have had a positive impact on the workforce charged with upkeep and maintenance as well as the students, staff, parents and alumni. The other theme of the presentation was the cooperation across the region toward progress and in response to the extreme weather events. Trustees discussed an annual tour by the Trustees in the spring would be a welcome activity.

Consent Agenda, Regional Instruction Fees

VP Golding discussed the regional campus instruction fee issue. The rate approved last fiscal year was a blended rate to arrive at one-rate for regional lower and upper divisions. The Ohio Board of Regents understood the rationale of that action, but directed that we revise the rates to be within the 3.5% rate cap for each campus. The consequences to this action may be a slight loss of revenues for the regional campuses, but it will be able to be absorbed at the regional level.

The committee recommended keeping the Regional Campus Spring Semester-2013 Fees resolution on the Consent Agenda for Board approval.

Consent Agenda, Amendment to the 403(b) Plan

Mr. Golding explained that the amendment resolution is a technical adjustment to bring the plan compliant with the university's benefit offerings.

The committee recommended keeping the Amendment to the 403(b) Plan resolution on the Consent Agenda for Board approval.

Federal Fiscal Cliff

VP Golding discussed that the memo included in the materials was for information purposes due to the uncertainty over how this national issue will be resolved. The projected cuts in federal grant and program funding will impact budgeted expenditures. The University will plan to use reserve funds as a short-term solution to work through the financial difficulties if the government does not solve the federal fiscal cliff problem in a timely manner.

ERIP / VESP Summary Report

VP Golding reported that 295 employees participated in the early retirement programs. The University is still managing a goal of generating 40% savings on the program based on a 60% rehire cap. Rehiring has a long lead time and refilling continuing positions has been slow and contributed to the favorable variances in FY 2012 in salary and benefits expenditures. The progress will continue to be monitored.

Annual Reports

- Insurance Report
- Clery Data Fire Report
- Clery Data Police Report
- Sustainability Report

Mr. Golding advised that the annual reports are included to keep the Board members apprised of the status and practices for these specific areas of responsibility.

Executive Session

Trustee Lake moved and Trustee Scholl seconded a motion to move into executive session to discuss a property matter. The committee discussed one issue for the disposition of property that was bequeathed to the University by alumnus, Earl Q. Teaford. He bequeathed property to the University. Following a discussion the committee agreed to monetize the property at the highest value after an appraisal.

Approval of the Resolutions

Trustee David Wolford moved to approve the disposition of the property bequeathed by Alumnus Earl Q. Teaford. The motion was seconded by Trustee Lake and Vice-Chair Harris asked for a roll call. All approved and motion carried.

**DISPOSITION OF REAL PROPERTY
75-81 NORWICH AVENUE, COLUMBUS, OHIO
RESOLUTION 2012--3307**

WHEREAS, on December 10, 2010, a codicil to the original Last Will and Testament of Earl Q. Teaford was filed with the Franklin County Probate Court, that gave, devised and bequeathed certain apartment buildings located at 75-81 Norwich Avenue in the City of Columbus, Ohio to Ohio University; and

WHEREAS, the codicil provided that the net income from the operation of the apartments, or the proceeds thereof if sold, be used “to help financially needy students to acquire a higher education;” and

WHEREAS, the gift has been determined to be valid and approved by the Franklin County Probate Court; and,

WHEREAS, Ohio University, after evaluation, inspection, appraisal and analysis of the property has determined through its executive officers and administrative personnel that the greatest value of the gift will be realized if the property is sold and the proceeds from the sale be invested into an endowed account known as the Earl Q. Teaford Memorial Fund, to meet the donor’s intent of providing scholarships to students with financial need.

NOW THEREFORE, BE IT RESOLVED that after being duly advised and briefed on the appropriate and best use of this gift of real estate, the Ohio University Board of Trustees does hereby declare the property and premises known as 75-81 Norwich Avenue, City of Columbus, Ohio, Auditor’s parcel Numbers 010-0042 and 010-25200, bequeathed by gift through the Last Will and Testament of Earl Q. Teaford created on or about the 1st day of April, 2008 and filed by the Franklin County Probate Court on or about December 10, 2010, and later fully probated, to be surplus property of Ohio University.

BE IT FURTHER RESOLVED, that the Ohio University Board of Trustees does hereby authorize and empower the President of Ohio University or his designee to dispose of said declared surplus property in a manner consistent with state law and regulations through the appropriate method and means of selling Ohio University real property, and to apply the net proceeds from the sale that is consistent with the intentions of the donor’s gift.

University Academics Committee Report

Trustee David Brightbill reported the minutes from the University Academics Committee meeting as follows.

Academic Quality-Dashboard: Retention

Executive Vice President and Provost (EVPP), Pam Benoit, informed the committee of the increasing interest in student completion rates on state and national levels and noted that completion rates cannot be improved without addressing student retention. First to second year retention rates at Ohio University are above other four-year public institutions in the state of Ohio and nationally.

Retention activities that have been successful at Ohio University include first year experience programming, support systems for at-risk students, and living/learning initiatives. Additional approaches being considered are professional advising, additional academic intervention strategies, and scholarship leveraging.

Detailed retention information was supplied in Provost Benoit's presentation including the impact of retention on universities and society, how retention is measured, and historical retention rates at Ohio University. The Office of Institutional Research's "Factors Associated with First-Year Student Attrition and Retention at Ohio University Athens Campus" compiled in 2012 was included in the Board materials.

Standing Reports and Updates:

Enrollment Update: Vice Provost for Enrollment Management, Craig Cornell, updated the Committee on Fall 2012 enrollments.

- Ohio University's percent increase in headcount enrollments exceeded that of many four-year public institutions in Ohio, including The Ohio State University.
- New records were set in the overall number of enrollments, the number of graduate student enrollments, and the number of E-Learning enrollments.
- These new records included record enrollments for out-of-state, international, transfer, and multicultural students, along with a record high average ACT score.
- Average GPA was at a 7-year high (a record since the university began tracking GPA). Ohio University was first in the state in the growth of freshman applications and sixth in the state for transfer applications. Ohio University also saw an increase in student diversity.

Vice Provost Cornell described the enrollment challenges facing colleges and universities: declining yield rates, shifting demographics, decreasing purchasing power of federal aid,

increasing competition for students, college cost increases, limited scholarship dollars to meet institutional needs, and the fact that students apply to multiple universities.

Attendance cost comparisons among Ohio's schools and Ohio University's efforts to address these issues were discussed. A concern resulting from the quarter to semester calendar conversion is that the Ohio University student FTE (15 credit hours per semester) is down by approximately 1,600 students. Students taking less than 15 credit hours are primarily upperclassmen. Freshmen are consistently taking 15 credit hours or more. FTE is likely to improve as students who attend Ohio University under the quarter calendar graduate.

Vice Provost Cornell also discussed strategies and resources necessary for Ohio University to remain competitive with other institutions in recruiting students through awarding scholarships, targeted advertising and marketing efforts, etc. With the steady decline in high school students in Ohio, it is important to be successful in out-of-state, transfer, and international student recruitment.

Academic Quality Initiatives

- Parental Leave Implementation Report

Dr. Betty Sindelar, Chair of the Parental Leave Task Force, described the pilot program for Parental Leave announced by President McDavis in June. Growing out of the work of the Parental Leave Task Force, the program will be available to all benefits-eligible faculty, administrators, and classified employees.

Dr. Sindelar described the task force's charge, employee application process, website structure, tracking system, and dissemination of information. Employees hired after January 2013 will be required to have a one-year vesting before they become eligible for this benefit. Information will be provided online for students and others who do not qualify for this benefit to alert them to other avenues of assistance.

After a review by the Executive Vice President and Provost, the pilot phase, along with the website, will go live in early December 2012. The pilot phase will last for two years. The surplus from the employee benefits program will initially fund the pilot program. During the pilot, data will be collected regarding the number of employees taking advantage of the benefit.

Trustee Campbell asked that before any parental leave policy becomes permanent, the results of the pilot and associated costs and funding sources be presented to the Board for discussion, followed by an up and or down vote by the Board.

- **Peer Institution Report**
EVPP Benoit described the process of selecting a new group of peer institutions using six important academic variables. While the institutional matches were not exact, due to Ohio University's unique position, function, and locale, important academic criteria such as graduation rate, ACT scores, freshmen retention, and other measures were selected to help define the peer set. Comparisons with these peers will provide one benchmark for assessing best practices, averages, and trends among similar institutions. The list of peers was contained in the Board of Trustees' agenda.
- **Three Year Degrees Update**
EVPP Benoit led a brief discussion on this topic. The agenda provided information regarding State of Ohio legislation mandating three-year degree pathways and Ohio University's response. The statute required a statement by October 15, 2012, from all institutions offering baccalaureate degree programs, that at least 10% of eligible programs could be completed within three academic years. Ohio University created three-year degree pathways for 50% of its programs. Issues with three-year degree pathways are Pell Grant allocation restrictions during summer and reduced opportunities for enrichment activities such as study abroad and internships.
- **Living and Learning Update**
Ryan Lombardi, Interim Vice President for Student Affairs and David Descutner, Executive Vice Provost and Dean, provided an overview of Ohio University's first-year student experience activities and the development of programming initiatives for both first and second year students.

Plans for building and renovating residence halls will include ways to integrate living and learning environments capable of enriching the transformative education of our students. Proposed approaches include multiuse spaces, advising spaces, and common spaces for learning communities, among others. An increase in the number of professional advisors and an expansion of learning communities will occur concurrently. One possibility under consideration is the construction of more faculty apartments in the residence halls thereby providing additional opportunities for faculty to interact with students.

Consent Agenda

- Regional Coordinating Council Appointments
- Review of Centers and Institutes
- Center for Advanced Software Systems Integration Name Change
- College of Fine Arts – School of Dance, Film, and Theater Merger and Name Change

University Governance Committee Report

Trustee Janetta King reported the minutes from the University Governance Committee meeting as follows.

Bylaws

Dr. Mather discussed a recent AGB Webinar on Bylaws, noting that the Board's Bylaws conform to most of the AGB recommendations. He mentioned two issues that the Committee may want to address.

First, our Bylaws do not explicitly state the number of votes necessary to pass a resolution. In the past, the Board has assumed that five votes are necessary. After discussion, there was a consensus that the Bylaws should require a majority of the Board, but no fewer than five votes to pass a resolution. This was recommended as a substantive change that the Committee may recommend at a future meeting.

The AGB also recommends that the Bylaws include procedures for filling vacancies in the officer positions and for addressing other officer contingencies. The Committee asked General Counsel Biancamano to make a recommendation on this.

Trustee Goodman expressed a concern about insufficient time in the meeting agenda for members to engage in meaningful discussion about significant University issues. He suggested that Wednesday evenings before Board meetings might be a good time for interested members to meet for unstructured discussions or informal meetings with members of the University community. General Counsel Biancamano reminded the Committee of the requirements of the Open Meetings Law. The Committee asked General Counsel Biancamano and Dr. Mather to discuss the Wednesday evening idea and other opportunities for Board member discussion with President McDavis. They will report back at the February meeting.

Board of Regents Annual Ohio Trustee Conference

Dr. Mather reported on the Board of Regents Annual Ohio Trustee Conference. Issues discussed included strategies for improving the four-year completion rate and the needs of adult learners and part-time students.

University Audit Committee Report

Trustee Kevin Lake reported the minutes from the University Audit Committee meeting as follows.

Internal Audit Update

Chief Audit Executive, Jeffrey Davis, provided an update on the Internal Audit Office operations which included:

- Audit plan completion to date
- Overall FY13 audit schedule
- Ohio Ethics Hotline
- External audit request for proposal (RFP) process

Mr. Davis updated the Audit Committee on the completed audits for FY13 which included final reports being issued for five audits, one draft report being issued and two audits that are currently in process.

The overall FY13 audit schedule was discussed in which included some changes from the previous Audit Committee Report. Two audits were added to the schedule which included University College and E-Learning Ohio. The E-Learning Ohio audit is taking the place of the previously scheduled Undergraduate Admissions which will be moved to a future date.

Mr. Davis presented on the Ethics Hotline system including a description of the system, its advantages and recent activity related to the Hotline. Trustee Campbell discussed the Ethics Hotline process in the corporate world that includes contacting the Audit Committee instead of the CEO. Basically, the Audit Committee has a role in the Ethics Hotline process and suggested Ohio University considers a similar process.

Plante Moran has completed its last year of serving as Ohio University's external auditor. Mr. Davis indicated that the University will be going through the process to select an external auditor over the next few months. Mr. Davis discussed the Request for Proposal (RFP) process. The Committee discussed the process of selecting an external audit firm and the commencement of interim audit work for the external audit.

External Audit

Robert Shenton, Keith Martinez, and Danny Sklenicka of Plante Moran provided the Audit Committee with an update related to the external audit. Their presentation included:

- Required communications
- Summary of audit differences
- New accounting pronouncements

Plante Moran discussed their "unqualified opinion" on the FY2012 financial statements, their responsibilities under Generally Accepted Auditing Standards (GAAS) and Generally Accepted Governmental Auditing Standards (GAGAS) related to internal controls and compliance, and described significant accounting policies and procedures.

There were three items listed in the Summary of Audit Differences: two known miss-

statements and one adjustment related to the recording of Accounts Payable invoices due to timing differences.

Plante Moran discussed seven new accounting pronouncements and the AICPA Clarity Standards that may impact Ohio University.

Trustee Campbell thanked Chief Audit Executive, Jeffrey Davis, and his team; Robert Shenton and his team, Plante Moran, who worked on external audit; and the University units which timely filed the audit report with the auditors from the State office. There was no unfinished business and no action items.

Trustee Campbell complimented President McDavis, the financial team, faculty, and everybody associated with Ohio University relative to its financial viability. The performance including the enrollment numbers, the discipline with respect to budget consideration, expenses, and the effort to diversify Ohio University's income stream outside of tuition and state appropriated support has been significant. He encouraged everyone to look at the A133 audit, which includes comments about financial stability, viability and the effort that has been made over the last few years to ensure that the University operated with a tuition as low as possible through diversification of the external income. Based on his research, he could assume that the University's performance rating under Senate Bill 6 is at the top of the list of universities in the state of Ohio in terms of the Senate Bill 6 Ratios. These realities position Ohio University in a very unique way to deal with the fiscal cliff that the Board has been talking about with respect to sources and uses of funds. He commended President McDavis, the financial department, the faculty and staff, and everybody for their diligence during the time of a \$75 million budget cut. The increase in academic and enrollment performance is a remarkable result that all involved should be proud of. Chair Harris thanked Trustee Campbell for his comments.

Executive Committee Report

Chair Harris reported the minutes from the Executive Committee meeting as follows.

The Executive Committee discussed the President's goals for the academic year, which remained unchanged from the previous academic year because it reflected the fifth year of a five-year goal plan. Those goals will be posted on the website very soon. The Committee also acknowledged a resolution received from Student Senate regarding Student Trustees voting rights and discussed this issue. At the state legislature, the resolution has passed the House and is currently in the Senate. The version of this bill makes it permissive for trustee boards to determine whether student trustees will have voting rights. She noted that Ohio University's Student Trustees have been very proactive in their conversations with Student Senate and others on this issue and have presented a point of view. The Board of Trustees

as a whole has not taken a position at this point because the final disposition of the legislation is not yet resolved. But she noted that the Board has always benefitted from the high quality student members. She further noted that the student Trustees have had full access to every discussion the Board has had in public and in executive session. The Board takes their input seriously as they do every voting Trustee and non-voting Trustee. Trustee Arnold expressed appreciation to Chair Harris for her words and thanked each member of the Board of Trustees for their commitment to inclusion. She also expressed appreciation to the executive staff and President McDavis for always being committed to including the Student Trustees and letting their voices be heard.

APPROVAL OF CONSENT AGENDA

Chair Harris presented the Consent Agenda seven items to the Trustees for action. Trustee Goodman moved for the adoption of the consent agenda, which was seconded by Trustee Lake. There was no discussion and the motion carried by unanimous vote.

Consent Agenda

SPRING SEMESTER-2013 REGIONAL CAMPUSES INSTRUCTIONAL FEE, GENERAL FEE AND NON-RESIDENT SURCHARGE RESOLUTION 2012 --3308

WHEREAS, Ohio University is committed to the strategy of equalizing rates for lower division and upper division courses at its Regional Campuses, and

WHEREAS, in consultation with the Ohio Board of Regents, the University determined that the instructional rates indicated on the proposed fee schedule (Attachment A) were appropriate for undergraduate students on the Regional Campuses, and

WHEREAS, instructional rates for the Spring 2013 semester will be adjusted to ensure that the total annual rates for 2012-3 will comply with the above proposed fee schedule as requested by the Ohio Board of Regents, and

WHEREAS, the rates comply with approved Amended Substitute House Bill 153 which allows the combined instructional and general fees for undergraduate students to increase by 3.5%.

NOW THEREFORE, BE IT RESOLVED that the Board of Trustees adopts the proposed fee schedules (Attachment A), effective Spring Semester 2013.

**AMENDMENT TO THE 403(b) PLAN
RESOLUTION 2012 -- 3309**

WHEREAS, Ohio University (the “University”) previously adopted and currently maintains the Ohio University 403(b) Plan (the “Plan”); and

WHEREAS, the Board of Trustees of the University (the “Board”) desires to amend the Plan, effective January 1, 2012, to document and memorialize the University’s prior actions and ongoing administration of the Plan with respect to pick-up contributions that the University makes to the Plan on behalf of certain employees whose employment agreements provide for such contributions, as permitted under Internal Revenue Code Section 414(h)(2); and

WHEREAS, the Board wishes to further amend the Plan to document and memorialize that pick-up contributions, although designated as employee contributions, are being paid by the University in lieu of contributions by the employee; and

WHEREAS, Section 8.2 of the Plan gives the University the ability to amend the Plan.

NOW, THEREFORE, the Board does resolve as follows:

1. That effective January 1, 2012, the Board adopts the Amendment to the Plan in substantially the form as attached hereto and as may be amended with the advice of counsel.
2. That the University hereby authorizes and ratifies the actions of the Vice President for Finance and Administration or his designee in executing the above-mentioned amendment, and authorizes appropriate officers of the University to take such actions and execute other instruments, documents, or conveyances as necessary to effectuate the amendment.
3. That said officers, in carrying out this resolution, are hereby authorized and empowered to make any necessary changes to the amendment and to the Plan, with the advice of counsel, as may be required to ensure compliance with the applicable and effective provisions of the Internal Revenue Code of 1986, as amended, and regulations thereunder.

**APPROVAL OF PROJECTS AND AUTHORIZATION TO DEVELOP
CONSTRUCTION DOCUMENTS, RECEIVE BIDS AND AWARD
CONSTRUCTION CONTRACTS FOR
GALBREATH CHAPEL REHABILITATION,
BUSH HALL REHABILITATION,
FY2013 BROMLEY HALL RENOVATIONS, AND
FY2013 CENTRAL FOOD RENOVATIONS
RESOLUTION 2012--3310**

WHEREAS, the following four capital projects have been planned, developed, and will be funded as follows:

- Galbreath Chapel Rehabilitation with a total project budget of \$1,250,000 to be funded by \$1 million in University 2012 Bond Series, \$100,000 from University Reserves, and \$150,000 from state appropriations,
- Bush Hall Rehabilitation with a total project budget of \$11.5 million to be fully funded by Residential Housing Auxiliary reserves,
- FY2013 Bromley Hall Renovations with a total project budget of \$6 million to be fully funded by Residential Housing Auxiliary reserves, and
- FY2013 Central Food Renovations with a total project budget of \$2.5 million to be fully funded by Culinary Services Auxiliary reserves.

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

**APPOINTMENT TO REGIONAL COORDINATING COUNCILS
RESOLUTION 2012--3311**

BE IT RESOLVED BY the Board of Trustees of Ohio University that the following persons be appointed to membership on the Coordinating Council at the Regional Campuses of Ohio University - Chillicothe and Zanesville.

Ohio University - Chillicothe

Timothy G. Nusbaum

For a two-year term beginning July 1, 2012, and ending at the close of business June 30, 2014, vice Linda Brown, who resigned.

Ohio University - Zanesville

Bryan Chandler

For a three-year term beginning July 1, 2012, and ending at the close of business June 30, 2015, vice David Evans, who resigned.

**REVIEW OF CENTERS AND INSTITUTES
RESOLUTION 2012 -- 3312**

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

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

WHEREAS, the reviews are conducted in accordance with the provisions of University Policy 01.015 Establishment and Review of Centers and Institutes.

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of Ohio University accepts the 2011-2012 Reviews of Centers and Institutes, which recommends the following fifteen (15) centers and institutes be continued, and one (1) be discontinued:

- Institute of Nuclear and Particle Physics - Continued
- Center for Ring Theory and its Applications - Continued
- Center for Advanced Software Systems Integration - Continued
- Center for Advanced Materials Processing - Continued
- Avionics Engineering Center - Continued
- Institute for Corrosion and Multiphase Technology and the Center for Corrosion in Multi-Phase System Research - Continued
- T. Richard and Eleanora K. Robe Leadership Institute - Continued
- Tropical Disease Institute - Continued
- Institute for Applied and Professional Ethics - Continued
- Edison Biotechnology Institute - Continued
- Institute for the Empirical Study of Language - Continued
- Nanoscale and Quantum Phenomena Institute - Continued
- George Hill Center for Counseling and Research - One-year extension
- Appalachian Rural Health Institute- One-year extension
- Ohio Center for Professional Accountancy - Discontinued

**CHANGING THE NAME OF THE CENTER FOR ADVANCED SOFTWARE
SYSTEMS INTEGRATION
RESOLUTION 2012 -- 3313**

WHEREAS, the Center has developed research foci that includes modeling, optimization, scheduling, process planning, reliability, human factors, data mining and transportation logistics, and

WHEREAS, advanced software systems integration is no longer the Center's primary research area, and

WHEREAS, the Center has earned a reputation for high-quality research and applications that positively impacts manufacturing in Ohio and throughout the nation.

NOW, THEREFORE, BE IT RESOLVED that the Ohio University Board of Trustees does hereby approve the renaming of the Center for Advanced Software Systems Integration to the Center for Advanced Systems and Transportation Logistics Engineering to more accurately describe the intended direction and research activities conducted within the Center.

**COLLEGE OF FINE ARTS
SCHOOL OF DANCE, FILM AND THEATER
RESOLUTION 2012 -- 3314**

WHEREAS, the College of Fine Arts seeks to merge the School of Dance, the School of Film and the School of Theater into a single, merged School of Dance, Film and Theater, and

WHEREAS, the proposed merger was recommended by the College of Fine Arts Task Force for the Future of the College and was approved by the University Curricular Council in March, 2012, and

WHEREAS, the merged School will create more flexibility and currency in the curriculum and degree offerings, enhance interdisciplinary curriculum and collaborative projects, and achieve efficiencies across the merged schools.

NOW THEREFORE, BE IT RESOLVED, that the Board of Trustees of Ohio University hereby approves the merged School of Dance, Film and Theater in the College of Fine Arts.

NEW BUSINESS

Trustee Goodman noted that the *Wall Street Journal* article that was reference by President McDavis indicated the good standing of Ohio University's intercollegiate athletics program. He also recalled there is a legend at the bottom on the front page of the President's report saying that Ohio University is the best student-centered learning experience. Hence, he wanted to express his deep concern with the fact that University's football team played three games within eleven days. Irrespective of whether the team won or lost these games, Trustee Goodman asserted the schedule was inappropriate for student athletes. He noted his belief that the schedule was driven by the MAC's contract with ESPN. He clearly understands as someone who enjoys watching intercollegiate sports that television revenue considerations drive scheduling. But he recalled Ohio State football coach, Urban Meyer's statement from a *Columbus Dispatch* article. After the OSU team played ten Saturdays and had a week off before the Wisconsin game, Meyer said that his team was "running on fumes". Trustee Goodman suggested that the Ohio University students who were playing those games were also running on fumes. He believes it is important for the schedule to prioritize student commitments to attend class, have a marvelous learning experience and good education, and hopefully be prepared to have a job at the end of four years. As a University that provides student-centered learning experience, not only to the football team but also other OU teams, we must be mindful about why the student athletes are here. He wished to express to the MAC that it was highly inappropriate to subject our students to this schedule. He pointed out that the University sent to each of the Trustees a report from AGB (which is chaired by John Casteen, former President of the University of Virginia), asserting that there are a number of important responsibilities this Board or any board has with respect to setting forth policies for any intercollegiate athletics—particularly policies with respect to monitoring the performance of the athletes, making sure they are provided with the same form of curricular opportunities as the general population. He recognized that the Provost gives the Board an update on how the student athletes are performing regarding graduation rates. But he also noted that a section of the AGB report suggested that the Trustees must have some instruction on compliance issues with NCAA and the MAC, and how the program fits the revenue structure of the University. Trustee Goodman suggested to Chair Harris and President McDavis that at some point the Board has an opportunity to reflect upon the AGB recommendations to consider the elements that would be appropriate for Ohio University to adopt.

Chair Harris expressed appreciation to Trustee Goodman for bringing this issue to the meeting. She believed that in her experience on the Board and in his previous experience,

the Administration brings the Board the report on an annual basis from the Athletics Department, which thankfully have been very favorable to date. Having said that, she noted that one cannot be too cautious and she thanked Trustee Goodman for reintroducing that notion to the Board. She asked President McDavis if he would like to respond to Trustee Goodman's comments. President McDavis acknowledged the importance of Trustee Goodman's point and thanked him for making it publicly. He had the same conversation about the schedule with the Athletic Director, Jim Schaus, and both of them were concerned about the game schedule over these 11 days. AD Schaus and the President shared their concern with their colleagues at the MAC office. As a Vice-Chair of the NCAA Committee on Academic Performance, President McDavis is always concerned about what is happening with the student athletes in terms of their academics. He promised to share Trustee Goodman's concern with the commissioner and the staff at MAC office and to do what he could moving forward to see that this does not happen again to Ohio University or any other MAC institution. He noted that the University has a contract with ESPN, which currently has a control of the University's November schedule. But based on Trustee Goodman's comment, he will share the Board's concern with the MAC and, if necessary, with ESPN. He also will have a conversation with Dr. Benoit about bringing forward to the Academic Committee the issues that the Board might want to discuss in that Committee. He affirmed that the Administration is always open to the Trustees' input and concerns. He also reiterated that the University has a superb intercollegiate athletics program under the leadership of Jim Schaus and the coaches. The University is concerned not only with the student athletes in terms of their athletic performance but their academic performance as well. The University has made a commitment to increase the retention and graduation rates for the student athletes, and a commitment to increase the academic advising. It is not only important that they perform well athletically but also that they graduate. President McDavis promised to revisit the topic in the next Academic Committee meeting. In consultation with the Athletic Director, they will move forward with expressing Trustee Goodman's concerns as appropriate.

COMMUNICATIONS, PETITIONS, AND MEMORIALS

There are none.

ANNOUNCEMENT OF NEXT STATED MEETING DATE

Secretary Mather announced that the next BOT Meeting will be held on February 7-8 in Chillicothe, Ohio.

ADJOURNMENT

Chair Harris adjourned the meeting at 11:45 a.m.

CERTIFICATION OF MINUTES

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.

Gene T. Harris
Chairperson

Peter C. Mather
Secretary

President's Report

presented to
Ohio University Board of Trustees
September 6, 2012

The best student-centered learning experience in America



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Overview

- **Top Strategic Priorities**

- Exemplary Student Support Services ::
Improving High-Risk Behaviors
- Complete Capital Campaign

- **Legislative Update**

- OBOR's Technology Transfer and
Commercialization Task Force Draft
Report

- **Leadership Changes**

- **Points of Pride**

- **Program Spotlight**

- Ohio University's Pickerington Center



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Vision Ohio::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.

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Strategic Priority :: Improving High-Risk Behaviors

**Exemplary
Student
Support
Services**

- **OHIO joined the National College Health Improvement Project (NCHIP) learning collaborative session with 31 other member institutions including Dartmouth, Brown, Purdue, and Yale**
- **Session focused on improving student health by reducing harms associated with high-risk drinking**
- **OHIO representatives presented our success in helping students make safer choices around alcohol**
- **The collaborative is a beneficial involvement for our University community and our students**

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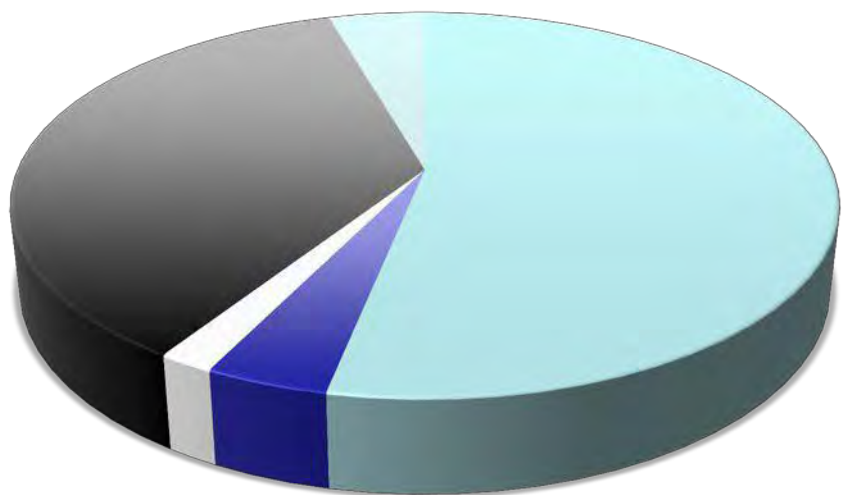


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Strategic Priority :: Complete Capital Campaign

Complete
Capital
Campaign

Total Attainment: \$406,217



- Alumni: \$216,078
- Other Individuals: \$16,687
- Corporations: \$7,536
- Foundations: \$147,719
- Other Organizations: \$18,198

* In thousands

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Strategic Priority :: Complete Capital Campaign

Complete
Capital
Campaign

- The Division of University Advancement secured \$55.86 million in new gifts and pledges during the fiscal year that ended June 30, 2012



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Strategic Priority :: Complete Capital Campaign

Complete
Capital
Campaign

Advancement Travel:

**New York, New York
Chatham, Massachusetts
Cleveland, Ohio
San Diego, California
Charlotte, North Carolina
State College, Pennsylvania**

Presidential advancement travel from June 22, 2012 through September 5, 2012

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Legislative Update:: Technology Transfer & Commercialization Task Force Report

Legislative
Update

Report Goal: Ohio must establish a firm foundation of ongoing-technology-intensive development, and develop a knowledge-based workforce to create an increasingly competitive global economy

Legislative Update:: Proposed Implementation Summary

Legislative
Update

REMOVE BARRIERS



BUILD REGIONAL ECOSYSTEMS



PROMOTE GREATER REGIONAL COLLABORATION



CREATE AN ENTREPRENEURIAL ENVIRONMENT

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Legislative Update:: Proposed Implementation Summary

Legislative
Update

RESEARCH COOPERATIONS



GENERATE CAPITAL RESOURCES



PLAN FOR FUTURE JOB SKILL TRAINING



DEFINE METRICS

The best student-centered learning experience in America



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UNIVERSITY

Leadership Changes:: Recent Appointments

**Leadership
Changes**

- **Jack Brose, Vice Provost for Health Affairs**
- **Robert Frank, Dean, College of Arts and Sciences**
- **Deborah Gearhart, Vice Provost for E-Learning**
- **Kenneth Johnson, Dean, Heritage College of Osteopathic Medicine**
- **Jennifer Kirksey, Chief of Staff**
- **Ming Li, Interim Executive Director, Center for International Studies**
- **Madeleine Scott, Interim Dean, College of Fine Arts**

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Points of Pride

- Pair of Ohio University physiologists, Fritz Hagerman and Jason White, assists U.S. Olympic rowers



Photographer: Jason White

Points of Pride



- **Southern Campus nursing professor, Nicole Pennington, named Regional Higher Education Outstanding Professor**

Photographer: Ohio University Southern Campus

Points of Pride



twitter

facebook

- **Scripps Study shows more judges and courts in the United States report using social media like Facebook and Twitter**

Points of Pride

Take a closer look at Bobcat Student Orientation

- 3,600 first-year students, 300 transfer students, and their families participated in the annual orientation from July 12 through Aug. 3 on the Ohio University Athens campus



Photographer: Elizabeth Held



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Points of Pride



- **OHIO partners with UNICEF on Communication for Development Workshop**

Points of Pride

- Ohio University to receive \$29 million for energy efficiency, conservation project



Points of Pride

- Ohio University alumnus and current Professional MBA student Jeff Dennis was honored in the *Columbus Business First's* 2012 class of the top "Forty Under 40"



Points of Pride

- **139 first-year students welcomed into the Heritage College of Osteopathic Medicine**



Points of Pride

- **Fifty Ohio University alumni and friends from around the nation convened in Athens July 19-22 for the 2012 Alumni College and Golden Weekend**





University Spotlight :: Ohio University Pickerington Center

**Dr. James Smith
Dean, Lancaster Campus | Pickerington Center**

The best student-centered learning experience in America



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CONGRATULATIONS!



Dr. David L. Bronson and The Honorable Yvette McGee Brown
The 2012 Phillips Medal of Public Service Recipients

The best student-centered learning experience in America



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President's Report

presented to
Ohio University Board of Trustees
September 6, 2012

The best student-centered learning experience in America



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**Resources Committee Meeting
November 15, 2012, 1:30 pm
Margaret M. Walter Hall, Room 125/127
1:30 p.m. – Thursday, November 15, 2012**

Committee Chair David Wolford called the meeting to order at 1:42 pm. Other board members present included Trustee Sandra J. Anderson, Trustee Kevin B. Lake, Trustee Henry Heilbrunn, Student Trustee Allison Arnold, Faculty Representative Beth Quitsland, and President Roderick J. McDavis.

- **Capital Campaign Update**

Vice President for Advancement, Bryan Benchoff, provided an update for the Capital Campaign noting campaign contributions totaling \$410.6 million as of October 25, 2012. Since October 25 the total has grown to \$412 million with \$22 million in planned proposals through the end of fiscal 2013 and \$61 million through the end of the campaign. College campaign attainment, the sources of gifts, and the areas supported by the gifts were reviewed.

Mr. Benchoff provided information on The Lead Hotline which is an online tool enabling any campaign volunteer to submit lead information on a potential donor. Advancement staff will follow-up on and act on all possible leads.

Mr. Benchoff shared recent operational accomplishments, goal attainment, and success in hiring the final Advancement leadership position. Regional Campaign Events are occurring with great attendance.

- **FY 2012 Financial Statement Highlights**

Vice President for Finance and Administration, Stephen Golding, introduced Associate Vice President for Finance, Michael Angelini. Mr. Angelini reported that the audited financial statements were filed October 12 – the statements and the audit will be discussed more fully in the Audit Committee. Increase in net assets for FY 2012 totaled \$59.4 million, down from \$107.4 million the previous year. The FY 2011 increase in net assets was significantly impacted by the one-time \$27 million monetization of the Somavert royalty cash flows and \$12 million favorable investment performance. Net asset growth has been steady with unrestricted net assets growing and favorably impacting the Senate Bill 6 Ratios.

Mr. Angelini discussed the year-over-year changes in revenues and expenses and the changes in university debt over the recent past. Debt was being rapidly paid down and FY 2012 figures reflect the new debt added in FY 2012. Mr. Golding also commented on the nature of the recent debt issuances and the efficiencies and savings the university has experienced from debt refinancing and the issuance of Air Quality bonds to finance the performance contract activities.

Senate Bill 6 ratios over the past decade were shared and the impacts of current year activity on the three ratios were reviewed. The Viability ratio's absolute value dropped from FY 2011 due to the issuance of debt, but it still ranks in the '4' range (on the 1-5 scale) with Primary Reserve and Net Income values rank a '5', the highest rank. It is hard to "move the needle" for each ratios rank year-over-year, but the university's ratios have shown significant improvement over the past 10 years due to conscious budgetary efforts to strengthen the university's balance sheet and financial position.

In response to a question regarding higher write-off of bad debt as noted in the audited financials, Mr. Angelini attributed that to a change in the bad debt calculation and an increase in write-off activity for past uncollectible amounts. The attorney general's office collects on the university's bad debts with any net collections remitted to the university.

- **Investment Policy**

Mr. Angelini reminded that the oversight of the university's investments has been handled by the Foundation's investment managing fiduciary. The changes that were made to verbiage and asset allocation within the Investment Policy by the Ohio University Foundation board were reviewed. The managing fiduciary for the Foundation's and University's investments is Hirtle Callaghan and they are responsible for selecting investment managers, managing portfolio asset allocations, and attaining asset class performance against benchmarks. The spending policy for the endowments follows UPMIFA and ultimate approval of the spending rate is made by the Executive Committee of the Foundation.

The resolution for board action sites the law, reaffirms the delegation of the University Trustee's responsibility over investments to the Foundation, and acknowledges and endorses the changes to the Ohio University Foundation's Investment Policy.

The committee recommended moving the Endowment and Non-Endowment Investment Policies resolution to the full board for approval.

- **Consent Agenda, Regional Instruction Fees**

VP Golding discussed the regional campus instruction fee issue. The rate approved last fiscal year was a blended rate to arrive at one-rate for regional lower and upper divisions. The Ohio Board of Regents understood the rational of that action, but directed that we revise the rates to be within the 3.5% rate cap for each campus. The consequences to this action may be a slight loss of revenues for the regional campuses, but it will be able to be absorbed at the regional level.

The committee recommended keeping the Regional Campus Spring Semester-2013 Fees

resolution on the Consent Agenda for Board approval.

- **Consent Agenda, Amendment to the 403(b) Plan**

Mr. Golding explained that the amendment resolution is a technical adjustment to bring the plan compliant with the university's benefit offerings.

The committee recommended keeping the Amendment to the 403(b) Plan resolution on the Consent Agenda for Board approval.

- **Campus Updates**

Associate Vice President for Facilities, Harry Wyatt, provided an overview of significant projects that have been moving forward on campus. The summer included focus on safety projects, high-visibility grounds projects, and continuing capital improvement projects. It was a 'short summer' due to the quarter-to-semester shift – 2 weeks were lost due to that transition – and the two significant storms which resulted in losses across campus. Relationships were strengthened during and in the aftermath of these weather events due to the collaborative responses and aid to the city and county. Mr. Wyatt reviewed many capital projects and special activities which occurred over the summer and early fall.

Mr. Golding summarized the themes within the presentation, expressing that the dollars being spent across campus for landscaping, safety, and deferred maintenance have had a positive impact on the workforce charged with upkeep and maintenance as well as the students, staff, parents and alumni. The other theme of the presentation was the cooperation across the region toward progress and in response to the extreme weather events. Trustees discussed an annual tour by the trustees in the spring would be a welcome activity.

- **Consent Agenda, Construction Projects**

Mr. Wyatt reported that a resolution is included on the consent agenda for four construction projects require board approval – Galbreath Chapel Rehabilitation, Bush Hall Rehabilitation, FY2013 Bromley Hall Renovations, and FY2013 Central Food Renovations. The Galbreath project is to be funded through a combination of debt, reserves and state appropriations, while the other three projects are all funded with Auxiliary reserves.

The committee recommended keeping the Construction Projects resolution on the Consent Agenda for Board approval.

- **Federal Fiscal Cliff**

VP Golding discussed that the memo included in the materials was for information purposes due to the uncertainty over how this national issue will be resolved. The projected cuts in federal grant and program funding will impact budgeted expenditures. The university will plan to use reserve funds as a short-term solution to work through the financial difficulties if the government does not solve

the federal fiscal cliff problem timely.

- **ERIP / VESP Summary Report**

VP Golding reported 295 employees participated in the early retirement programs. The university is still managing to a goal of generating 40% savings on the program based on a 60% rehire cap. Rehiring has a long lead time and refilling continuing positions has been slow and contributed to the favorable variances in FY 2012 in salary and benefits expenditures. The progress will continue to be monitored.

- **Annual Reports**

- **Insurance Report**
- **Clery Data Fire Report**
- **Clery Data Police Report**
- **Sustainability Report**

Mr. Golding advised that the annual report are included to keep the board members apprised of the status and practices for these specific areas of responsibility.

- **Executive Session**

Mr. Golding noted that there was a need for an executive session of the Resources Committee to discuss a real estate matter.

Trustee KB Lake made the motion to move to executive session. Trustee Scholl made a second, roll call of the trustees commenced and the motion was unanimously approved.

Meeting adjourned following Executive Session



**University Academics Committee
Ohio University, Athens Campus
Margaret M. Walter Hall, Governance Room 104
1:30 p.m. – Thursday, November 15, 2012**

The meeting was called to order at 1:45 p.m. by Trustee David Brightbill, committee chair.

Attendance:

David Brightbill, committee chair
J. Patrick Campbell, national trustee
N. Victor Goodman, trustee
Gene T. Harris, trustee
William Hilyard, alumni representative
Janetta King, trustee
Amanda Roden, student trustee
David Thomas, faculty representative

Academic Quality-Dashboard: Retention

Executive Vice President and Provost (EVPP), Pam Benoit, informed the committee of the increasing interest in student completion rates on state and national levels and noted that completion rates cannot be improved without addressing student retention. First to second year retention rates at Ohio University are above other four-year public institutions in the state of Ohio and nationally.

Retention activities that have been successful at OHIO include first year experience programming, support systems for at-risk students, and living/learning initiatives. Additional approaches being considered are professional advising, additional academic intervention strategies, and scholarship leveraging.

Detailed retention information was supplied in Provost Benoit's presentation including the impact of retention on universities and society, how retention is measured, and historical retention rates at Ohio University. The Office of Institutional Research's "Factors Associated with First-Year Student Attrition and Retention at Ohio University Athens Campus" compiled in 2012 was included in the Board materials.

Standing Reports and Updates:

Enrollment Update

Vice Provost for Enrollment Management, Craig Cornell, updated the Board on Fall 2012 enrollments.

- Ohio University's percent increase in headcount enrollments exceeded that of many four-year public institutions in Ohio, including Ohio State University.
- New records were set in the overall number of enrollments, the number of graduate student enrollments, and the number of e-Learning enrollments.
- These new records included record enrollments for out-of-state, international, transfer, and multicultural students, along with a record high average ACT score.
- Average GPA was at a 7-year high (a record since the university began tracking GPA). OHIO was first in the state in the growth of freshman applications and sixth in the state for transfer applications. OHIO also saw an increase in student diversity.

Vice Provost Cornell described the enrollment challenges facing colleges and universities: declining yield rates, shifting demographics, decreasing purchasing power of federal aid, increasing competition for students, college cost increases, limited scholarship dollars to meet institutional needs, and the fact that students apply to multiple universities.

Attendance cost comparisons among Ohio's schools and Ohio University's efforts to address these issues were discussed. A concern resulting from the quarter to semester calendar conversion is that the Ohio University student FTE (15 credit hours per semester) is down by approximately 1,600 students. Students taking less than 15 credit hours are primarily upper classmen. Freshmen are consistently taking 15 credit hours or more. FTE is likely to improve as students who were at OHIO under the quarter calendar graduate.

Vice Provost Cornell also discussed strategies and resources necessary for Ohio University to remain competitive with other institutions in recruiting students through awarding scholarships, targeted advertising and marketing efforts, etc. With the steady decline in high school students in Ohio, it is important to be successful in out-of-state, transfer, and international student recruitment.

Academic Quality Initiatives

Parental Leave Implementation Report

Dr. Betty Sindelar, chair of the Parental Leave Task Force, described the pilot program for parental leave announced by President McDavis in June. Growing out of the work of the Parental Leave Task Force, the program will be available to all benefits-eligible faculty, administrators, and classified employees.

Dr. Sindelar described the task force's charge, employee application process, website structure, tracking system, and dissemination of information. Employees hired after January 2013 will be required to have a one-year vesting before they become eligible for this benefit. Information will be provided online for students and others who do not qualify for this benefit to alert them to other avenues of assistance.

After a review by the Executive Vice President and Provost, the pilot phase, along with the website, will go live in early December 2012. The pilot phase will last for two years. The surplus from the employee benefits program will initially fund the pilot program. During the pilot, data will be collected regarding the number of employees taking advantage of the benefit.

Peer Institution Report

EVPP Benoit described the process of selecting a new group of peer institutions using six important academic variables. While the institutional matches were not exact, due to Ohio University's unique position, function, and locale, important academic criteria such as graduation rate, ACT scores, freshmen retention, and other measures were selected to help define the peer set. Comparisons with these peers will provide one benchmark for assessing best practices, averages, and trends among similar institutions. The list of peers is contained in the Board of Trustees' agenda.

Three Year Degrees Update

EVPP Benoit led a brief discussion on this topic. The agenda provided information regarding State of Ohio legislation mandating three-year degree pathways and Ohio University's response. The statute required a statement by October 15, 2012, from all institutions offering baccalaureate degree programs, that at least 10% of eligible programs could be completed within three academic years. Ohio University created three-year degree pathways for 50% of its programs. Issues with three-year degree pathways are Pell Grant allocation restrictions during summer and reduced opportunities for enrichment activities such as study abroad and internships.

Living and Learning Update

Ryan Lombardi, Interim Vice President for Student Affairs and David Descutner, Executive Vice Provost and Dean, provided an overview of OHIO's first-year student experience activities and the development of programming initiatives for both first and second year students.

Plans for building and renovating residence halls will include ways to integrate living and learning environments capable of enriching the transformative education of our students. Proposed approaches include multiuse spaces, advising spaces, and common spaces for learning communities, among others. An increase in the number of professional advisors and an expansion of learning communities will occur concurrently. One possibility under consideration is the construction of more faculty apartments in the residence halls thereby providing additional opportunities for faculty to interact with students.

Consent – Regional Coordinating Council Appointments

Consent – Review of Centers and Institutes

Consent – Center for Advanced Software Systems Integration Name Change

Consent – College of Fine Arts – School of Dance, Film, and Theater Merger and Name Change

The committee recommended moving all consent agenda items to the full Board for review.

The meeting was adjourned at 3:50 pm by Trustee Brightbill.



GOVERNANCE COMMITTEE MEETING

Ohio University Board of Trustees

Margaret M. Walter Hall, Room 125

Thursday, November 15, 2012 - 3:30 PM

In attendance were Chair Janetta King, Trustees Goodman, Wolford, , Heilbrunn, Hilyard, Anderson and Student Trustee Arnold. Also attending were Secretary to the Board Peter Mather and General Counsel John Biancamano.

Chair King called the meeting to order at 4:04 p.m.

1. Report on the AGB Webinar on Bylaws

Dr. Mather discussed a recent AGB Webinar on Bylaws, noting that the Board's Bylaws conform to most of the AGB recommendations. He mentioned two issues that the Committee may want to address.

First, our Bylaws do not explicitly state the number of votes necessary to pass a resolution. In the past, the Board has assumed that five votes are necessary. After discussion, there was a consensus that the Bylaws should require a majority of the Board, but no less than five votes to pass a resolution. This was recommended as a substantive change that the Committee may recommend at a future meeting.

The AGB also recommends that the Bylaws include procedures for filling vacancies in the officer positions and for addressing other officer contingencies. The Committee asked Mr. Biancamano to make a recommendation on this.

Trustee Goodman expressed a concern about insufficient time in the meeting agenda for members to engage in meaningful discussion about significant university issues. He suggested that Wednesday evenings before Board meetings might be a good time for interested members to meet for unstructured discussions or informal meetings with members of the university community. Mr. Biancamano reminded the Committee of the requirements of the Open Meetings Law. The Committee asked Mr. Biancamano and Dr. Mather to discuss the Wednesday evening idea and other opportunities for Board member discussion with President McDavis. They will report back at the February meeting.

2. Board of Regents Annual Ohio Trustee Conference

Dr. Mather reported on the Board of Regents Annual Ohio Trustee conference. Issues discussed included strategies for improving the four year completion rate and the needs of

adult learners and part-time students.

The Committee adjourned at 4:55 p.m.



**AUDIT COMMITTEE MEETING
OHIO UNIVERSITY – ATHENS CAMPUS
Margaret M. Walter Hall, Room 127
November 15, 2012 – 4:00 PM**

Trustee Kevin Lake, called the meeting to order at 4:06 p.m. Other committee members present were Chair Harris, Trustee David Brightbill, Trustee Dave Scholl, National Trustee J. Patrick Campbell and Student Trustee Amanda Roden. President Roderick McDavis was also present.

Internal Audit Update

Chief Audit Executive, Jeffrey Davis, provided an update on the Internal Audit Office operations which included:

- Audit plan completion to date
- Overall FY13 audit schedule
- Ohio Ethics Hotline
- External audit request for proposal (RFP) process

Mr. Davis updated the Audit Committee on the completed audits for FY13 which included final reports being issued for five audits, one draft report being issued and two audits that are currently in process.

The overall FY13 audit schedule was discussed in which included some changes from the previous Audit Committee Report. Two audits were added to the schedule which included University College and E-Learning Ohio. The E-Learning Ohio audit is taking the place of the previously scheduled Undergraduate Admissions which will be moved to a future date.

Mr. Davis presented on the Ethics Hotline system including a description of the system, its advantages and recent activity related to the hotline. Trustee Campbell discussed the ethics hotline process in the corporate world that includes contacting the Audit Committee instead of the CEO. Basically, the Audit Committee has a role in the ethics hotline process and suggested Ohio University consider a similar process.

Plante Moran has completed its last year of serving as Ohio University's external auditor. Mr. Davis indicated that the University will be going through the process to select an external auditor over the next few months. Mr. Davis discussed the Request for Proposal (RFP) process. The Committee discussed the process of selecting an external audit firm and the commencement of interim audit work for the external audit.

External Audit

Robert Shenton, Keith Martinez, and Danny Sklenicka of Plante Moran provided the Audit

Committee with an update related to the external audit. Their presentation included:

- Required communications
- Summary of audit differences
- New accounting pronouncements

Plante Moran discussed their “unqualified opinion” on the FY2012 financial statements, their responsibilities under Generally Accepted Auditing Standards (GAAS) and Generally Accepted Governmental Auditing Standards (GAGAS) related to internal controls and compliance, and described significant accounting policies and procedures.

There were three items listed in the Summary of Audit Differences: two known misstatements and one adjustment related to the recording of Accounts Payable invoices due to timing differences.

Plante Moran discussed seven new accounting pronouncements and the AICPA Clarity Standards that may impact Ohio University. Trustee Scholl inquired about the affect of new accounting pronouncements on Senate Bill 6 ratios. Associate Vice President Angelini indicated that these are discussions that are occurring at the IUC level.

Trustee Campbell discussed the two reported material weaknesses/significant deficiencies and the ongoing monitoring of the issues by Internal Audit. Trustee Campbell asked that Internal Audit continue to provide updates to the Audit Committee.

There was no unfinished business.

Meeting adjourned at 4:48 p.m.



**Ohio University Board of
Trustees Executive Committee
Meeting November 16, 2012
Margaret M. Walter Hall, Governance Room 104
Athens, Ohio**

Executive Committee Notes

Chair Harris called the Executive Committee meeting to order at 7:43am.

Chair Harris and Vice Chair Anderson gave a report regarding their visit to faculty senate in early October. The Chair and Vice Chair had dinner with Faculty Senate leadership prior to the Senate meeting. Chair Harris estimated that there were approximately 40 people in the room for the meeting. She indicated that she opened the discussion with the Faculty Senators by discussing the role of the Board of Trustees and some current priorities, and then opened the floor for questions. Topics that came up from the floor include faculty salaries; discussion about athletics—including those who believed that we should not have intercollegiate athletics; some confusion about the Trustee role in pushing for a 3-year graduation timeline (Chair Harris noted that this discussion was with the legislature rather than the BOT); and general questions about the Trustee commitment to academics issues.

Chair Harris mentioned the importance of academics in the Board work, as indicated by the Academics Committee being one of two major committees. She also reinforced that there are faculty representatives on the two major Board committees: Academics and Resources.

Vice chair Anderson mentioned that they were prepped for the meeting by Elizabeth Sayrs, the Board Secretary, the President and others.

Future considerations: There was no agenda, and it would be helpful for the leadership of the Faculty Senate to prepare an agenda and guided discussion, which could result in more productive dialogue. Chair Harris and Vice Chair Anderson will be following up with Dr. Sayrs.

Trustee Goodman discussed the AGB report on athletics. He reiterated the importance of the Board paying attention to their obligations in regard to this report. He expressed his concern about the 3 football games in 11 days, and the implications for student athletes. He indicated his plans to raise this issue in the Board meeting. Trustee Brightbill pointed out that the AGB committee was comprised of members who come from schools with very high profile athletic programs. Trustee Goodman pointed out that the issue of program costs and how the costs and revenue relate to the overall university budget is important.

Vice Chair Anderson pointed out the importance of maintaining balance in our Academics Committee meeting so that not too much time is spent on athletics.

this was not only a faculty matter but one for employees in general.

Trustee Campbell raised the issue of appropriate forums for discussion and what the content of those discussions should be. He noted that the AGB reports are warnings to governing boards, and there is liability associated with the knowledge. He pointed out the importance of responding to the AGB documents. Related to that Trustee Campbell is concerned about whether we have adequate forums to discuss these matters and ultimately ensure good governance and liability protection.

President McDavis pointed out that sharing the report with the Board was the first step. Additionally, he noted that this would be an issue discussed at the February meeting. He also discussed the contractual issues related to the MAC and ESPN that related to the game schedule.

Chair Harris asked President McDavis to discuss the status of the student trustee voting rights legislation. He noted that the bill has passed the House, but has not yet been taken up by the Senate. President McDavis then discussed some of the political dynamics associated with the bill's status. Currently the bill is one that would allow institutional boards to make the decision about their students' rights to vote. Trustee Roden and Trustee Arnold discussed the student sentiment on this issue that resulted in a student senate resolution to support voting rights. They further discussed their concerns about misunderstandings about who the student trustees represent and what their role is.

On a roll call vote, the Trustees moved into executive session for matters related to real estate and personnel at 8:40 and exited at 9:40. The committee meeting was adjourned at 9:41.



Ohio University Board of Trustees
Joint Committee Meeting Notes: Academics and Resources
Meeting November 16, 2012
Margaret M. Walter Hall, Governance Room 104
Athens, Ohio

Executive Vice President and Provost, Pam Benoit, and Vice President for Finance and Administration, Steve Golding, reported to the Academics and Resources Committees in two joint sessions yesterday. The topic of the presentation was “Ohio University’s Fiscal Cliff.”

- They described national trends, including the low rise of Ohio public university tuition over the past 5 years (3%), signifying the second lowest increase in the country;
- They noted that the average debt burden incurred by Ohio students is \$28,683;
- They described a recent article on state funding that public support for Ohio will reach zero in 2090. However, on the current trajectory using data from 2000, zero will be reached much sooner than that (2039);
- They noted that Ohio University graduates carry the third lowest indebtedness among their peer institutions;
- Currently, 66% of Ohio’s budget revenues come from the State Share of Instruction (SSI), and 95% come from a combination of SSI and tuition;
- Our current combination of SSI and tuition, in constant dollars, equates to what OHIO received in FY 2001; Increases in distance education and e-learning have helped to mitigate against deeper SSI declines
- Despite significant increases in enrollment, the actual subsidy dollars have declined over the past 3 years
- The reality is that OHIO is becoming a tuition driven business model—The Provost and Mr. Golding indicated that relying heavily on tuition increases is not sustainable. They posed two approaches used in other institutions that could, in part, respond to these realities;
 - Differential Tuition – which is variable tuition based on major, program, college, or class standing
 - There are different formulas for this, but factors could include: Graduates’ projected starting salaries; Average student debt load; tuition rates at peer institutions; Existing student demand; and program costs;
 - Guaranteed Tuition – fixes the tuition rate over 4 years
 - Presenters laid out advantages and concerns about each of these models
- During the afternoon session, the Board addressed principles of Smart Growth strategies, based on the idea that we can neither grow nor cut our way out of the current debt concerns

- Current realities were noted, including the expansion of academic programs over the past several years; an increase in demand of research and collaboration spaces; and the need for more space due to changes in teaching models—such as more group discussion-based learning versus reliance on lecture
- We discussed efficient and strategic space usage, based on factors such as accessibility of academic programs and support services
- Specific goals were named, including 1) freeing up core campus for academic programs by reducing the administrative footprint; and 2) creating one stop shopping venues and even promoting collaborative space usage by bringing together university and city offices (such as the OU and Athens police departments)
- It was noted that the RCM approach will help to encourage space optimization

We had rich discussion on the issues raised during the joint committee meetings, and look forward to having more of these opportunities at future Board meetings