



OHIO  
UNIVERSITY

# Board of Trustees

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

Chillicothe Campus

## Agenda

February 8, 2013



**BOARD ACTIVITIES FOR February 7-8, 2013**  
**Ohio University Chillicothe Campus – Chillicothe, Ohio**

**Activity & Committee Meeting Schedule**

**Thursday, February 7, 2013**

- 8:45 a.m. Gather at Bennett Hall, Chillicothe Campus
- Ongoing Hospitality Suite/Break Room; Art Gallery
- 9:00 a.m. Chillicothe Campus Overview and Tour with Marty Tuck
- 10:00 a.m. Joint Academics & Resources Committee Meeting; Room 110
- Noon Trustee Luncheon & Review of Capital Improvement Plan; Art Gallery
- 2:00 p.m. Resources Committee; Bennett Hall, Room 110
- 2:00 p.m. Academics Committee; Bennett Hall, Room 134
- 4:00 p.m. Governance Committee; Bennett Hall, Room 110
- 4:00 p.m. Audit Committee; Bennett Hall, Room 134
- 6:15 p.m. Bus pick-up/travel to Child Development Center
- 6:30 p.m. Reception – Trustees, President, Board Secretary, Executive Staff, and invited guests; Child Development Center
- 7:15 p.m. Dinner – Trustees, President, Board Secretary, Executive Staff and invited guests; Child Development Center

**Friday, February 8, 2013**

- 7:30 a.m. Breakfast, Executive Committee, Meeting Room, Hampton Inn
- 10:00 a.m. Board Meeting; Bennett Hall, Room 110
- Noon Media Avail, Bennett Hall Room 105
- Noon Trustee Luncheon; Art Gallery

**AGENDA**  
**Board of Trustees Meeting**  
**Friday, February 8, 2013 – 10:00 a.m.**  
**Bennett Hall, Room 110, Chillicothe Campus**

**OPEN SESSION**

**Roll Call**

**Approval of Agenda**

**1. Minutes of Board of Trustees' Meeting of November 16, 2012**

Comments from the Chair of the Board of Trustees

**2. Report from the President**

**3. Report from the Chair of Faculty Senate**

**Committee Reports and Information Items and items apart from the Consent Agenda**

- Joint Resources & Academic Committee
- University Resources Committee
- University Academics Committee
- Governance Committee
- Audit Committee
- Executive Committee

## **Consent Agenda**

Any trustee may request, in advance of action on the consent agenda, that any matter set out in this consent agenda be removed and placed on the regular agenda for discussion and action.

All matter listed within the Consent Agenda have been distributed to each member of the Ohio University Board of Trustees for reading and study, are considered to be routine, and will be enacted by one motion of the Board with no separate discussion.

- Tab 9**        **Resolution,** Construction Project(s)
- Tab 13**     **Resolution,** COB Management Systems Department name to Management
- Tab 14**     **Resolution,** COB International Business Certificate
- Tab 15**     **Resolution,** CHSP Industrial Hygiene program name to Occupational Hygiene & Safety
- Tab 16**     **Resolution,** Regional Campus Program Reviews

## **Unfinished Business**

### **New Business**

### **Communications, Petitions, and Memorials**

### **Announcement of Next Stated Meeting Date**

### **Adjournment**



**AGENDA**  
**University Resources Committee**  
**Bennett Hall, Room 110**  
**2:00 p.m. – Thursday, February 7, 2013**

4. Capital Campaign Update
5. 6 Year Sources & Uses – November Interim
6. University Debt Capacity
7. NACUBO Endowment
8. Housing Development Plan and Multipurpose Facility Update
9. **Consent Agenda** Construction Project(s)
  - Housing Phase 1 Design Funding
  - OUHCOM Dublin Renovation
  - Hudson Health Center
  - Computer Service Center HVAC Upgrades
  - Peden Turf Replacement

- Unfinished Business

**EXECUTIVE SESSION**

**AGENDA**  
**University Academics Committee**  
**Bennett Hall, Room 134**  
**2:00 p.m. – Thursday, February 7, 2013**

- 10. Academic Quality–Dashboard:** Regional Higher Education
- 11. Standing Reports and Updates:** Intercollegiate Athletics Update
- 12. Academic Quality Initiatives**
  - a. Scholarship Task Force Update
  - b. AQIP Update
- 13. Consent** – COB Management Systems department name to Management
- 14. Consent** – COB International Business Certificate
- 15. Consent** – CHSP Industrial Hygiene program name to Occupational Hygiene & Safety
- 16. Consent** – Regional Campus Program Reviews

**AGENDA**  
**Governance Committee**  
**Bennett Hall, Room 110**  
**4:00 p.m. – Thursday, February 7, 2013**

**17. Bylaw Changes**

- Trustee communication – Should steps be taken to facilitate communication among trustees and to increase information available to them about university issues? What options are available?

**AGENDA**  
**Audit Committee**  
**Bennett Hall, Room 134**  
**4:00 p.m. – Thursday, February 7, 2013**

- 18. Chief Audit Executive FY13 Audit Update**

**AGENDA**  
**Executive Committee**  
**Hampton Inn, Meeting Room**  
**7:30 a.m. – Friday, February 8, 2013**

- Board Chair Succession

**EXECUTIVE SESSION**

**AGENDA**  
**Joint Committee Meetings: Academics and Resources**  
**Bennett Hall, Room 110**  
**10:00 a.m. – Thursday, February 7, 2013**

**19. A New Business Plan– Accessibility, Affordability & Debt Management**

**AGENDA**  
**Trustee Luncheon**  
**Bennett Hall, Art Gallery**  
**12:00 p.m. – Thursday, February 7, 2013**

**20. Capital Planning Presentation**

# **Statement of Expectations for Members of the Board of Trustees of Ohio University**

*Adopted by the Board of Trustees on April 24, 2009  
Amended on June 22, 2012*

This Statement of Expectations is intended to provide guidelines and information to assist members of the Board of Trustees in fulfilling their roles and responsibilities in service to Ohio University and the citizens of the State of Ohio.

## **1. The Role of the Board**

- a. The Board of Trustees is the governing body of Ohio University. It is a body politic and corporate under Ohio law and has the right to sue and be sued. The General Assembly has conferred upon the Board the authority to: adopt rules for the governance of the institution; hire and supervise the President, faculty and staff; oversee university finances; and control university property and facilities.
- b. The Board serves the citizens of the State of Ohio. It is responsible for ensuring that the university offers students an educational experience of the highest quality and produces research that provides economic and cultural benefits to the citizens of Ohio. It is also responsible for making efficient and effective use of state resources by working with the Governor, the Board of Regents and the other state universities through the University System of Ohio.
- c. The Board's primary concerns are strategic governance and accountability. It should adopt a strategic plan designed to ensure the long-term fulfillment of the university's teaching, research and service mission, monitor progress in achieving the plan's goals and update the plan as necessary. It should provide oversight to protect the university's fiscal integrity and make sure that the President, faculty and staff comply with all applicable laws and perform their responsibilities ethically and competently.
- d. The Board should adopt a procedure governing the creation and monitoring of corporate entities affiliated with the university.
- e. The Board should govern through the President and should refrain from becoming involved in day-to-day operations.
- f. The Board should recognize the important role that the principle of shared governance plays in institutions of higher education. It should seek input from faculty, staff and students and whenever possible incorporate their views into its decisions.



## **2. The Role of Individual Trustees**

- a. Members of the Board of Trustees are stewards of the public trust. They have a fiduciary obligation to act in the best interests of the university and the State of Ohio. They must adhere to the highest ethical standards and perform their university duties without regard to any personal interests they may have. Trustees should understand and comply with state ethics laws and keep themselves informed of developments in these laws. They should avoid situations that may give rise to even the appearance of a conflict of interest and promptly disclose any conflicts of interest that may occur.
- b. Trustees should understand that they serve the institution as a whole and are not advocates for any particular unit or constituency of the university.
- c. Student Trustees have a unique responsibility to ensure that the views of students are heard in Board deliberations. They should also share with other students the Board's perspectives on University issues. In performing both of these functions, they should keep in mind the needs of all constituencies within the university.
- d. The Chair of the Ohio University Alumni Association Board of Directors is responsible for ensuring that the views of alumni are presented to the Board and for communicating to alumni the Board's perspectives on university issues.
- e. Service on the Board is a time consuming professional commitment. Trustees should attend all meetings of the Board and committees and should give notice to the Chair when they are unable to do so. Trustees should also make an effort to participate in conferences and other programs designed to educate and update Trustees and to attend commencements, convocations and other special events on campus.
- f. Trustees should be attentive during meetings and refrain from multitasking. They should treat the opinions of their colleagues on the Board as well as others participating in Board discussions with civility and respect and should be open to alternative points of view. They should respect and protect the confidentiality of matters discussed in executive sessions and should refrain from publicly or privately criticizing other Trustees or impugning their motives.
- g. Trustees should strive to make informed decisions based on an analysis of objective data. In their deliberations they should rely on the application of sound management principles and prudent business judgment. To ensure thorough consideration of Board decisions, they should review briefing materials and be prepared to actively participate in discussions.
- h. In order to make good decisions, Trustees need to engage in robust and thorough discussions of university issues in public meetings. Disagreements will occur and Trustees should seek productive ways to resolve them. Once a consensus is reached on an issue, all Trustees should respect the final decision of the Board.

- i. Trustees should keep themselves informed about issues and events at the local, state and national level that may affect the university and higher education in general.
- j. Trustees are encouraged to offer financial support to the university in accordance with their means.
- k. Trustees should understand and comply with the Ohio Public Records and Open Meetings Laws and should keep themselves informed of developments in these laws.

### **3. The Board's Relationship with the President**

- a. The Board delegates responsibility for all aspects of institutional management to the President. The Board and individual Trustees should refrain from involvement in operational matters except as necessary to fulfill their fiduciary duties.
- b. The Board and the President should agree on clearly defined institutional goals and strategies for achieving them.
- c. The Board should hold the President accountable for achieving institutional goals. Evaluation of the President should be an ongoing process with the Board offering candid and constructive feedback as necessary. In accordance with Board policy, formal evaluations should be conducted on a regular basis.
- d. The President reports to the Board as a whole and not to individual Trustees. Trustees who have concerns about the President's performance should convey them to the Board Chair who will take appropriate action to address the concern. The Chair will report back to the Trustee who raised the concern in a timely manner.
- e. Individual Trustees should develop a comfortable working relationship with the President. They are encouraged to interact with the President one-on-one as needed to share information, concerns or advice but they should remember that when they do so they are not speaking for the entire Board.

### **4. The Board's Relationship with Internal Constituencies**

- a. Trustees are encouraged to interact informally with administrators, faculty and students, bearing in mind that they do so as individual members of the Board. They should avoid any statements that would give rise to the perception that they speak for the entire Board.
- b. When interacting with faculty, staff and students, Trustees should not disclose matters deemed confidential by the Board in executive session, advocate for their personal position on university issues or criticize other members of the university community.

- c. Trustees should submit requests for information about institutional issues to the Board Secretary who will facilitate a response from the appropriate university official.
- d. Consistent with the principle of shared governance, the faculty, through the Faculty Senate, plays an active advisory role to the administration and the Board of Trustees on all academic matters, including but not limited to academic standards, research, admissions, curriculum and the granting of degrees. The Faculty Senate initiates policies relating to university-wide academic matters, the rights and responsibilities of faculty and faculty grievances. The Board should respect the role of the Senate in these areas and should also consider advice from the Senate on matters of general concern to the university community.
- e. The Board should encourage the President and administrators to involve individual faculty and students in the development of institutional goals and priorities. The active participation of faculty and students in these matters will give them a broader understanding of institutional governance and will enrich the Board's understanding of faculty and student views on university issues.

## **5. Relationships with External Entities**

- a. The Board Chair is the only Trustee authorized to make public statements on behalf of the entire Board.
- b. When asked to comment on Board actions or deliberations, Trustees may defer to the Chair or the President. If Trustees choose to speak publicly on issues relating to the university or higher education in general they should make it clear that they are stating their personal views and are not expressing the formal position of the Board or the university.
- c. When individual Trustees communicate with federal, state or local officials on issues relating to higher education, they should take care not to create the perception that they speak for the Board or the university unless they have been authorized by the Chair or the Board to do so.
- d. When individual Trustees are presented with concerns about university operations, these matters should be communicated to the President and/or the Chair.
- e. While Trustees should seek information and ask questions of others, they should refrain from publicly criticizing the President or other members of the University Community. Criticisms or concerns that Trustees may have about the President or other members of the University Community should be conveyed to the Chair who will determine the appropriate method for the Board to address the issue.

# **The Ohio University Board of Trustees By-Laws as Amended**

*Revised September 6, 2012*

*Revised April 24, 2011*

*Revised February 10, 2010*

*Revised January 23, 2009*

*Revised February 8, 2008*

*Revised July 14, 1989*

*Revised June 23, 1990*

*Revised September 20, 2002*

*Revised December 17, 2004*

## **Article I. Corporate Authority and By-Laws**

Section 1. The Board of Trustees of the Ohio University, a body corporate and politic, hereby adopts these Bylaws for the purpose of governing its activities in accordance with Chapter 3337 of the Ohio Revised Code.

Section 2. No By-Laws shall be enacted, amended, or repealed, except by a vote of a majority of the members (5 votes) of the Board authorized to vote, and then only after thirty (30) days notice of a proposed change has been given to all members.

Section 3. The Board shall be comprised of nine Trustees and two student Trustees, all appointed by the governor of the State of Ohio in accordance with Section 3337.01 of the Ohio Revised Code. The Board shall also include two national Trustees and the chair of the Ohio University Alumni Association Board of Directors or his or her designee. One national Trustee shall be appointed by the Board for a term of one year beginning on July 1, 2010. One national Trustee shall be appointed by the Board for a term of three years beginning on July 1, 2010. Thereafter, both national Trustees shall serve terms of three years.

Section 4. The nine Trustees appointed by the Governor shall hold voting privileges. The two student trustees, the two national trustees and the chair of the Ohio University Alumni Association Board of Directors may not vote on Board matters but their opinions and advice will be actively solicited and welcomed in Board deliberations.

## **Article II. Officers of the Board**

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

- (a) Chairperson
- (b) Vice-Chairperson
- (c) Secretary
- (d) Treasurer

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

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

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

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

### **Article III. Election of Officers**

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

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

### **Article IV. The President and Presidential Duties**

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

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

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

## **Article V. Meetings**

Section 1. Regular Meetings. The Board shall hold no fewer than five (5) regular meetings a year, with the date and time fixed in accordance with the provisions of Article II. Section 2.

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

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

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

Section 5. Quorum. A majority (5 voting Trustees) of the Board membership shall constitute a quorum for the conduct of the ordinary business of the Board. A vote of two-thirds (6 votes) of the Trustees authorized to vote shall be necessary to elect or remove a President and a vote of a majority (5 votes) of the Trustees authorized to vote shall be necessary to authorize the sale or lease of a University building or the planned demolition of a University building.

Section 6. Agenda. The Secretary shall consult with the chairs of the Standing Committees and then prepare a proposed agenda for each Regular Meeting. The proposed agenda shall be delivered to the President for his or her review and then to the Chairperson of the Board for final approval.

## **Article VI. Standing and Special Committees**

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

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

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

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

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

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

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

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

Section 4. The Chairperson of the Board and the President shall be ex-officio non-voting members of all Standing Committees and Special Committees.

**Article VII. Parliamentary Authority**

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





OHIO  
UNIVERSITY

# Board of Trustees

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## 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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## **APPENDICES**

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

## **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 11<sup>th</sup> 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 1<sup>st</sup> 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.

- 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 Academics 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 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 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.

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Gene T. Harris  
Chairperson

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Peter C. Mather  
Secretary

# President's Report

presented to  
Ohio University Board of Trustees  
September 6, 2012

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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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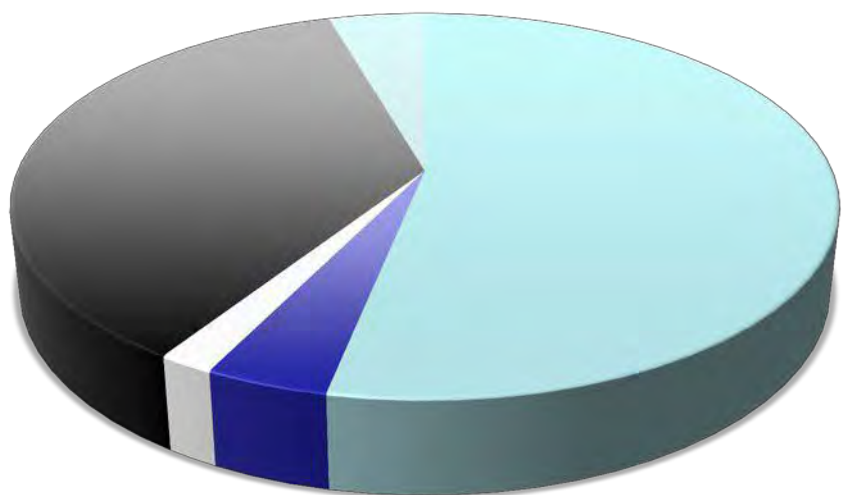
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# Strategic Priority :: Complete Capital Campaign

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**

# **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**

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# CONGRATULATIONS!



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

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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 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



# **PRESIDENT'S REPORT**

**presented to  
Ohio University Board of Trustees  
February 8, 2013**

The best student-centered learning experience in America  
Office of the President



**OHIO**  
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# Overview

- **Legislative Update**
- **Celebrating our Region**
  - **Appalachia Rising**
- **Strategic Priority**
  - **Complete Capital Campaign**
- **Points of Pride**
- **Program Spotlight**
  - **Ohio University Chillicothe Campus Law Enforcement Technology Program**



*Photo courtesy of <http://www.chillicothe.ohiou.edu/>*

# 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.

# Federal Legislative Update:: Government Relations

- On January 2<sup>nd</sup>, President Obama signed the American Taxpayer Relief Act (H.R. 8), which averted the infamous fiscal cliff.
  - The Act delays by two months the sequester spending mandated by the Budget Control Act of 2011. However, the Act does not address deficit reduction, entitlement reform or the debt limit.
- The Ohio University Zanesville campus now is represented by Congressman Pat Tiberi (R) OH-CD 12. In an effort to familiarize himself with the campus and all it has to offer, Congressman Tiberi toured the OU-Z campus on January 9<sup>th</sup>.



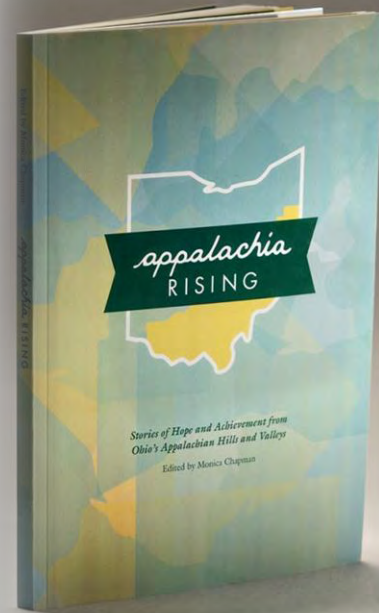
# State Legislative Update:: Government Relations

- Chancellor Jim Petro announced his retirement effective February 2<sup>nd</sup>. We await Governor Kasich's announcement of an interim or new chancellor.
- The state operating budget is scheduled to be introduced on February 4<sup>th</sup>
  - We anticipate the State Share of Instruction recently endorsed by Governor Kasich will be included in the state operating budget
  - The budget bill still needs to be debated and voted on by the state legislature before it can be fully implemented
  - If the as-introduced version of the language is passed, the new formula will be phased-in with a two-step process
- The Governor's state of the state will be held at 6:30 p.m. on February 19<sup>th</sup> in Lima, Ohio

# Celebrating our Region :: Appalachia Rising

Celebrating  
our Region

- *Appalachia Rising: stories of hope and achievement from Ohio's Appalachian Hills and Valleys* is a newly published work that is a cooperative effort between University Communications and Marketing and Ohio University Press



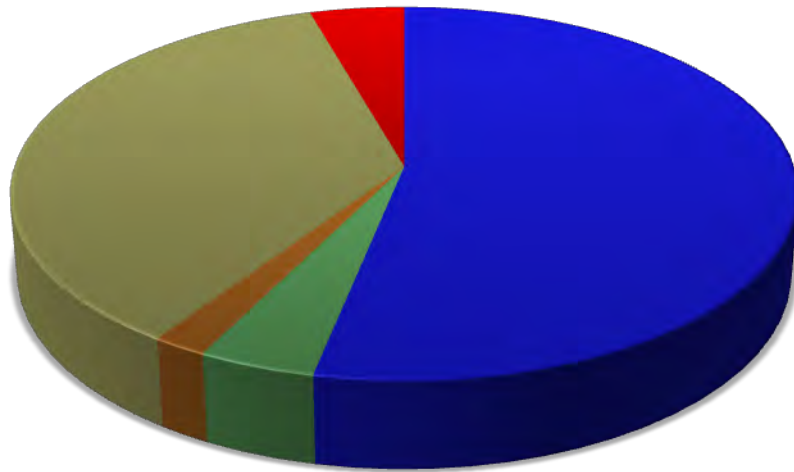
# **Celebrating our Region:: Appalachia Rising**

- **Puts a human face on OHIO's many contributions to the region**
- **Documents the excellence of our staff and our vision in action**
- **It showcases the quality of our UCM and Ohio Press teams**
- **The book highlights significant "firsts"**

# Strategic Priority :: Complete Capital Campaign

Complete  
Capital  
Campaign

Total Attainment: \$413.552M



- Alumni: \$220,108
- Other Individuals: \$17,505
- Corporations: \$8,157
- Foundations: \$149,349
- Other Organizations: \$18,433

*\* In thousands*

*\*Current as of January 15, 2013*



# **Strategic Priority :: Complete Capital Campaign**

Complete  
Capital  
Campaign

## **Advancement Travel**

**Hong Kong  
Fort Myers, Florida  
Sarasota, Florida  
Tampa, Florida  
Shreveport, Louisiana  
New York, New York  
Columbus, Ohio**

# Points of Pride

- **Scott Titsworth**  
appointed as the Dean  
of the Scripps College  
of Communication



*Photo courtesy of: University Communications and Marketing*

# Points of Pride

- Ohio University and the National Academy of Engineering announced the 2013 Fritz J. and Dolores H. Russ Prize recipients: Rangaswamy Srinivasan, James J. Wynne, and Samuel E. Blum for advancements that enabled LASIK and PRK eye surgery



*Photos courtesy of: University Communications and Marketing*

# Points of Pride

- **Lambda Pi Eta, an honor society, held a holiday supply drive at the Ohio University Lancaster Campus and Pickerington Center and collected 17 boxes of supplies to send to troops in Kosovo**



*Photograph Courtesy of Cherri Russo*



# Points of Pride

- With the switch from quarters to semesters, OHIO students celebrated the holidays in Athens



*Photographs Courtesy of the Multicultural Center, Chris Franz and Ross Brinkerhoff*

# Points of Pride

- **Ohio University's Third Frontier initiative, TechGROWTH Ohio, was awarded new investment capital funding (approximately \$1.875M) in a state-wide process, which now makes it a \$30M program**

# Points of Pride

- The National Academy of Inventors (NAI) named Dr. John Kopchick and Dr. Gerardine Botte of Ohio University as charter fellows



*Photograph Courtesy of John Kopchick*



*Photograph Courtesy of Mark Dawson*

# Points of Pride

- **Ohio University's Heritage College of Osteopathic Medicine Dublin branch was approved by the Commission on Osteopathic College Accreditation**



# Points of Pride

- The British Government named Keith Hawkins, an astrophysics major in the Honors Tutorial College, as a recipient of the Marshall Scholarship. Keith will continue his research at University of Cambridge's Institute of Astronomy.

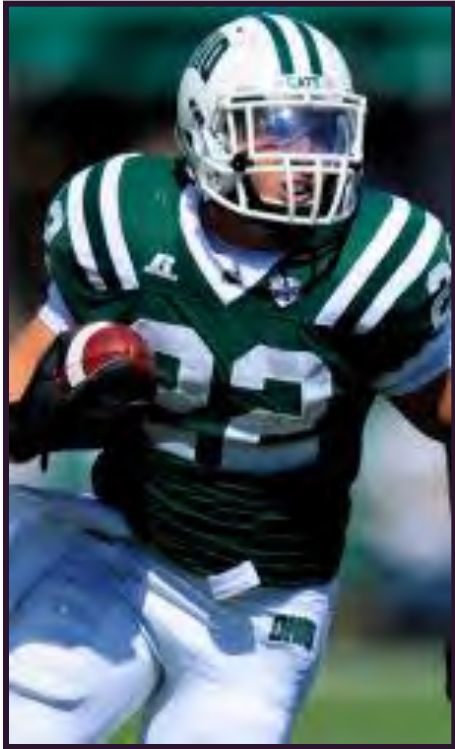


*Photo courtesy of: University  
Communications and Marketing*

# Points of Pride

- ***U.S. News and World Report*** ranked Ohio University as the sixth most connected college in the world. OHIO ranked No. 1 in the state and was the top publicly-funded university.

# Points of Pride



- **Ohio University won the AdvoCare V100 Independence Bowl, which made it back-to-back seasons with bowl victories**



# **University Spotlight ::**

**Law Enforcement Technology**

**Ohio University Chillicothe**

**Dr. Martin Tuck**

**Dean, Chillicothe Campus**

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# Academic Program Offerings on the Chillicothe Campus

## Associate Degrees

- Associate in Art
- Associate in Science
- Business Management Technology
- Child Development
- Computer Science Technology
- Environmental Engineering Technology
- Human Services Technology
- Individualized Studies
- **Law Enforcement Technology**
- Nursing
- Office Technology

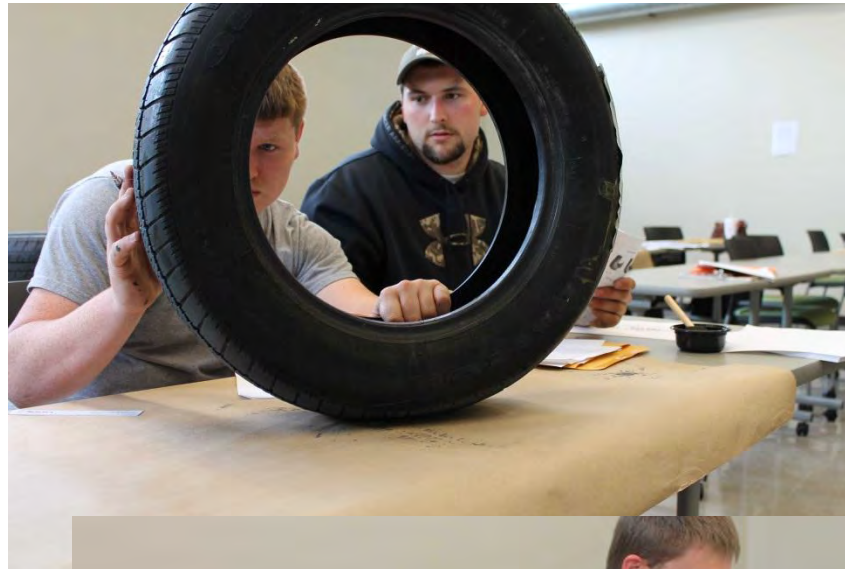
## Bachelor Degrees

- Applied Management
- **Criminal Justice**
- Communication Studies
- Health Services Administration
- Early Childhood Education
- Middle Childhood Education
- Nursing
- Specialized Studies
- Social Work
- Technical and Applied Studies

# Law Enforcement Technology

## Characteristics of the Program:

- Current Enrollment: 160 students, 50% female
- Leads to an Associates degree in Applied Science
- Course credit can be applied to a Bachelors Degree in Criminal Justice
- Many students also complete the Southern Ohio Police Training Institute (SOPTI) program which certifies individuals to become Ohio Police Officers.
- Graduates have secured employment with Federal, State, Local, Corrections or Private Agencies.





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Chillicothe Campus

# Presenters

- **Dr. James McKean-** LET Campus and Regional Program Coordinator/Associate Dean OU-C  
Former Police Chief of the Grove City Police Department and a Graduate of the OU-C LET Program. Received his PhD in Higher Education from Ohio University Patton College of Education.
- **Ian McCord,** OU-C LET Student
- **Kelly Monce,** Graduate of OU-C with a bachelors degree, and SOPTI, Currently Kelly is a commissioned officer through the City of Lancaster Police Department.
- **Elizabeth Barger,** Graduate of OU-C with two bachelors degrees, also a recent graduate of SOPTI. Elizabeth is commissioned through the Jackson County Municipal Courts.



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# Faculty Senate Update

Elizabeth Sayrs, Chair

David Thomas, Vice Chair

Beth Quitslund, Secretary

The best student-centered learning experience in America



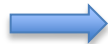
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# Academic Quality Highlights for Faculty

- Q2S transition: “The steps used to plan, design, and implement the semester system combined with the results indicate that Ohio University has a high maturity for continuous improvement....Team work and continued collaboration are evident in this project. This continued ‘can do’ attitude contribute to the success of this transition. Job well done.” (From the AQIP report on the quarters to semesters transition)
- Enrollment
- Value for students

## National Universities

School name (state)	U.S. News National Universities rank	Financial resources per student (FY 2011)
Florida State University	97	\$17,731
Brigham Young University--Provo (UT)	68	\$20,441
Miami University--Oxford (OH)	89	\$19,091
University of Alabama	77	\$20,288
College of William and Mary (VA)	33	\$27,572
Colorado School of Mines	77	\$21,417
University of Missouri	97	\$21,226
Binghamton University--SUNY (NY)	89	\$22,181
Indiana University--Bloomington	83	\$22,806
Ohio University	131	\$18,983
Rutgers, the State University of New Jersey--Newark	115	\$20,801
University of Georgia	63	\$27,028
Clemson University (SC)	68	\$26,293
University of South Carolina	115	\$21,389
Virginia Tech	72	\$26,261
Clark University (MA)	83	\$25,073
Duquesne University (PA)	120	\$21,216
University of Oregon	115	\$21,749
Texas Christian University	92	\$24,486
Missouri University of Science & Technology	125	\$21,044



Morse, Robert and Diane Tolis. "Which Highly Ranked Universities Operate Most Efficiently?" *Morse Code: Inside the College Rankings*. 06 Dec 2012. US News and World Report. 20 Jan 2013  
<http://www.usnews.com/education/blogs/college-rankings-blog/2012/12/06/which-highly-ranked-universities-operate-most-efficiently>.

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"Undergraduate Teaching Faculty: The 2010–2011 HERI Faculty Survey," produced by the Cooperative Institutional Research Program (CIRP) at the Higher Education Research Institute (HERI) at UCLA

**Table 1. Most Common Sources of Faculty Work-Life Stress, by Institutional Type**

Percentage reporting "some" or "extensive"	All	Universities		Four-Year Colleges	
		Public	Private	Public	Private
Self-imposed high expectations	84.8	85.1	86.1	83.5	84.2
Lack of personal time	82.2	81.5	83.1	82.4	82.8
Working with underprepared students	75.3	78.1	58.1	83.5	77.1
Managing household responsibilities	74.7	74.4	72.7	75.1	77.3
Institutional budget cuts	74.2	86.1	47.2	83.4	62.5
Institutional procedures and "red tape"	71.3	75.5	66.8	73.6	63.5
Research or publishing demands	70.7	74.5	77.7	64.1	61.8
Personal finances	65.7	65.5	58.5	70.1	68.7
Teaching load	62.6	61.9	50.5	71.2	67.4
Committee work	62.0	60.9	56.0	67.4	64.6

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# Group I Faculty, Student Headcount and FTE



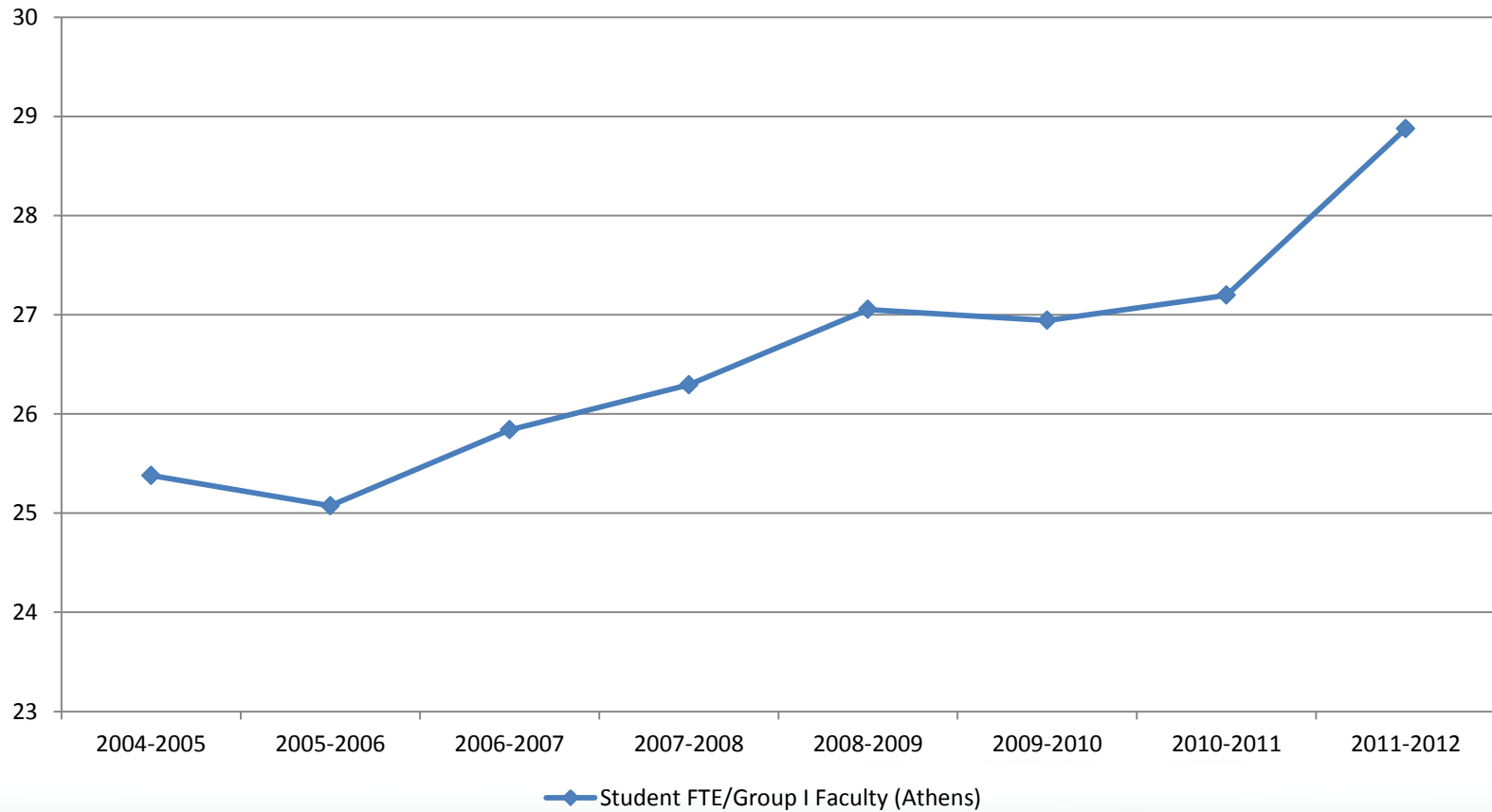
All data from Institutional Research: <http://www.ohio.edu/instres/>

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## Student FTE/Group I Faculty (Athens)

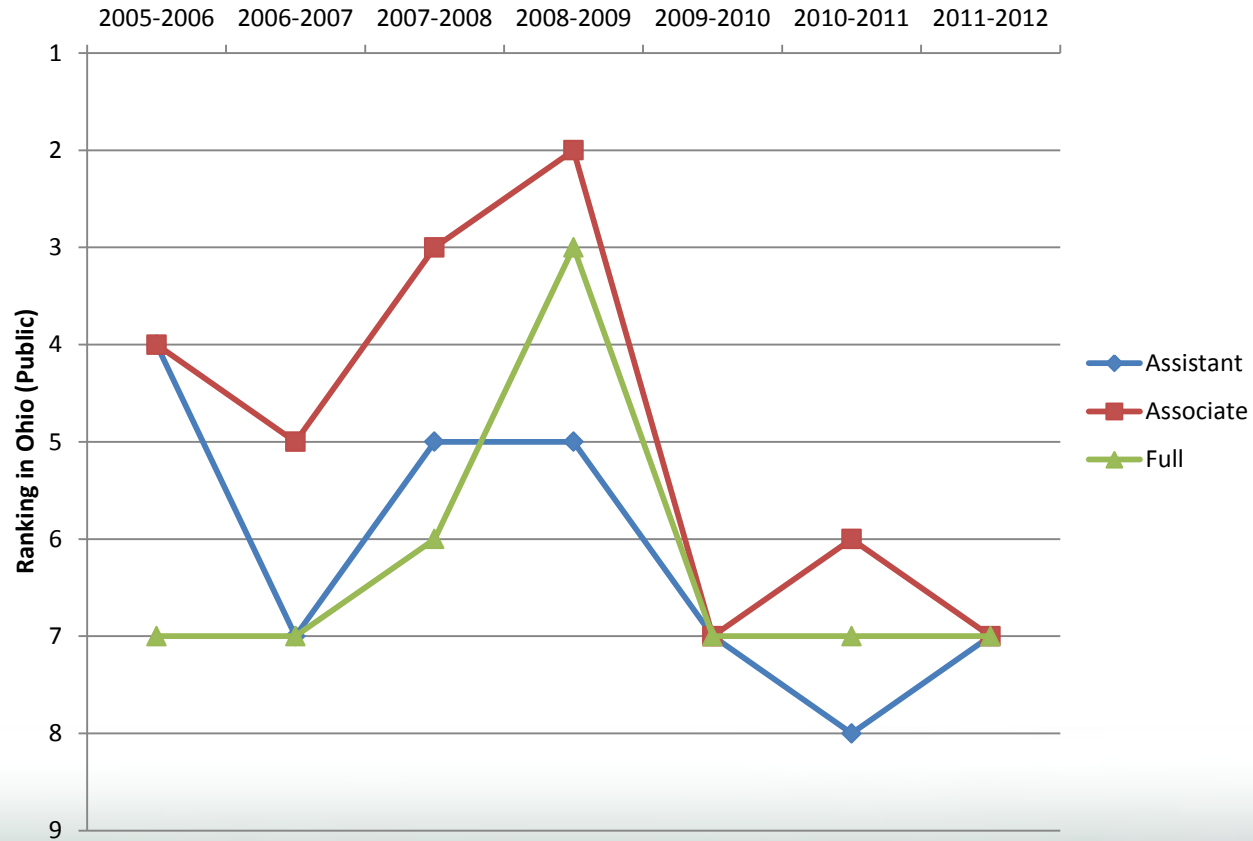


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# Faculty Salary Rank (vs. Ohio publics)



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The Least Stressful Jobs Of 2013: #1 University Professor (Forbes, 1/3/2013)

Top 10 Reasons Being a University Professor is a Stressful Job (Forbes, 1/5/2013)

January 21, 2013

## State Spending on Higher Education Rebounds in Most States After Years of Decline (CHE)

### Top Ed-Tech Trends of 2012: MOOCs

December 18, 2012 - 1:49pm

By Audrey Watters

(IHE)

Tech Trends | Research

## Education Leaders See MOOCs, Distance Learning as the Future of Higher Ed

By Dian Schaffhauser ■ 08/20/12

(Campus Technology)

December 17, 2012

## For Whom Is College Being Reinvented? (CHE)

'Disruptions' have the buzz but may put higher education out of reach for those students likely to benefit the most

(IHE)

## Division I Colleges Increase Athletics Spending at Far Faster Rate Than Academic Spending (CHE)

October 24, 2011, 12:01 am

By Libby Sander

## Report Describes Big Gaps in Athletic vs. Academic Spending

January 16, 2013, 4:56 am

By Brad Wolverton (CHE)

Public universities in the six most powerful NCAA conferences surpassed \$100,000 per player in median annual athletic spending in 2010, a new study has found—six to 12 times the amount those colleges spent per student on academics.

## It's the Economy, Stupid

January 21, 2013 - 3:00am

By Kevin Kiley

While there's a lot of chatter and pessimism about how the Great Recession changed the nature of states' relationships with their higher education institutions, this year's Grapevine survey of state appropriations hints that the new normal might be more normal than new.

## Colleges Must Find Innovative Ways to Finance Their Missions

10/30/2011, By E. Gordon Gee

All signs point to a new normal in which institutions of higher education will have to look further for the resources they need. (CHE)

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## CAMPAIGN UPDATE

February 7, 2013



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# *Campaign Priorities*



Access and Opportunity	\$175 Million
Research and Creative Activity	\$105 Million
Academic and Student-Life Experience	\$50 Million
Campus Environment	\$100 Million
Outreach and Partnerships	\$20 Million
<b>Total Goal</b>	<b>\$450 Million</b>



# Campaign Progress

*as of December 31, 2012*

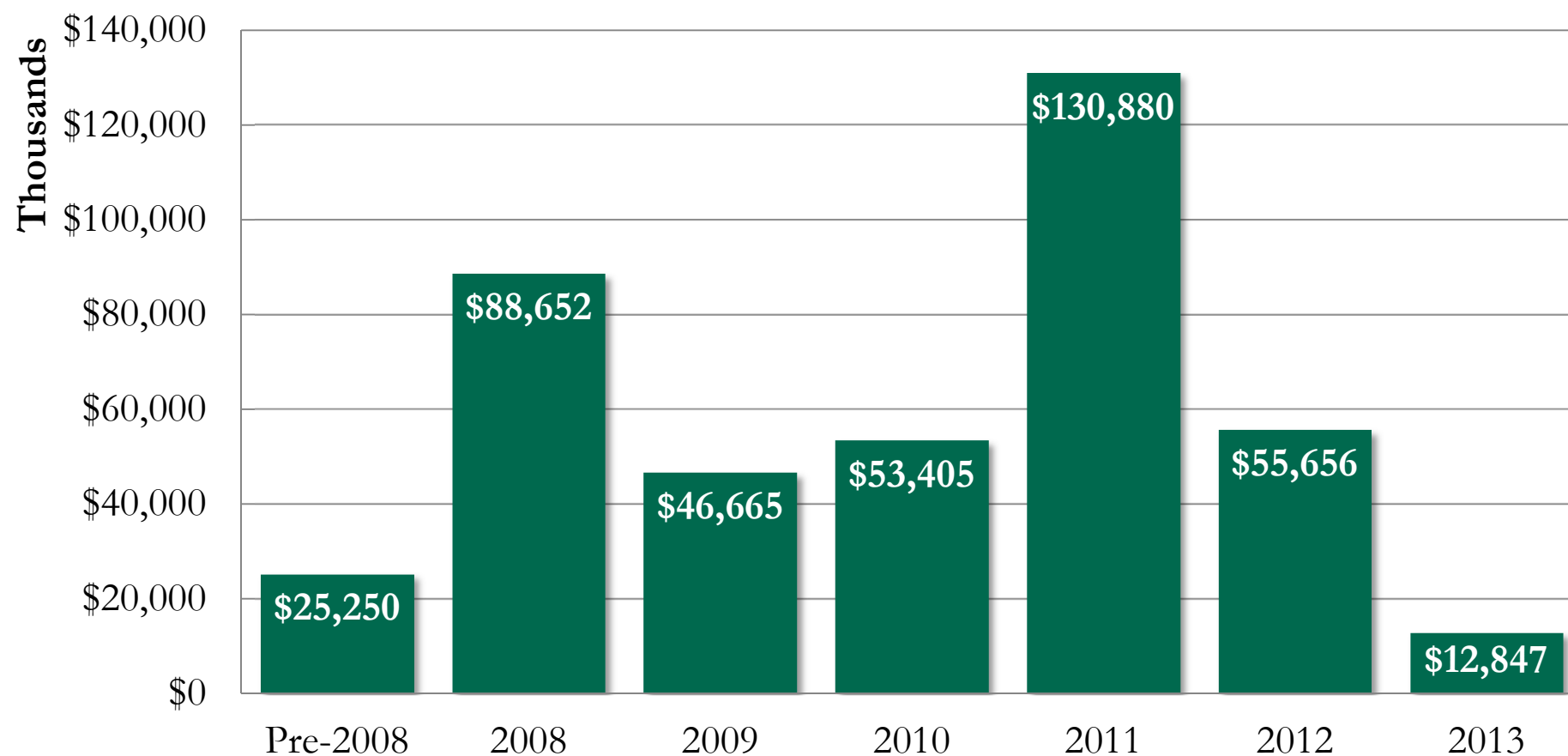


	Fiscal 2013	Campaign
<b>Total Attainment*</b>	\$12,847	\$413,552
<b>Planned Giving*</b>	\$2,569	\$187,170
<b>Active Proposals*</b>	\$12,464	N/A
<b>Planned Proposals*</b>	\$19,810	\$62,844
<b>Visits</b>	1,125	8,997
<b>New Prospects</b>	74	383

*\* In thousands*



# *Campaign Progress By Fiscal Year*

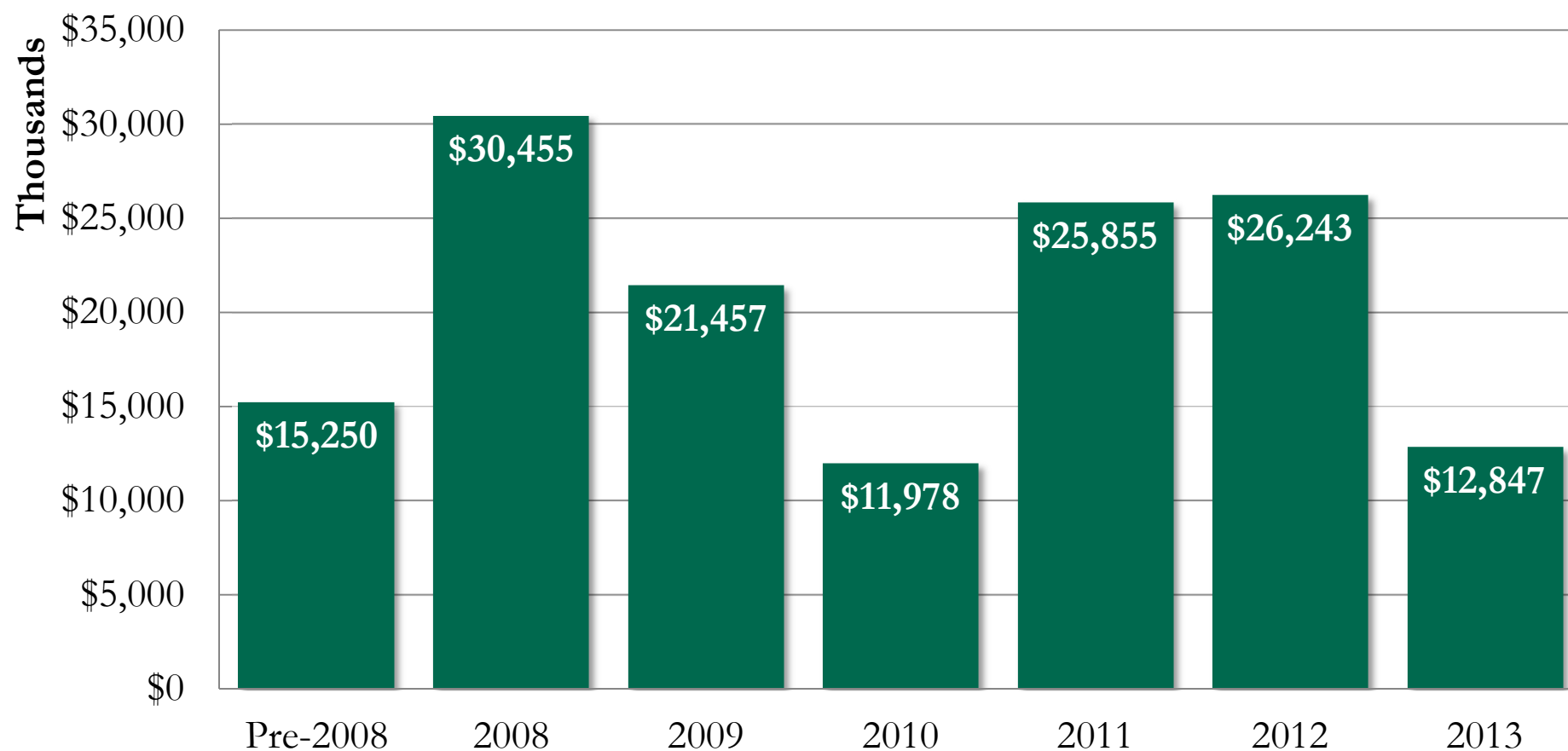


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# *Campaign Progress By Fiscal Year*

*Excluding Three Transformative Gifts*

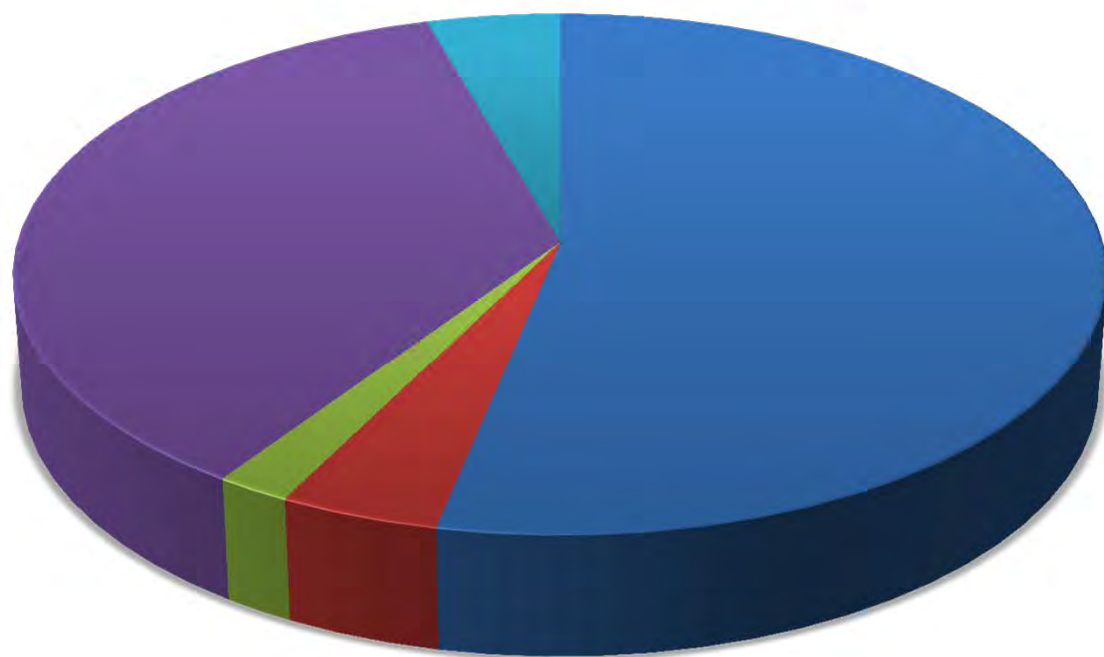


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# *Campaign Progress*

*as of December 31, 2012*



- Alumni: \$220,108
- Other Individuals: \$17,505
- Corporations: \$8,157
- Foundations: \$149,349
- Other Organizations: \$18,433



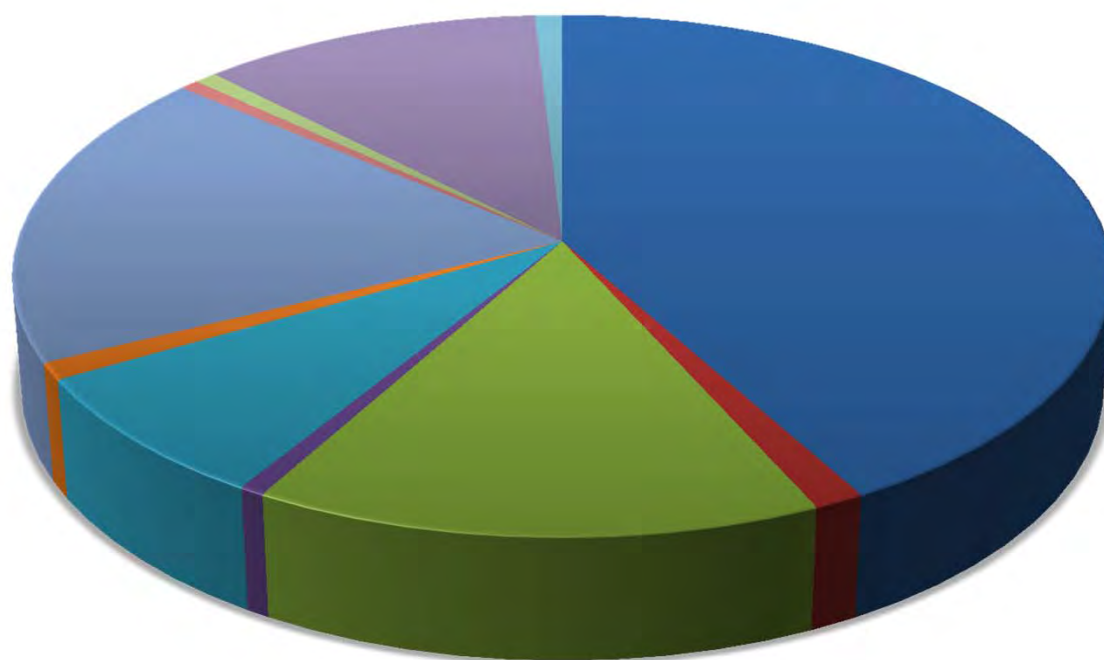
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# *Campaign Progress*

*as of December 31, 2012*



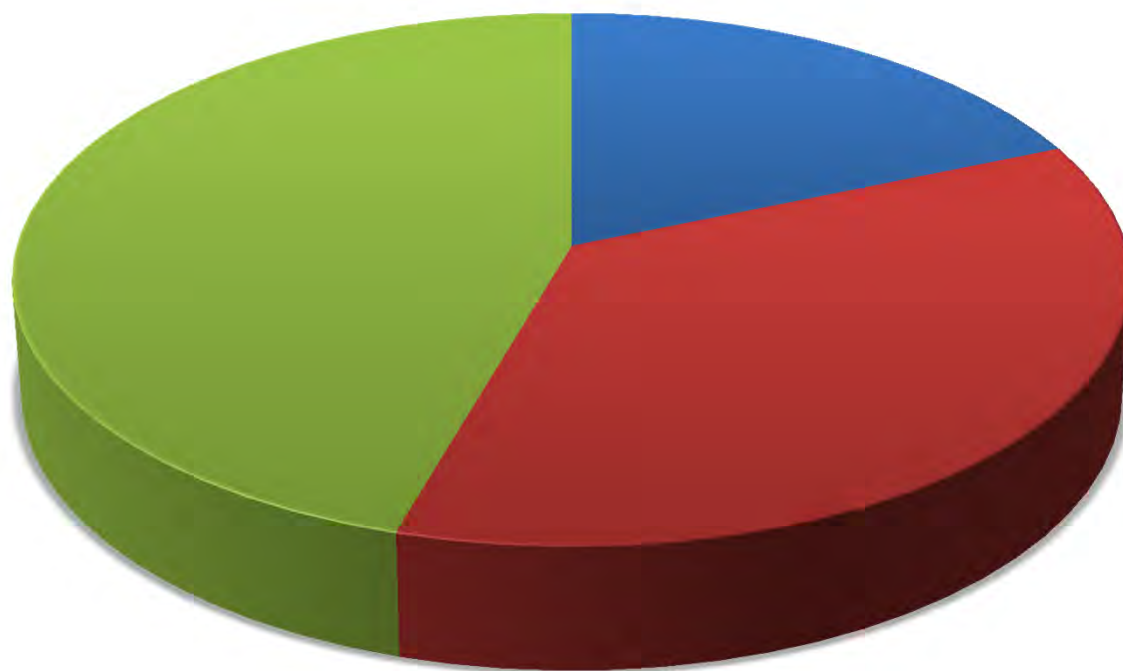
- Academic Divisions: \$173,433
- Athletics: \$5,484
- Faculty and Staff: \$61,356
- Library: \$2,744
- Other Restricted: \$32,392
- Physical Plant: \$4,314
- Property: \$77,073
- Public Service: \$2,622
- Research: \$3,109
- Student Aid: \$47,245
- Unrestricted: \$3,778





# *Campaign Progress*

*as of December 31, 2012*



- Capital: \$77,114
- Current Operations: \$148,266
- Endowment: \$188,172

*\* In thousands*



The Promise Lives Campaign for Ohio University

# STAFFING UPDATE



# *Staffing Update*



- **Jennifer Neubauer:** Assistant Vice President, Alumni Relations and Executive Director, Alumni Association
- **JR Blackburn:** Assistant Vice President, Development and Associate Campaign Manager



The Promise Lives Campaign for Ohio University

# FUNDRAISING AND OUTREACH METRICS



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# *Fundraising and Outreach Metrics*



- Fundraising goals established for individual fundraisers as well as colleges and units
- Goals are based on:
  - The history of each unit's outreach and fundraising efforts over the last 3 years
  - Original research conducted by Eduventures, a 300-member fundraising learning collaborative based in Boston





# *Fundraising and Outreach Metrics*



- Goals and objectives established for:
  - Number of visits
  - Number of unique visits
  - Contacts
  - Leads converted into relationships
  - Proposals
  - Total dollars raised for and by the College, Unit or Campus



# Fundraising and Outreach Metrics



## Gift Officer Metrics

Name: \_\_\_\_\_ Date Range: 9.1.12 - 9.30.12 Last Meeting Date: \_\_\_\_\_

### Moves Management

Visits	Goal: N/A	Recent Activity					FY Total				
	Ask / Solicitation										
	Cultivation										
	Gift Negotiation										
	Stewardship										
	Verify										
	Total					0					0

Unique Visits	Goal: N/A	Recent Activity					FY Total				
	Ask / Solicitation										
	Cultivation										
	Gift Negotiation										
	Stewardship										
	Verify										
	Total					0					0
	Unique Visits										

Contacts	Goal: N/A	Recent Activity					FY Total				
		L	N	P	E	Total	L	N	P	E	Total
	Ask / Solicitation					0					0
	Attempt Visit					0					0
	Cultivation					0					0
	Gift Negotiation					0					0
	Referral					0					0
	Stewardship					0					0
	Subtotal	0	0	0	0	0	0	0	0	0	0
	Total					0					0

L = correspondence N = encounter P = phone E = event

Outcomes	Goal: N/A	Recent Activity					FY Total				
	M1 Move to Verified Lead										
	M2 Move to Not a Prospect Area										
	M3 Move to Another Unit										
	M4 Move to Gift Planning										
	M5 Move to LAG						0				0
	M6 Move to Assignment										
	M7 Move to Cultivation										
	M8 Move to Solicitation										
	M9 Move to Stewardship										
	M0 Maintain Status										

Reviewed by: JR Blackburn  
 Prepared by: Elise Prince  
 Version 10.12

Date:  
 Date: 11.1.12

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 University Administrator

1 of 2



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# Fundraising and Outreach Metrics

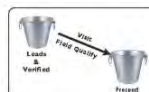


## Gift Officer Metrics

Name: \_\_\_\_\_ Date Range: 9.1.12 - 9.30.12 Last Meeting Date: \_\_\_\_\_

### Gift Activity

Proposals by DO for Unit		Quantity	Amount
Goal:	Total Open		
Quantity: N/A	FY Open		
Amount: N/A	Funded		
	Refused		
	Total FY Ask	0	\$ 0.00
Proposals by DO for other Unit(s)		Quantity	Amount
Goal:	Total Open		
Quantity: N/A	FY Open		
Amount: N/A	Funded		
	Refused		
	Total FY Ask	0	\$ 0.00
Funds Raised for Unit FY		Goal	Total
Funds Raised Unit Campaign		Goal	Total



### Portfolio Status

Lead Bucket		Rating	Leads	Verified Leads	Total
		\$1M & UP			0
		\$100K - \$999K			0
		\$25K - \$99K			0
		\$10K - \$24K			0
		No Rating			0
		Total	0	0	0

		Actual							
Prospect Bucket	Goal: N/A	\$1M & UP	\$100 - 999K	\$25 - 99K	\$10 - 24K	No Rating	Total	Ideal	Ideal %
	Cultivation						0	0%	60%
	Solicitation						0	0%	27%
	Stewardship						0	0%	13%
	Total	0	0	0	0	0	0	0%	100%
	Team Member						0		

Revised by: JR Blackburn  
Prepared by: Elise Prince  
version: 10.13

Date: 11.1.12

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University Administration

2 of 2



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## **Interoffice Communication**

**Date:** January 18, 2013

**To:** The President and Board of Trustees

**From:** Stephen T. Golding, Vice President for Finance and Administration, CFO and Treasurer

**Re: Sources & Uses Report**

Please find attached for your review a copy of the Sources & Uses Report for the period ending November 30, 2012. The following reports are included in these materials:

- Financial Highlights summary;
- Consolidated Sources & Uses Report – Total, Unrestricted, and Restricted;
  - Most recent 3 years audited financial results,
  - Current year-to-date actuals as of November 30, 2012,
  - Forecast for FY 2013.

At the June, 2012 meeting the Sources & Uses Report for the period ending April 30, 2012 was presented and reflected a June 30 forecasted net from operations of \$95.6 million. At the November, 2012 meeting final results of operations were provided for FY 2012 reporting a lower actual net from operations of \$59.4 million. At this time I would like to discuss the reasons for some of the variances between the forecast and actual for FY 2012:

- 1) Tuition & Fees were forecast too high based on preliminary spring and summer enrollments.
- 2) Salaries & Wages (including benefits) were forecast too low;
  - a) There are accruals done at fiscal yearend for vacation, sick, and hourly wages. Because of the complexities inherent in these accruals they are sometimes difficult to forecast.
- 3) Undergraduate & Graduate Financial Aid were forecast too high;
  - a) Spring and summer enrollments were not final at the time of the forecast;
  - b) Deferrals for summer aid occur at year end and may have been inaccurately calculated in the forecast;
- 4) Professional Services were forecast too low;
  - a) Very large accruals are made at year end for royalties, e-Learning and legal fees that make forecasting challenging.

The forecast for the current fiscal year, based on actual information through November 30, 2012, suggests a net from operations of approximately \$46 million will be achieved. Following the lines of the discussion above I think it is important to highlight the highest risks foreseen in this forecast:

- 1) Tuition & Fees & Auxiliary Enterprise Sales & Service
  - a) The forecast is based on spring and summer enrollment numbers that are not finalized;
  - b) With the quarters to semesters switch it is difficult to trend and difficult to predict retention.
- 2) Investment income is inherently risky to predict.
- 3) Undergraduate & Graduate Financial Aid

- a) The largest percentage of this category is Pell grants which are based on the number of eligible students, which is sometimes difficult to predict.
- b) Students also receive financial aid from Foundation sources which are not factored into these calculations.

Although it is early in the fiscal year and more work needs to be done to refine these estimates, I believe these reports represent a reasonable first look at FY 2013 operating results. Another Sources & Uses Report will be presented at the April 18-19, 2013 Board of Trustees meeting. Those reports will be based on the February 28, 2013 year-to-date actuals and will represent a better defined picture for FY 2013.

I look forward to reviewing the projected results for Sources & Uses at the February meeting. Should you have questions prior to the meeting please do not hesitate to contact me.

Financial highlights include:

### **SOURCES**

#### **Tuition & Fees:**

- There is an estimated increase of \$4.7 million over FY 2012 results.
- Athens is forecasted to be up \$10.8 million from FY 2012. An increase in total tuition and fees is expected due to a shift from resident to nonresident students, an increase in e-Learning students, as well as the 3.5% tuition and general fee increase put into effect for FY 2013.
- RHE is projected to be down \$6.4 million from FY 2012. This was the expected budgeted decrease for RHE due to projected enrollment declines.
- \$0.3 million of the increase in tuition & fees is attributable to OUHCOM.

#### **Investment Income:**

- The University's investment income is comprised of interest, dividends, realized gains (losses), and unrealized gains (losses). Investment income stems from two primary sources. First, the university's endowment assets, as well as a portion of its working capital, are invested in a long-term, broadly-diversified portfolio. This "diversified pool" achieved a return of 4.61% for the fiscal year to date through October 31, outperforming its diversified benchmark of 4.36% for the same period. Additionally, a portion of the university's working capital is invested in a pool of investment-grade fixed income securities. This "liquidity pool" achieved a return of 2.31% for the fiscal year to date through October 31, outperforming the Barclays U.S. Aggregate Bond Index, which returned 1.78% for the same period.
- YTD actual interest, dividends, realized gains (losses), and unrealized gains (losses) were added to the forecasted interest for December-June to determine the anticipated amount for FY 2013.

#### **Private Gifts, Grants and Contracts:**

- This category is down \$5.9 million overall from FY 2012 to FY 2013.
- During FY 2012 the City of Dublin made a one-time donation of \$4.7 million. The remainder of the decrease from FY 2012 to FY 2013 is due to lower scheduled payments from the Osteopathic Heritage Foundation.

#### **State, Local, Other Government Grants and Contracts:**

- A modest increase of \$0.3 million is forecasted for this category in FY 2013.
- Results are anticipated to be relatively consistent with that of the prior two years.

#### **Sponsored Programs (Federal):**

- Results for FY 2013 are projected to be consistent with prior year performance in this category.
- Pell awards of \$43.4 million are included in this amount and are expected to be similar to the prior year awards.

#### **Sponsored Programs (F&A):**

- Results for FY 2013 are projected to be consistent with prior year performance.

State Appropriations:

- There is an estimated \$3.6 million increase over the prior year. The Board of Regents formula for state subsidy changed from FY 2012 to FY 2013. The most significant change has been the allocation formula shifting a higher weight to 'degree attainment' than 'course completions.' As a result of this change, Ohio University has earned more state subsidy. There were also changes to the medical school allocation related to caps, which increased the medical school distribution.
- State capital appropriations, not on the State Subsidy schedule, are included in this line item and are expected to be stable from FY 2012 to FY 2013 at \$3.5 million.

Federal Appropriations:

- During FY 2010 & FY 2011, the University was a recipient of State Fiscal Stabilization Funds, which were appropriated under ARRA to the U.S. Department of Education. Funding was only available from this program through FY 2011.

Auxiliary Enterprise Sales & Services:

- This category is projected to be up \$1 million from FY 2012 to FY 2013 based on higher than expected culinary retail sales and the approved increases for room and board rates.
- Overall the number of students in campus housing is expected to decrease slightly.

Sales & Services:

- Increased slightly due to additional OUHCOM rental revenue from the Central Ohio Extension Campus.

Ohio University Foundation:

- This category has leveled off in FY 2013 and is forecasted to be comparable to FY 2012.

Other Sources:

- This category is projected to be down \$1 million in comparison to FY 2012.
- Royalty payments received mostly at fiscal year-end are the biggest component of this category and are forecasted at lower than prior year actuals.

**USES**

Salaries & Wages (including benefits):

- This category of expenditures is projected to increase \$9.9 million which is a 2.7% increase from FY 2012 to FY 2013.
- The increase is due mainly to the 2.5% raise pool for faculty and staff and is also due to the filling of positions that were vacated as part of the early retirement incentive plan from prior years.

Undergraduate & Graduate Financial Aid:

- University funded financial aid is projected to increase \$7.2 million due in part to offset tuition and room and board increases.

General Expense:

- Results for FY 2013 are projected to be consistent with results from FY 2012.



Professional Services:

- Professional services are expected to increase \$2.1 million due primarily to higher projected expenditures for the eLearning courses which tie directly to eLearning's increased enrollment.

Travel and Entertainment:

- This category is expected to decrease \$1 million from FY 2012 to FY 2013 based on decreased budgeted amounts from the planning units.

Operations and Maintenance:

- This category is expected to increase \$.5 million from FY 2012 to FY 2013, based on investments in safety-related facility and infrastructure projects.

Utilities:

- After slightly decreasing the past 2 years this category is expected to increase \$1 million based on lower coal costs, but higher costs for natural gas, electric and water.

Interest Expense:

- Interest decreased \$1.1 million from FY 2011 to FY 2012 due to savings on the refunding of the premium on the 2003 and 2004 bonds.
- Interest is projected to increase \$2.6 million from FY 2012 to FY 2013 as the University continues to strategically issue debt.

Ohio University Foundation:

- The University continues to pay certain payroll costs associated with individuals who work on Foundation initiatives. This consists primarily of University Advancement staff, individuals in the Foundation Accounting office, and development officers.
- This cost category is expected to remain comparable to the prior year.

Depreciation:

- An expected increase of \$2.8 million in depreciation is due to a large increase in assets added in prior years. \$30 million in building value was added in FY 2012. This category will continue to increase in future years as new Bond issues fund capital asset additions.

Other Expenses:

- This category is forecasted to increase slightly.

Internal Fees for Goods/Services:

- An increase of \$0.5 million is expected in this category as more billings are processed between departments.

**Ohio University**  
**Consolidated Sources Uses**  
**For the Years Ending June 30, 2010, 2011, 2012 and 2013 (Forecast)**

	2010 Actual	2011 Actual	2012 Actual	2012-13 Nov YTD Actual	Forecast
<b>Resources</b>					
1 Tuition & Fees	303,352,545	331,064,132	347,313,985	189,082,958	352,022,834
2 Investment Income	12,244,258	16,751,364	3,658,908	8,368,689	11,688,584
3 Private Gifts, Grants and Contracts	16,007,904	16,014,639	21,143,411	4,033,155	15,202,874
4 State/Local/Other Government Grants & Contracts	10,392,481	11,519,837	10,985,179	4,223,757	11,279,593
5 Sponsored Programs (Federal)	65,715,628	81,783,020	71,896,569	36,838,751	72,631,450
6 Sponsored Programs (F&A)	7,431,286	8,912,143	8,321,954	3,588,577	8,442,029
7 State Appropriations	150,724,662	141,257,564	142,834,049	60,803,023	146,425,478
8 Federal Appropriations	20,539,400	21,321,876	-	-	-
9 Auxiliary Enterprise Sales & Services	93,492,054	93,852,450	96,748,008	44,782,231	97,801,006
10 Sales & Services	9,715,185	10,620,941	8,331,864	3,532,057	8,499,723
11 Ohio University Foundation	3,194,318	4,555,277	7,020,780	2,963,426	7,088,840
12 Other Sources	30,583,626	42,716,733	15,377,520	2,034,801	14,321,026
13 <b>Subtotal Revenues</b>	<b>723,393,347</b>	<b>780,369,977</b>	<b>733,632,227</b>	<b>360,251,425</b>	<b>745,403,437</b>
14					
<b>Uses of Resources</b>					
16 Salaries & Wages (including benefits)	358,534,286	367,065,076	367,571,295	157,274,580	377,458,992
17 Undergraduate Financial Aid	83,531,465	92,796,807	84,654,608	48,356,927	89,103,695
18 Graduate Financial Aid	31,808,174	32,211,085	27,293,744	15,428,975	30,066,313
19 General Expense	52,948,049	52,059,563	55,878,339	24,365,080	55,818,457
20 Professional Services	19,567,689	31,483,151	41,415,648	10,972,353	43,533,647
21 Travel and Entertainment	14,917,458	13,984,764	15,816,049	5,688,566	14,761,466
22 Operations and Maintenance	23,365,463	23,070,555	28,265,836	7,758,035	28,758,026
23 Utilities	15,866,417	15,586,460	15,519,113	5,658,321	16,574,072
24 Interest Expense	7,797,543	7,275,033	6,130,158	(647,673)	8,743,676
25 Ohio University Foundation	4,315,032	4,207,432	3,896,469	1,587,659	3,810,382
26 Depreciation	34,502,716	34,197,262	31,942,012	14,481,711	34,756,107
27 Other Expenses	48,213,392	36,388,655	35,548,168	15,849,512	36,109,375
28 Transfers	-	-	-	-	-
29 Internal Fees for Goods/Services	(38,100,441)	(37,350,385)	(39,668,560)	(16,256,528)	(40,193,804)
30 Budget Adjustments	-	-	-	-	-
31 <b>Subtotal Expenditures</b>	<b>657,267,243</b>	<b>672,975,457</b>	<b>674,262,877</b>	<b>290,517,518</b>	<b>699,300,405</b>
32					
33 <b>Net from Operations</b>	<b>66,126,103</b>	<b>107,394,520</b>	<b>59,369,350</b>	<b>69,733,908</b>	<b>46,103,032</b>

**Ohio University**  
**Consolidated Unrestricted Sources Uses**  
**For the Years Ending June 30, 2010, 2011, 2012 and 2013 (Forecast)**

	2010 Actual	2011 Actual	2012 Actual	2012-13	
				Nov YTD Actual	Forecast
<b>Resources</b>					
1 Tuition & Fees	303,352,545	331,064,132	347,313,985	189,082,958	352,022,834
2 Investment Income	12,198,038	16,693,520	3,658,881	8,368,661	11,688,584
3 Private Gifts, Grants and Contracts	104,995	53,348	61,292	63,449	-
4 State/Local/Other Government Grants & Contracts	872,491	756,524	940,307	3,255	500,948
5 Sponsored Programs (Federal)	106,967	93,122	86,668	(5,637)	-
6 Sponsored Programs (F&A)	-	-	-	-	-
7 State Appropriations	124,883,377	126,841,614	131,818,294	56,519,630	136,529,488
8 Federal Appropriations	20,539,400	21,321,876	-	-	-
9 Auxiliary Enterprise Sales & Services	93,492,054	93,852,450	96,748,008	44,782,231	97,801,006
10 Sales & Services	9,692,398	10,598,154	8,301,532	3,532,057	8,476,936
11 Ohio University Foundation	3,194,318	4,555,277	7,020,780	2,963,426	7,088,840
12 Other Sources	16,366,349	42,713,379	15,822,019	2,081,722	14,321,026
13 <b>Subtotal Revenues</b>	<b>584,802,933</b>	<b>648,543,397</b>	<b>611,771,766</b>	<b>307,391,752</b>	<b>628,429,662</b>
14					
<b>Uses of Resources</b>					
16 Salaries & Wages (including benefits)	328,988,385	335,346,785	337,626,681	144,277,392	346,265,741
17 Undergraduate Financial Aid	38,191,600	37,466,476	36,665,977	20,210,825	38,580,624
18 Graduate Financial Aid	30,575,340	30,673,961	26,269,788	14,342,030	28,899,147
19 General Expense	48,086,811	47,617,492	51,697,086	22,427,515	51,168,301
20 Professional Services	17,026,605	28,878,549	38,727,641	9,311,085	39,546,605
21 Travel and Entertainment	12,496,999	11,508,013	13,631,100	4,828,000	12,491,534
22 Operations and Maintenance	15,413,533	16,490,391	17,552,003	7,947,923	18,208,026
23 Utilities	15,772,437	15,468,035	15,386,876	5,608,231	16,574,072
24 Interest Expense	-	-	-	-	-
25 Ohio University Foundation	4,315,032	4,207,432	3,896,469	1,587,659	3,810,382
26 Depreciation	-	-	-	-	-
27 Other Expenses	29,876,530	29,352,901	30,723,755	11,748,662	29,954,526
28 Transfers	57,909,093	54,264,449	52,359,444	29,206,841	40,060,306
29 Internal Fees for Goods/Services	(38,096,265)	(37,345,923)	(39,665,760)	(16,256,528)	(40,193,804)
30 Budget Adjustments	-	-	-	-	-
31 <b>Subtotal Expenditures</b>	<b>560,556,099</b>	<b>573,928,562</b>	<b>584,871,061</b>	<b>255,239,636</b>	<b>585,365,460</b>
32					
33 <b>Net from Operations</b>	<b>24,246,833</b>	<b>74,614,835</b>	<b>26,900,705</b>	<b>52,152,116</b>	<b>43,064,201</b>

**Ohio University**  
**Consolidated Restricted Sources Uses**  
**For the Years Ending June 30, 2010, 2011, 2012 and 2013 (Forecast)**

	2010 Actual	2011 Actual	2012 Actual	2012-13	
				Nov YTD Actual	Forecast
<b>Resources</b>					
1 Tuition & Fees	-	-	-	-	-
2 Investment Income	46,219	57,845	27	28	-
3 Private Gifts, Grants and Contracts	15,902,909	15,961,291	21,082,119	3,969,706	15,202,874
4 State/Local/Other Government Grants & Contracts	9,519,989	10,763,312	10,044,872	4,220,502	10,778,645
5 Sponsored Programs (Federal)	65,608,661	81,689,898	71,809,901	36,844,388	72,631,450
6 Sponsored Programs (F&A)	7,431,286	8,912,143	8,321,954	3,588,577	8,442,029
7 State Appropriations	25,841,285	14,415,950	11,015,755	4,283,393	9,895,990
8 Federal Appropriations	-	-	-	-	-
9 Auxiliary Enterprise Sales & Services	-	-	-	-	-
10 Sales & Services	22,787	22,787	30,332	-	22,787
11 Ohio University Foundation	-	-	-	-	-
12 Other Sources	14,217,277	3,354	(444,499)	(46,921)	-
13 <b>Subtotal Revenues</b>	138,590,414	131,826,580	121,860,461	52,859,673	116,973,775
14					
<b>Uses of Resources</b>					
16 Salaries & Wages (including benefits)	29,545,901	31,718,291	29,944,614	12,997,188	31,193,252
17 Undergraduate Financial Aid	45,339,866	55,330,331	47,988,631	28,146,102	50,523,070
18 Graduate Financial Aid	1,232,834	1,537,124	1,023,956	1,086,945	1,167,166
19 General Expense	4,861,237	4,442,071	4,181,253	1,937,565	4,650,156
20 Professional Services	2,541,084	2,604,601	2,688,007	1,661,268	3,987,042
21 Travel and Entertainment	2,420,459	2,476,751	2,184,948	860,566	2,269,932
22 Operations and Maintenance	7,951,930	6,580,164	10,713,833	(189,888)	10,550,000
23 Utilities	93,980	118,425	132,236	50,089	-
24 Interest Expense	7,797,543	7,275,033	6,130,158	(647,673)	8,743,676
25 Ohio University Foundation	-	-	-	-	-
26 Depreciation	34,502,716	34,197,262	31,942,012	14,481,711	34,756,107
27 Other Expenses	18,336,863	7,035,754	4,824,413	4,100,850	6,154,849
28 Transfers	(57,909,093)	(54,264,449)	(52,359,444)	(29,206,841)	(40,060,306)
29 Internal Fees for Goods/Services	(4,176)	(4,463)	(2,800)	-	-
30 Budget Adjustments	-	-	-	-	-
31 <b>Subtotal Expenditures</b>	96,711,144	99,046,895	89,391,816	35,277,882	113,934,944
32					
33 <b>Net from Operations</b>	41,879,270	32,779,685	32,468,645	17,581,792	3,038,831



## **Interoffice Communication**

**Date:** January 18, 2013

**To:** The President and Board of Trustees

**From:** Stephen T. Golding, Vice President for Finance and Administration, CFO and Treasurer

**Re:** **University Debt Capacity**

You will recall that, through an engagement with the PFM Group in FY 2011, the University sought to estimate its potential debt capacity to derive a range of debt that could be issued in to address the University's capital needs in the next five years. We have subsequently updated that study to reflect the university's actual fiscal performance through FY 2012.

The accompanying slides briefly present the University's current debt structure, the process behind the debt affordability study and the pro forma impact of additional debt to the University's financial position. While these slides are similar to those which were reviewed at the September 2011 Resources Committee meeting, they have been updated to reflect changes in the University's financial position for FY2012 that will have an impact on the magnitude of the institution's debt capacity. To that end, we will discuss the University's projected debt burden ratio, or debt service to operating expenditures, which is considered to be one of the most important financial ratios to determine financial well-being.

Based on this analysis, we forecast that the University could reasonably expect to issue approximately \$517 million to \$617 million in new debt over the next five years with minimal risk to its current ratings. As with any issuance, the rating agencies would clearly be interested in ensuring that the debt were being used strategically and aligned with the University's mission.

I hope you find the following information helpful. Please do not hesitate to contact me should you have any questions or comments.

## Debt Capacity Update



January 9, 2013

# Debt Capacity Analysis

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- Debt capacity is a measure of how much debt an institution can issue at a particular rating level; it serves as a measure of the capital markets' assessment of an institution's financial strength.
- The University's credit rating is relevant – it directly impacts the cost of funding: the higher the credit rating, the lower the cost of borrowing (i.e., the yield the University pays on its bonds) and vice versa.
- It is important to note that in assessing an institution's credit strength, rating agencies take into account both qualitative and quantitative factors; OU's internal analysis focuses on the quantitative financial ratios.
- However, the strategic goals in issuing additional debt will also be an important component of the rating agency's review, as well as the type of capital project being financed.
  - For example, a new housing project would be expected to have an associated revenue stream.
  - Similarly, an academic building may be critical to the University's mission.
- The rating agencies will take into account how the impacted debt will serve the University's overall mission and strategic goals, and this will be an important qualitative component to their review.



# Methodology and Key Assumptions

- The credit rating agencies and capital markets tend to focus on a few key ratios in assessing an institution's financial strength.
  - These ratios include *Total Resources to Debt*, *Expendable Resources to Debt* and *Debt Service to Operations*.
- The debt capacity analysis measures the impact of additional pro-forma debt on these ratios
- For these purposes, we have assumed the following financing scenarios:
  - Scenario One: Base case, no new debt
  - Scenario Two: Debt issued as outlined in University's Current Capital Improvement Plan
  - Scenario Three: A more aggressive scenario, in which the University issues \$125mm of general receipts/housing debt annually through FY18.

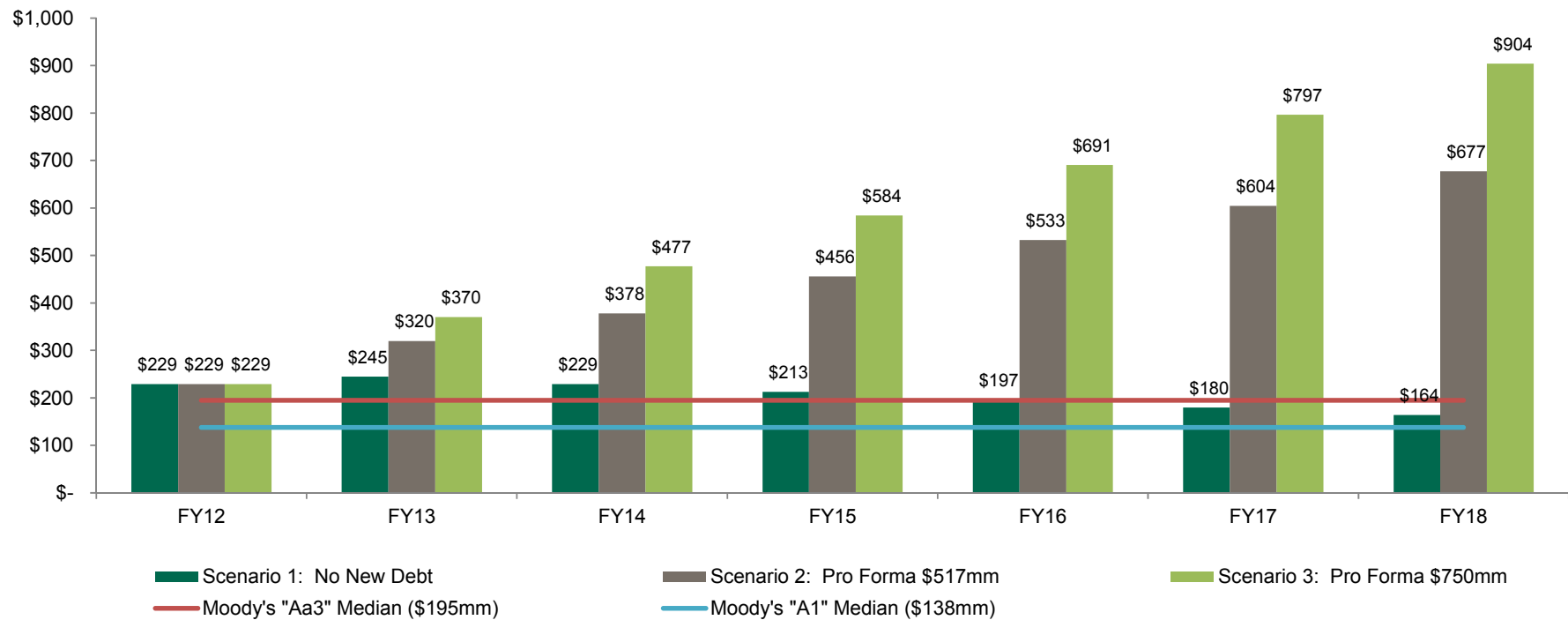
	FY13	FY14	FY15	FY16	FY17	FY18	Total
Scenario One:	--	--	--	--	--	--	N/A
Scenario Two-a (Excluding Lausche):	\$72 mm	\$75 mm	\$95 mm	\$95 mm	\$90 mm	\$90 mm	<b>\$517 mm*</b>
Scenario Two-b (Including Lausche):	\$72 mm	\$175 mm	\$95 mm	\$95 mm	\$90 mm	\$90 mm	<b>\$617 mm*</b>
Scenario Three-a (Excluding Lausche):	\$125 mm	\$125 mm	\$125 mm	\$125 mm	\$125 mm	\$125 mm	<b>\$750 mm*</b>
Scenario Three-b (Including Lausche):	\$125 mm	\$225 mm	\$125 mm	\$125 mm	\$125 mm	\$125 mm	<b>\$850 mm*</b>

- The scenarios assume the University issues debt that amortizes on a level debt service basis over the next thirty years.
- In order to calculate the pro-forma ratios, we have assumed the University's annual resources grow by 4% a year and its annual revenues/operations growth by 3% a year.

\*Total new money issuance under the CIP will be an additional \$50 mm through FY18.  
Numbers above do not account for the \$50 mm already issued under the Series 2012 Bonds.

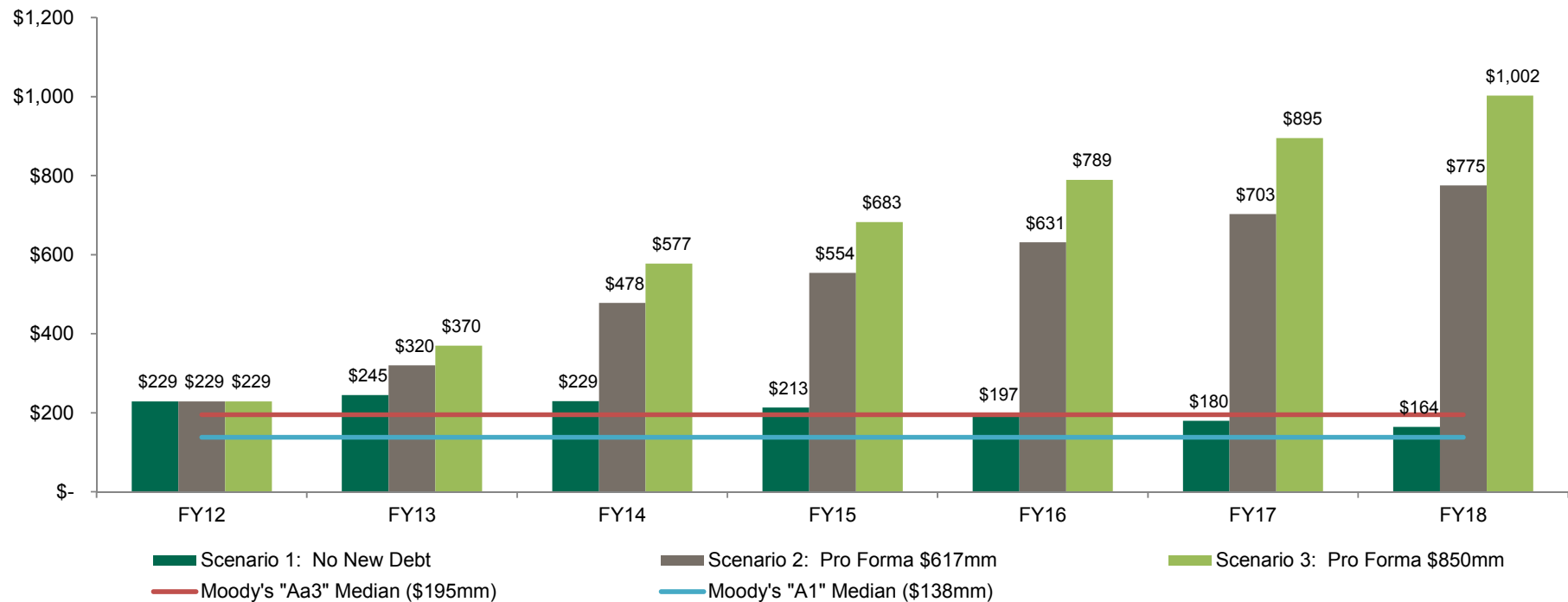
# Annual Pro-Forma Debt – Excluding Lausche

## Outstanding Debt By Year, in Millions (Excluding Lausche)

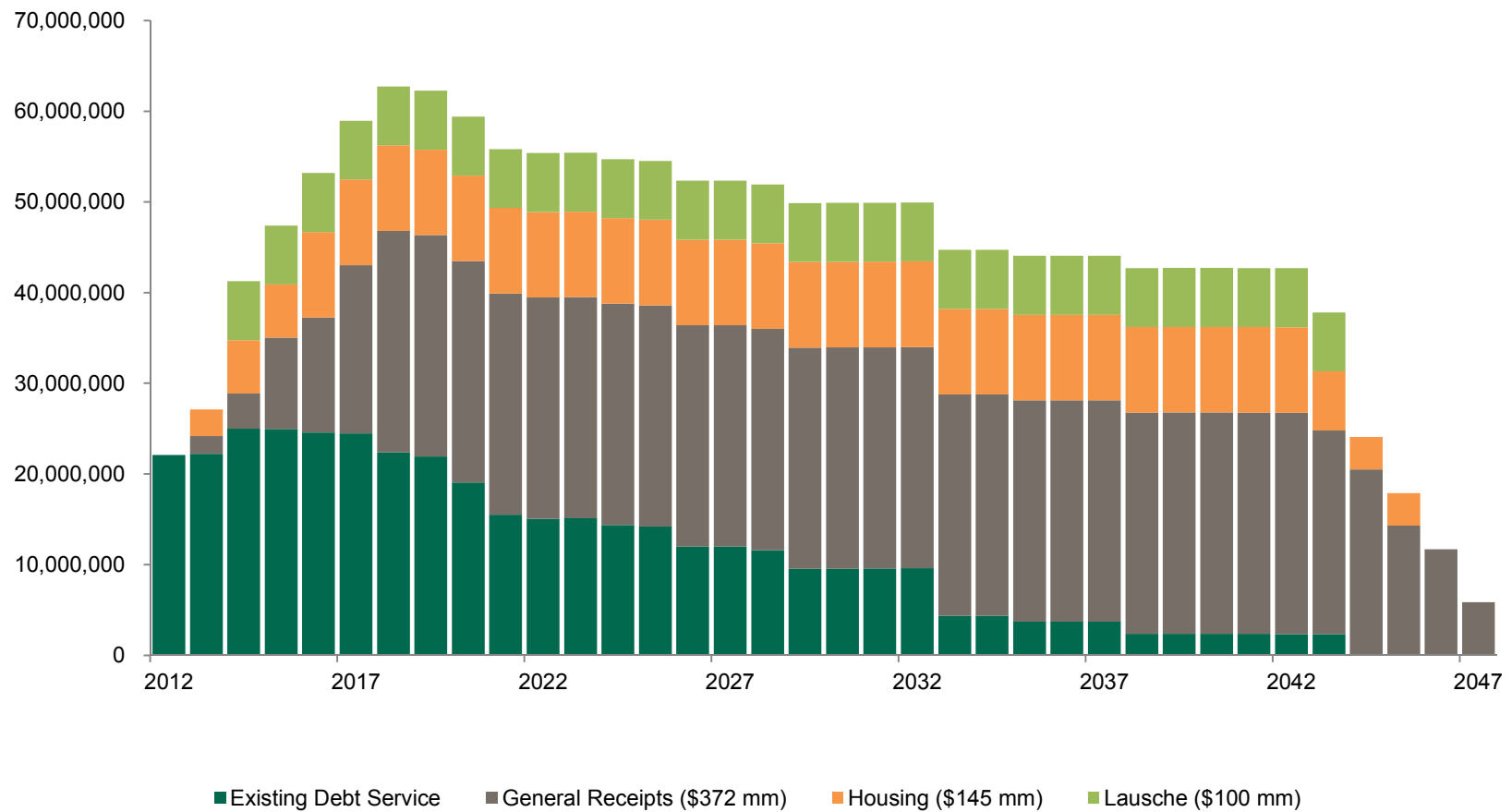


# Annual Pro-Forma Debt – Including Lausche

## Outstanding Debt By Year, in Millions (Including Lausche)



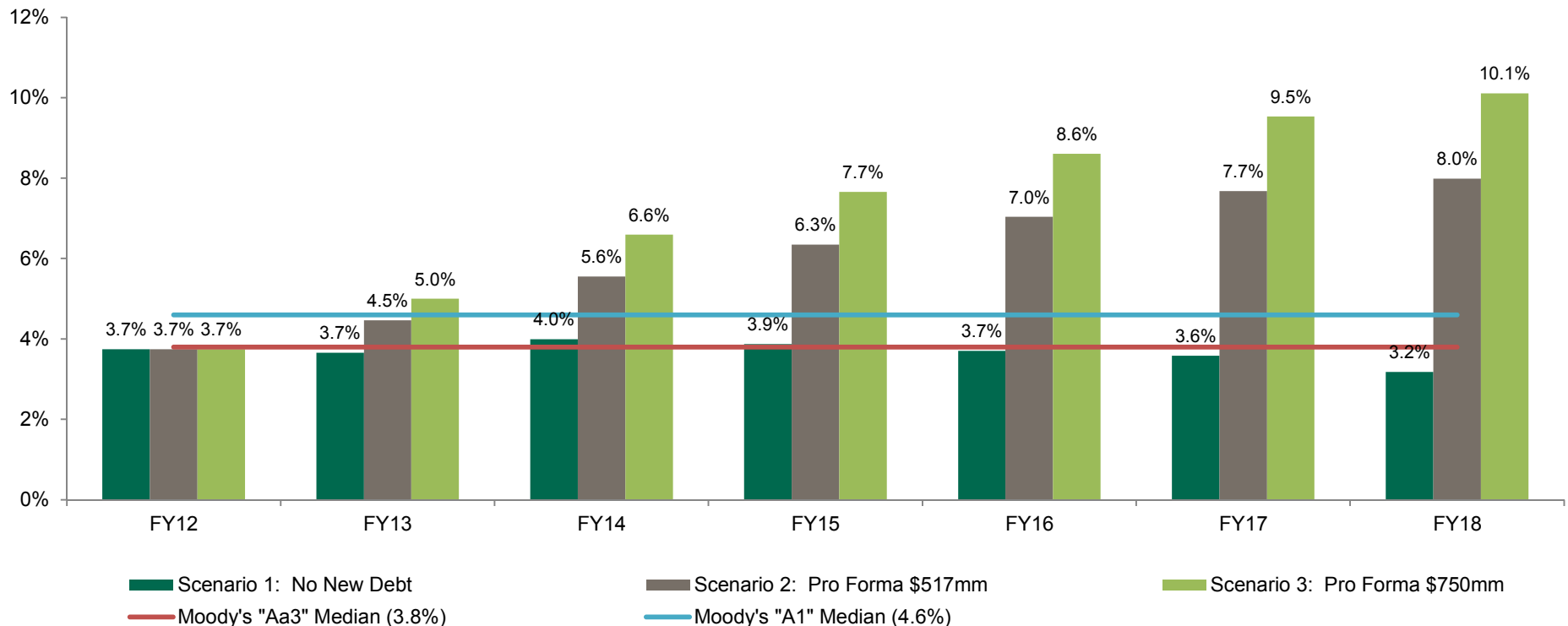
# Projected Annual Debt Service – Scenario Two Only



# Debt Service to Operations – Excluding Lausche

- Debt Service to Operations.** This ratio measures an institution's total debt burden on annual operating expenses. The lower the percentage, the greater the institution's financial strength.

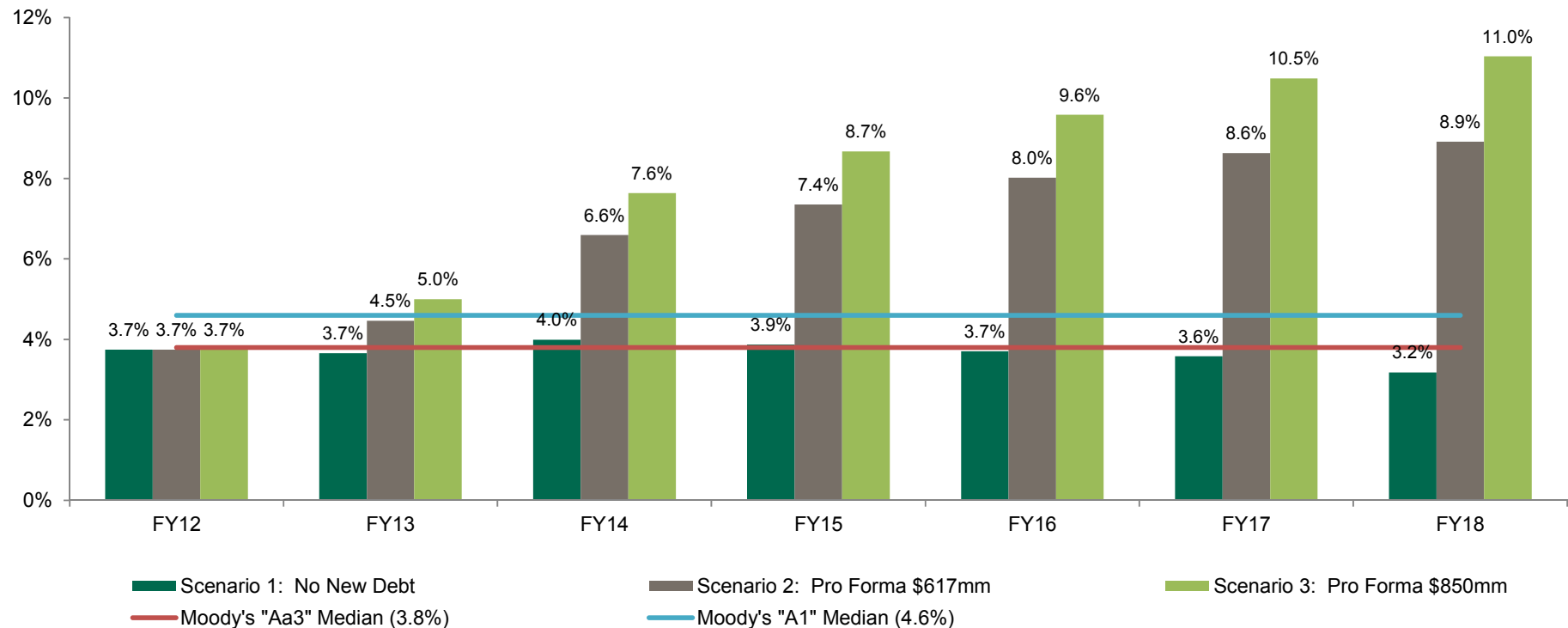
## Debt Service to Operations (Excluding Lausche) – Desired Trend “▼”



- Ohio University Assessment.** OU's current debt service to operations ratio is strong relative to Moody's medians. Issuing an additional \$517 mm over the next six years would cause the University to fall out of line with Moody's medians, approaching an 8% debt service to operations ratio. Moody's would view this as high, and additional debt plans beyond FY18 would need to be commensurate with a growth in operations. Any additional debt needs over the next six years will negatively impact this ratio as well as the University's debt capacity.

# Debt Service to Operations – Including Lausche

## Debt Service to Operations (Including Lausche) – Desired Trend “▼”

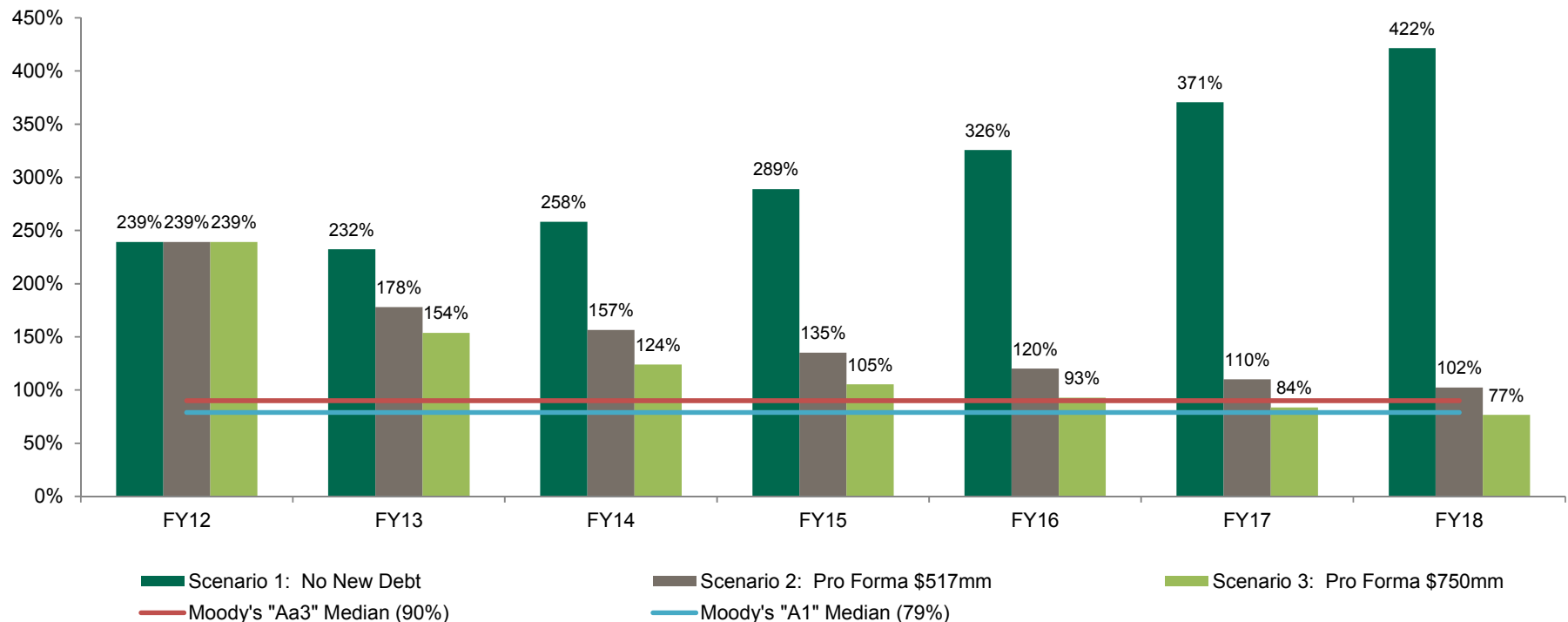


- **Ohio University Assessment.** With the additional impact of Lausche, the University's ratio becomes further strained.

# Expendable Resources to Debt – Excluding Lausche

- **Expendable Resources to Debt.** This ratio measures the resources available to investors from expendable resources. The higher the percentage, the greater the institution's financial strength.

## Expendable Resources to Debt (Excluding Lausche) – Desired Trend “ ▲ ”

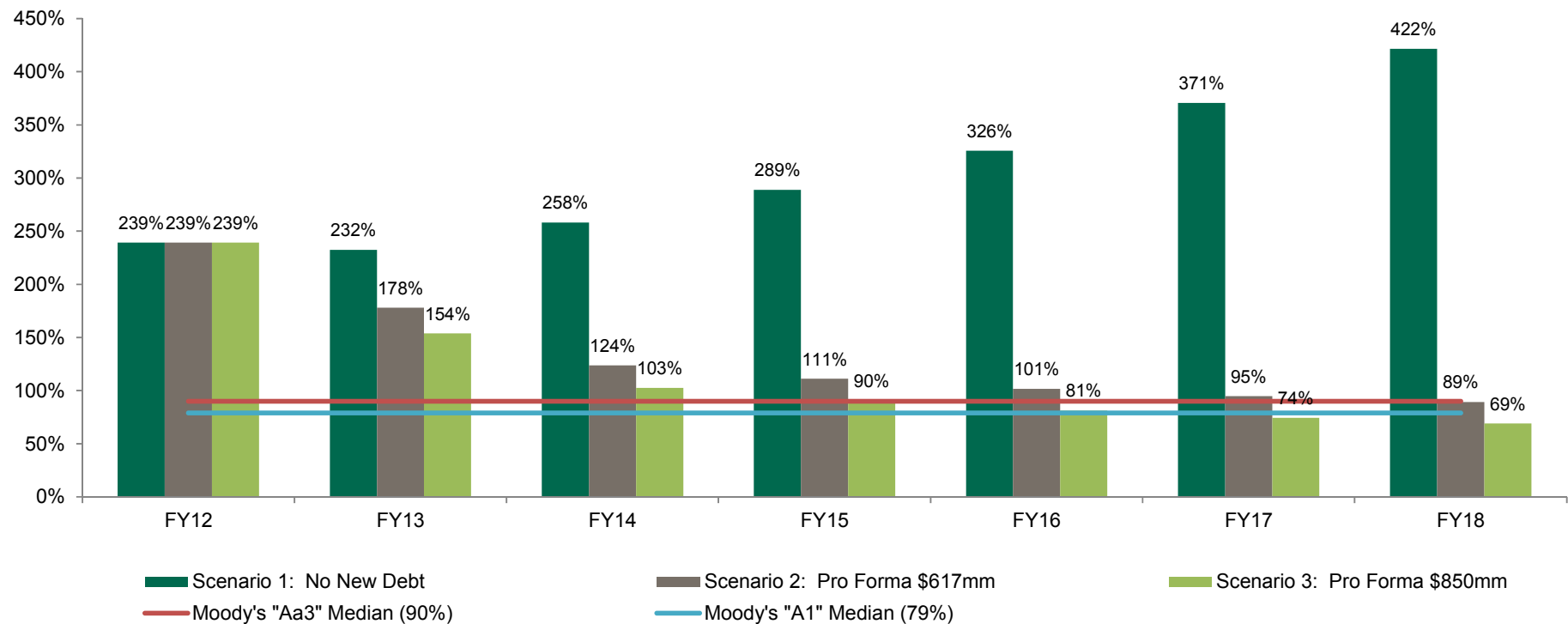


- **Ohio University Assessment.** The University's expendable resources to debt ratio is strong, exceeding both the "Aa3" and "A1" Moody's medians. The University is expected to remain in line with these medians should it issue pro-forma additional debt of \$517 - \$750 mm through FY18.



# Expendable Resources to Debt – Including Lausche

## Expendable Resources to Debt (Including Lausche) – Desired Trend “ ▲ ”

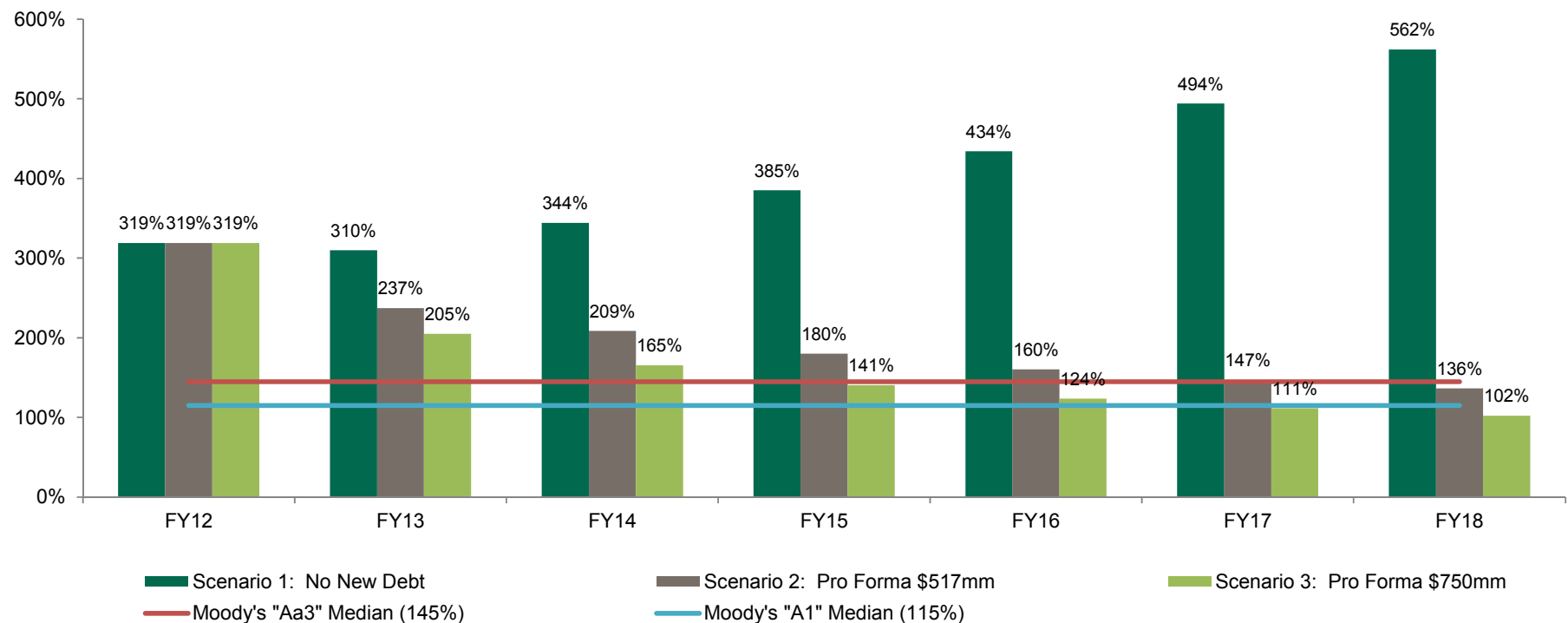


- Ohio University Assessment.** With the additional impact of Lausche, the University's ratios fall below Moody's medians, yet still remain roughly in line with them.

## Total Resources to Debt – Excluding Lausche

- Total Resources to Debt.** This ratio is a broad measure of resources to debt that includes the corpus of endowed contributions. The higher the percentage, the greater the institution's financial strength.

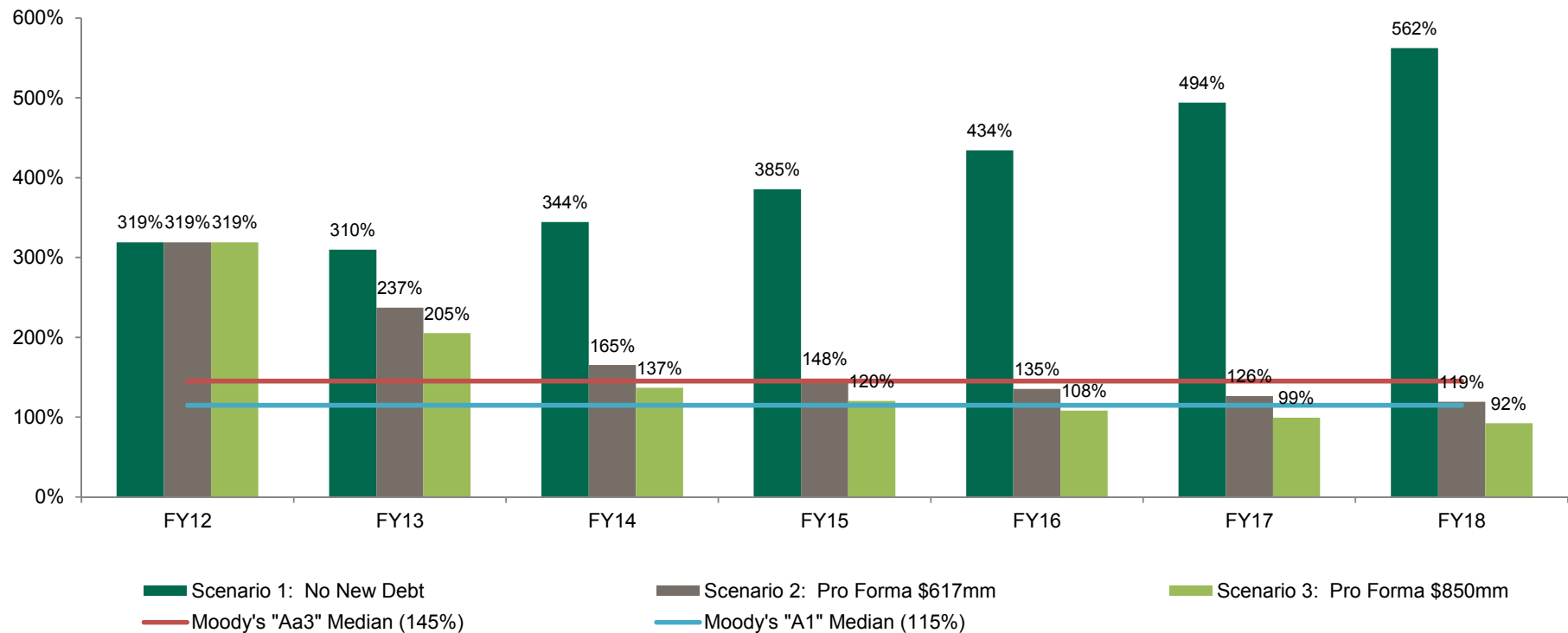
### Total Resources to Debt (Excluding Lausche) – Desired Trend “ ▲ ”



- Ohio University Assessment.** The University's total resources to debt ratio is strong, exceeding both the "Aa3" and "A1" Moody's medians. The University is expected to remain in line with these medians with its pro-forma debt plans.

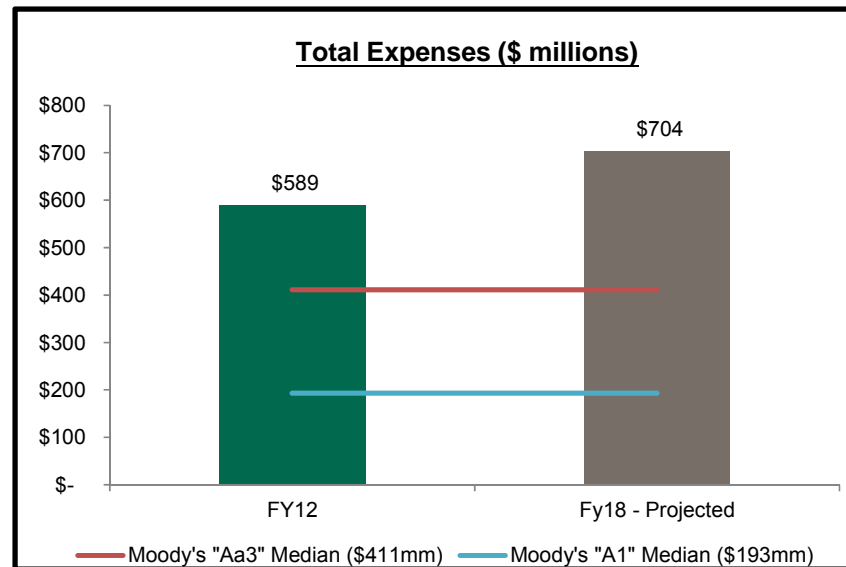
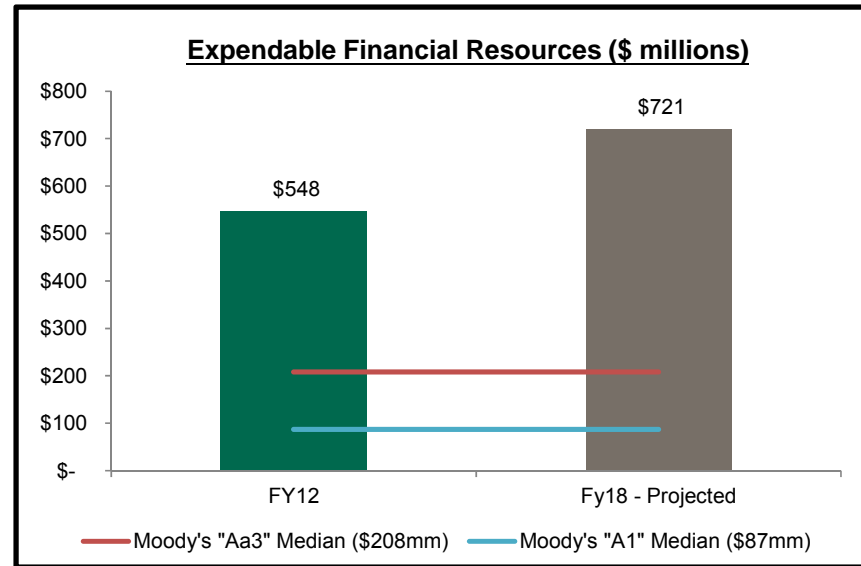
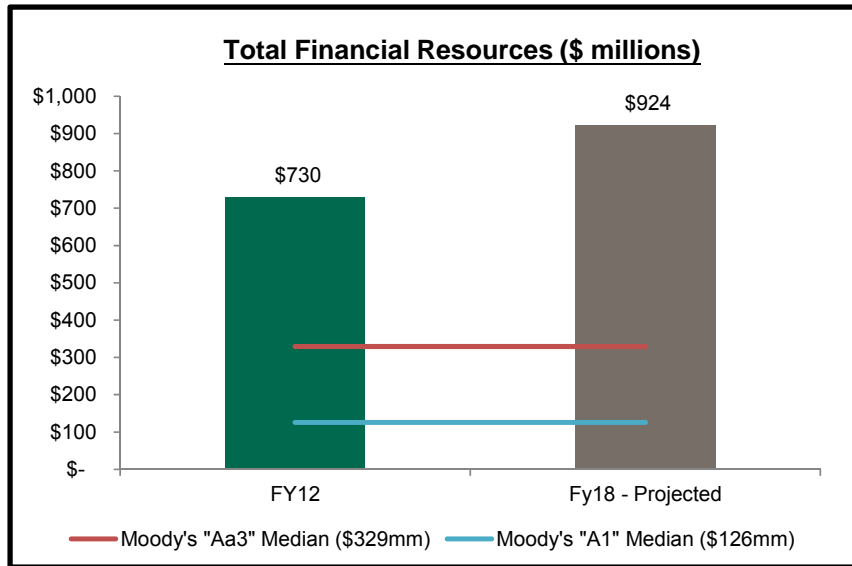
# Total Resources to Debt – Including Lausche

## Total Resources to Debt (Including Lausche) – Desired Trend “ ▲ ”



- Ohio University Assessment.** With the additional impact of Lausche, the University's ratios fall below Moody's medians, yet still remain roughly in line with them.

# Additional Pro-Forma Key Financial Statistics



## Conclusions and Recommendations (Part I of II)

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- As part of its Capital Improvement Plan, Ohio University has approximately \$1.4 billion of debt needs over the next 20 years; approximately 40% of this debt, or \$567 mm, is planned for Phase I, which concludes in FY18. OU issued the first \$50 mm in FY12, leaving \$517 to be issued over the next 6 years.
  - While the University's immediate 6-year borrowing needs will strain its debt service to operations ratio in comparison to Moody's medians for the "Aa3" and "A1" rating levels, the rating agencies tend to respond favorably to institutions that issue significant debt for needs that are critical to its mission.
  - However, should the University issue the full \$567 mm of debt through FY18, its projected debt service to operations ratio will be at 8% by FY18, which is considered high by the rating agencies.
    - The University's additional debt capacity beyond FY18 will be limited; however, as OU continues to grow operations and repay outstanding principal, the University will regain capacity over time.
    - While the University's projected plan to borrow \$567 mm over the next 6 years is sustainable, it is important for OU to keep in mind that its borrowing plans are "front-loaded." In other words, the University will be issuing 70% of its projected 10-year borrowing needs in the first six years; additional debt contemplated for the following four years should be limited to the University's current CIP plans.
    - In addition, should the University's current 6-year needs increase substantially, OU may need to reprioritize certain projects in order to preserve capacity for the future.
    - Should the \$100 mm Lausche Heating Plant be considered "on-credit" by the rating agencies, it will place further constraints on OU's overall debt capacity for core mission-related projects.

## Conclusions and Recommendations (Part II of II)

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- It is important that the University create a sustainable debt plan that will give OU the flexibility for regular access to the debt markets beyond FY18 as well as allow the University to maintain credit ratings at the “A” level or higher.
- OU expects the rating agencies will be accepting of the University’s plan to borrow for its planned \$567 mm over the next six years in light of the fact that OU has a sound, strategic need for the debt.
- However, after FY18 OU will most likely not be in a position to undertake any additional significant borrowing for a couple of years, which is in line with its current CIP.
- It is recommended that the University prioritize its capital projects and aggregate borrowing needs by utilizing the following parameters:
  - Maintaining a projected near term debt service to operations ratio of under 8% (excluding Lausche), with a goal to eventually maintain in the 6-7% range.
  - Prioritizing capital projects that are the *most* critical to the institution’s mission; as well as
  - Prioritizing capital projects that are ultimately intended to produce revenues that will be self-supporting (i.e., housing).
  - Reassess debt capacity every year based on updated financial projections.



## **Interoffice Communication**

**Date:** January 18, 2013

**To:** The President and Board of Trustees

**From:** Stephen T. Golding, Vice President Finance & Administration, CFO and Treasurer

**Re:** **NACUBO-Commonfund Study of Endowments**

Annually, OHIO participates in the NACUBO-Commonfund Study of Endowments (NCSE), a survey that analyzes the endowment management practices and portfolio performance of more than eight hundred higher education institutions and their related foundations. Final results for the year ending June 30, 2012 will be made available in early February 2013.

In February, a brief presentation covering the preliminary NCSE results will be provided in response to the committee's request during the Endowment Update at their September, 2012 meeting.

Over the past decade the Foundation's Investment Sub-committee has affected changes in portfolio management by diversifying the portfolio to distribute risk over various asset classes and adjusting the spending rate to more sustainable levels. Additionally, since 2009 Hirtle, Callaghan & Co. has provided advisory oversight to the Foundation's Investment Sub-Committee in managing the endowment investment portfolio.

Over time, these changes have led to improved endowment performance of the OHIO portfolio, relative to other institutions participating in the NCSE. Specifically, for the one-, three- and five-year periods ending June 30, 2012, OHIO's portfolio outperformed the NCSE average. Additionally, OHIO's performance for the three-year period ending June 30, 2012, was in the top quartile of all institutions participating in the NCSE.

If you have questions on this matter, please do not hesitate to contact me at 740-593-2556.



# NACUBO Endowment Performance

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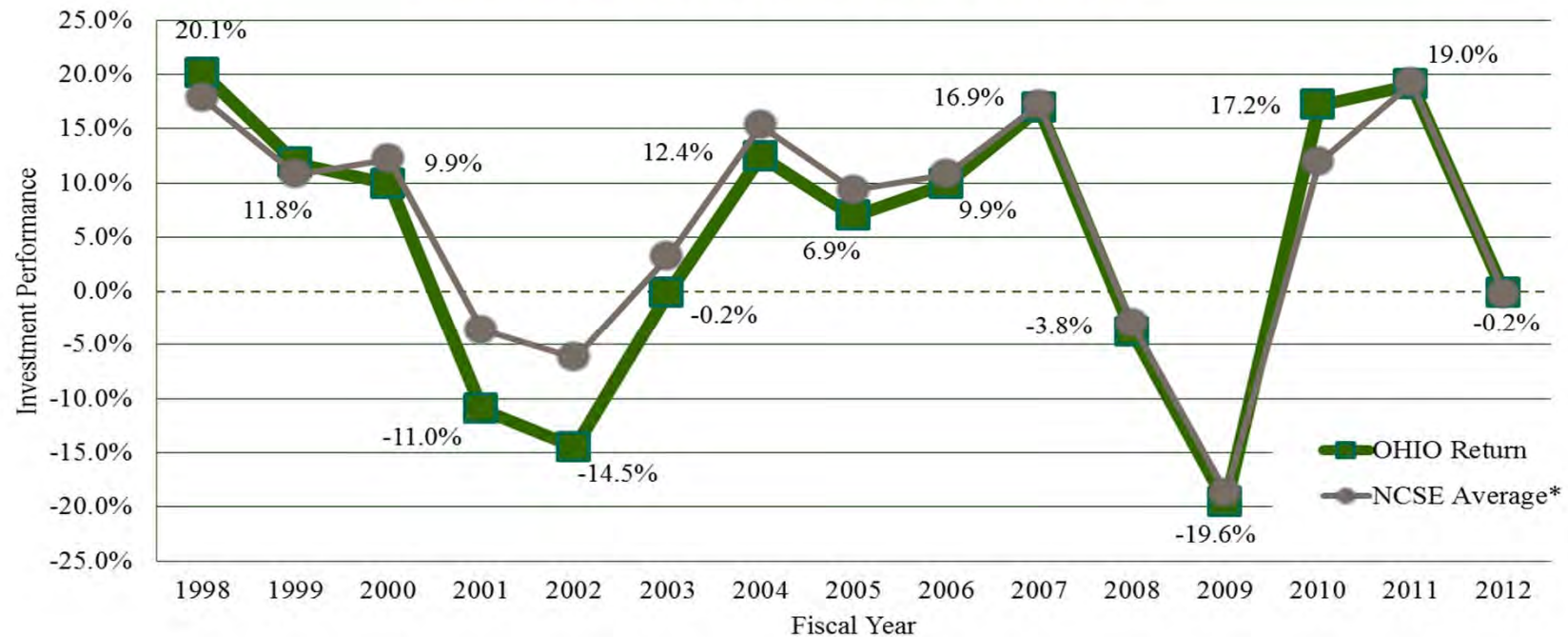
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# NACUBO Endowment Performance

## Endowment Performance by Fiscal Year



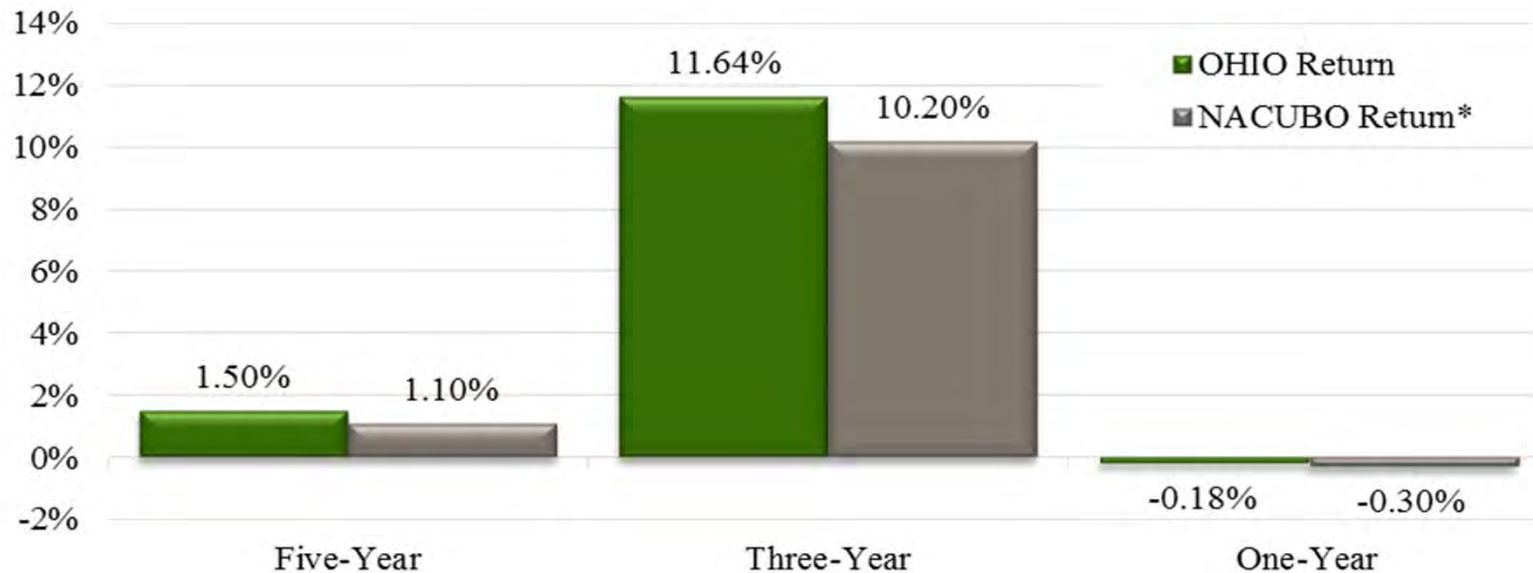
\*Represents the average nominal rate of return, as reported in the NACUBO - Commonfund Study of Endowments (NCSE). These are preliminary results.



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# NACUBO Endowment Performance

For Periods Ended June 30, 2012



\*Represents the average nominal rate of return, as reported in the NACUBO - Commonfund Study of Endowments (NCSE). These are preliminary results.



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# NACUBO Endowment Performance

For Periods Ended June 30, 2012

	Five-Year	Three-Year	One-Year
OHIO Return	1.5%	11.6%	-0.2%
NCSE 75th Percentile*	1.9%	11.3%	1.0%
NCSE Average*	1.1%	10.2%	-0.3%
NCSE 25th Percentile*	0.1%	9.1%	-1.9%

\*These are preliminary results. Final information is expected to be substantially similar to the information provided above.



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## **Interoffice Communication**

**Date:** January 18, 2013

**To:** The President and Board of Trustees

**From:** Stephen T. Golding, Vice President for Finance and Administration, CFO and Treasurer

**Re: HOUSING DEVELOPMENT PLAN & MULTI-PURPOSE FACILITY UPDATE**

### **Housing Development Plan:**

In November 2011, a twenty year University capital improvement plan was shared with the Board of Trustees and the FY2013 – FY 2018 Six Year Capital Improvement Plan was approved. At that time the general scope of a ten year Housing Development Plan, which was developed with board subcommittee involvement, was incorporated into the overall University capital improvement plan. In November 2011, the phases and cost projections for the Housing Development Plan (HDP) were presented as follows:

Housing Development Plan	Timing	Total Cost Projection	Debt \$	Housing Reserve \$
Plan Phase 1	FY2013-2014	\$136M	\$90M	\$46M
Plan Phase 2	FY2015-2016	\$63M	\$55M	\$8M
Minor Capital	FY2017-2018	\$6M		\$6M
Plan Phase 3	FY2019-2020	\$181M	\$93M	\$88M

In June 2012, the Board of Trustees approved the FY2013 Annual Capital Improvement Plan that incorporated the general scope of the HDP Phase 1 with an updated projected budget of \$110.8 million - \$82.4 million debt and \$28.4 million reserves. The University has selected the architectural planning team, URS and Hanbury Evans Wright Vlattas Company, to develop the plan and ultimately design new construction and renovation in phases. The overall concept of the ten year HDP, as first presented, holds true today. Housing Development Phase 1 is underway with a series of smaller projects which the Board has approved incrementally. The largest component of the Phase 1 is new construction yet to come.

At the February 2013 Board Resources Committee the University will share the overall HDP site master plan prepared by the architectural planning team. This master plan studies the East Green and South Green sectors of the campus and addresses, along with the housing redevelopment, the need for future academic expansion, green space and recreation planning, utility planning, plans for pedestrian and vehicular circulation, and parking needs.

A strong feature of the plan is to utilize the relatively flat former railroad bed as an organizing green open space, accessible pedestrian route, and transit avenue that will connect Baker University Center with East Green and South Green residences. A secondary feature is an extension of this new green

space to the south toward the river and future recreation fields. Some parking is shifted toward the periphery and existing surface and covered parking is redistributed to better match the parking constituent need. Ultimately South Green Drive may be extended to Mill Street in order to limit vehicular intrusion into new green spaces.

As outlined in the plan presented, the site chosen for HDP Phase 1: Housing Construction is immediately east of Clippinger Laboratories and north of the Ping Center. The programming for this particular construction project is completed and schematic design is underway.

The University, in an effort to take advantage of newly legislated construction reform, has selected the Construction Manager at Risk delivery method for HDP Phase 1: Housing Construction. The selection of a Construction Manager is a two-step process as prescribed by state regulation. The first step, a request for qualifications, was advertised and proposals have been received and are being evaluated at this time. It is planned to bring HDP Phase 1: Housing Construction to the Board in August for a full project approval which will incorporate a guaranteed maximum price. The target date for occupancy is fall 2015.

### **Multi-Purpose Facility:**

Ohio University's Six Year Capital Improvement Plan shared with the Board of Trustees in November, 2011 also included a Multi-purpose Facility to address the need for an indoor practice area for Athletics, the need for such a facility for academic classes in sports and recreation, and the opportunity to enhance venues for student recreation. The project was also a key component of the specific FY2013 Capital Improvement plan, which indicated a significant gift to help fund the building.

The building is planned to accommodate a full size football field with a four-lane practice/recreation track around the field. Netting will be included so more than one activity can safely be conducted in the building at any one time. The site chosen for the building is immediately to the east of Peden Stadium and west of the Ping Recreation Center. This location allows the program for the building to concentrate on the playing field component and limit the need for extensive support spaces that already exist in the two other facilities.

The University, in an effort to take advantage of newly legislated construction reform, has selected the Design/Build construction delivery method for the project. The Columbus architectural firm of Moody Nolan has been selected as criteria architect and is nearing completion of the criteria specification package for the building. The selection of a Design/Build contractor is a two-step process as prescribed by state regulation. The first step, a request for qualifications will be advertised the end of January 2013. A general site plan of the building and schematic images will be shared at the February Resources Committee meeting.

The target date for occupancy of the building is December 2013. As identified in the FY2013 Capital Improvement Plan, the budget is anticipated to be \$12.5 million. The project will be brought to the board for full approval in April 2013.

# **Housing Development Plan and Multi-Purpose Facility Update**

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**Tab**



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# Housing Development Plan Update

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- Ten year, three phase plan of new construction and renovation
- Feature of FY2013-FY2018 Six Year Capital Plan
- First phase incorporated in FY2013 Annual Capital Plan at \$110 million



# HOUSING DEVELOPMENT PLAN

## East Green / South Green Sector Plan

### *PROJECT DESIGN PRINCIPLES...*

1. Provide for exemplary student services that are committed to helping students fulfill their academic promise.
2. Focus building design and amenities toward an ecosystem for first- and second-year students, yet with flexibility for future generations and campus needs.
3. Create a residence hall environment that provides a welcoming atmosphere and incorporates core academic services and programs into the living environment with multi-purpose spaces.
4. Build new and renovate existing residence halls to create a special place with the unique character of OHIO that focuses on affordability and supports the cost of living on campus.
5. Impact national student recruitment and retention with design, amenities and services of the residential campus.
6. Provide 21st-Century amenities through technology for advanced safety, security, education, and communications needs that will meet or exceed the requirements of OHIO's academic partners.
7. Provide a sense of community and an appealing environment, creating a special place in which to learn, live and work within OHIO's beautiful Appalachian setting.
8. Respect and maintain the historic palette and character of OHIO into the East and South Green neighborhoods with a balance of modern design, sensibility and function.
9. Ensure the overall residential campus interfaces with the context of the campus master plan and facilitates campus connections, pedestrian movement, bike usage, delivery, traffic flow and parking.
10. Make sustainability a priority in all aspects of capital planning to include building, site, land planning for flood plain requirements and construction methods, as well as align with the OHIO Climate Action Plan and meet the minimum Silver LEED goal.
11. Include culinary service, recreation needs and green spaces as part of the overall planning for individual building design and sector planning.

HANBURY EVANS WRIGHT VLATTAS + COMPANY  
ARCHITECTURE PLANNING

**URS**

# HOUSING DEVELOPMENT PLAN

## East Green / South Green Sector Plan

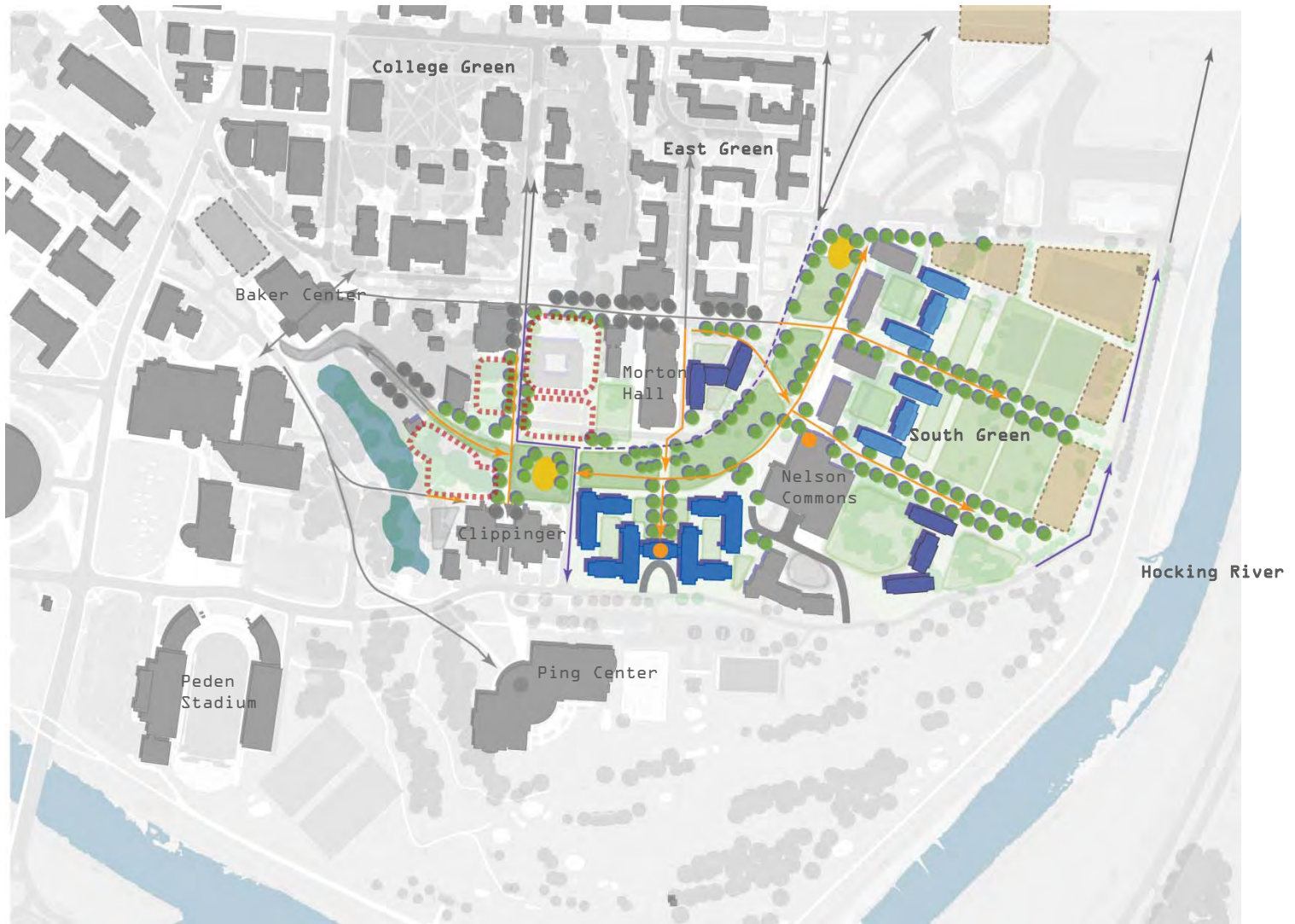


Diagram of campus “sweep and fingers”



# HOUSING DEVELOPMENT PLAN

## East Green / South Green Sector Plan



Housing Composite

# HOUSING DEVELOPMENT PLAN

## East Green / South Green Sector Plan



Phase 1

# HOUSING DEVELOPMENT PLAN

## East Green / South Green Sector Plan



Phase 2



# HOUSING DEVELOPMENT PLAN

## East Green / South Green Sector Plan

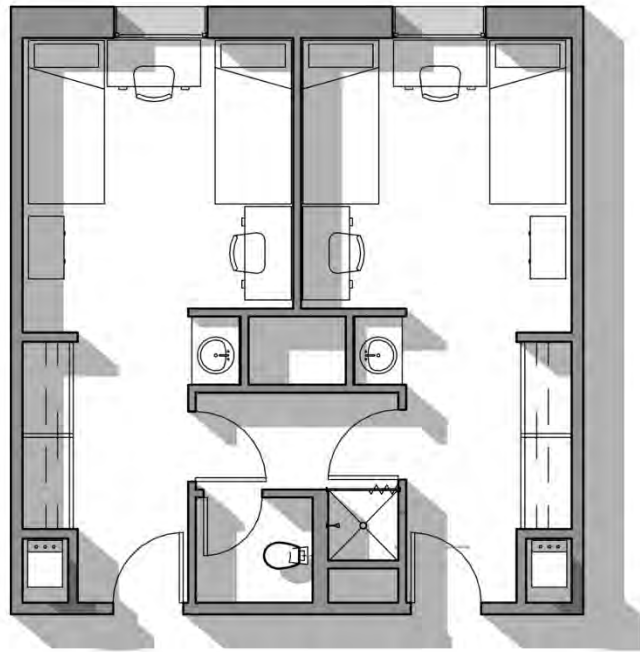


Phase 3

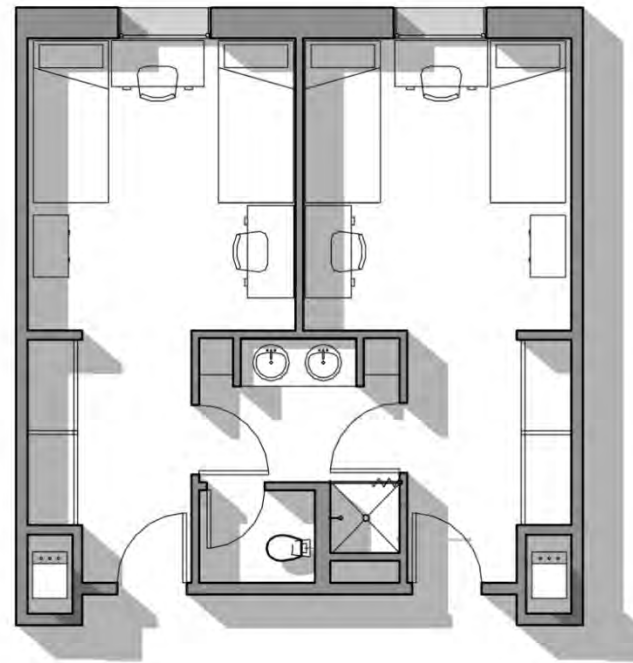


# HOUSING DEVELOPMENT PLAN

## East Green / South Green Sector Plan



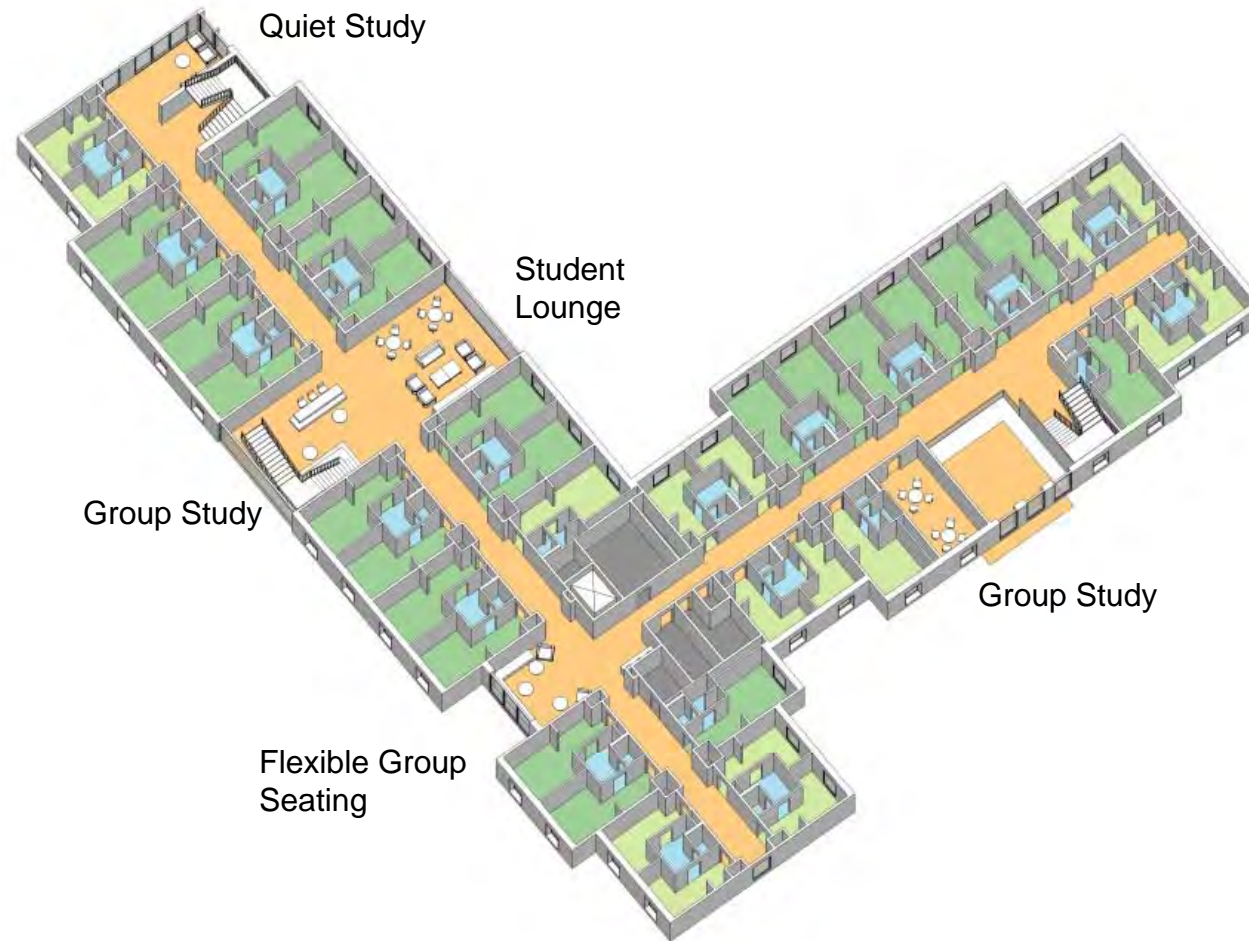
Semi-Suite Double – Option 1



Semi-Suite Double – Option 2

# HOUSING DEVELOPMENT PLAN

## East Green / South Green Sector Plan



Community Model – Typical Floor



# HOUSING DEVELOPMENT PLAN

## East Green / South Green Sector Plan



Vision Perspective from South



# HOUSING DEVELOPMENT PLAN

## East Green / South Green Sector Plan



Vision Perspective from North

# Multi-Purpose Facility Update

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- FY2013 Capital Improvement Plan
- \$12.5 million estimate to be funded with gifts and university debt
- Indoor field and practice track
- Accommodate Sports and Recreation classes, athletic team practice, student intramurals
- Site between Peden Stadium and Ping Center
- Design/Build delivery method
- Full project approval to be requested April 2013
- December 2013 target occupancy



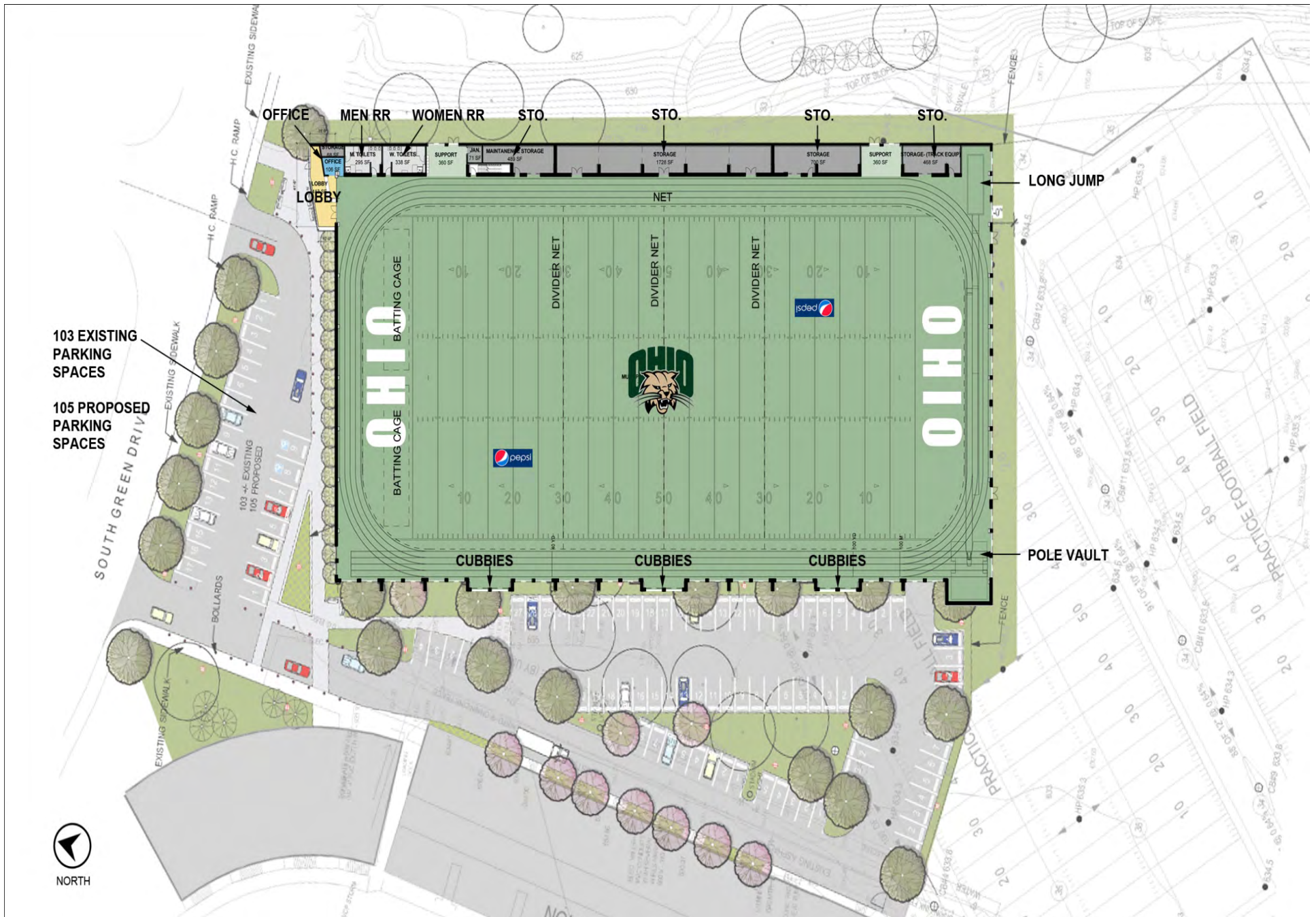


# HOUSING DEVELOPMENT PLAN

## East Green / South Green Sector Plan

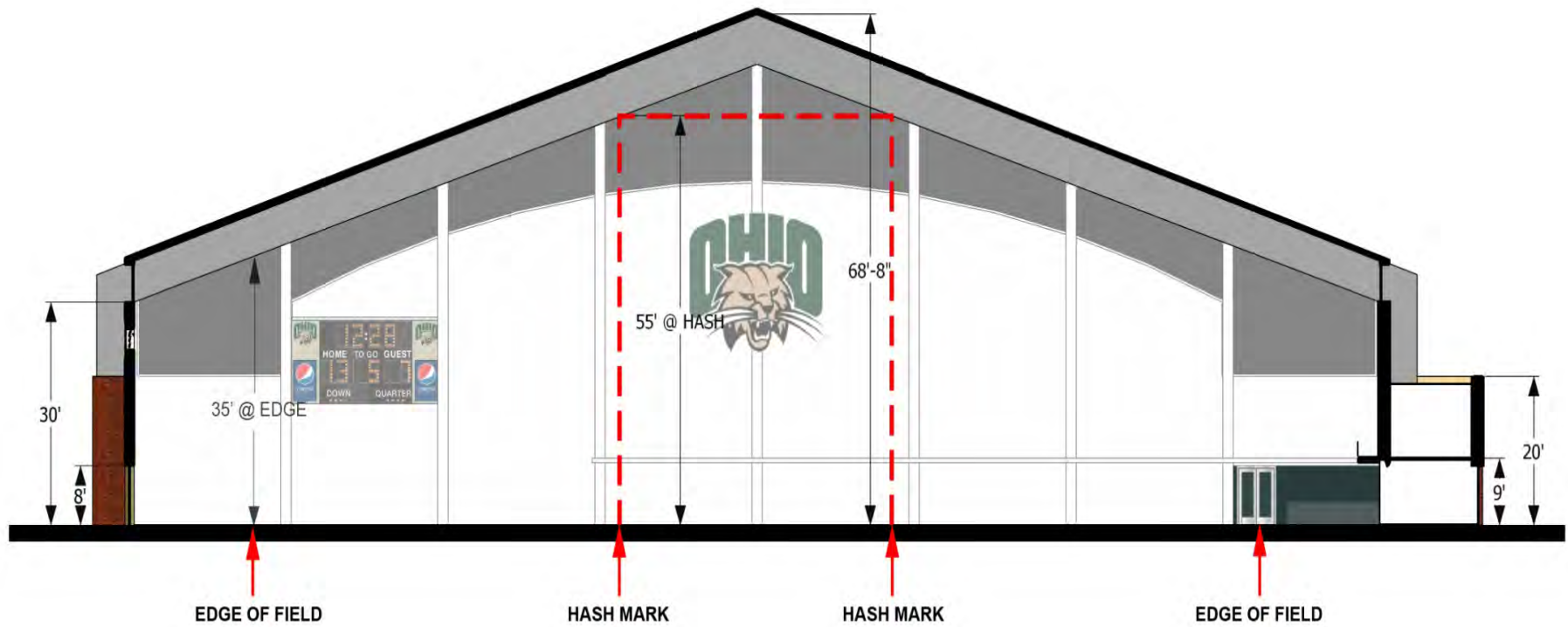


Diagram of campus “sweep and fingers”



Site and Floor Plan



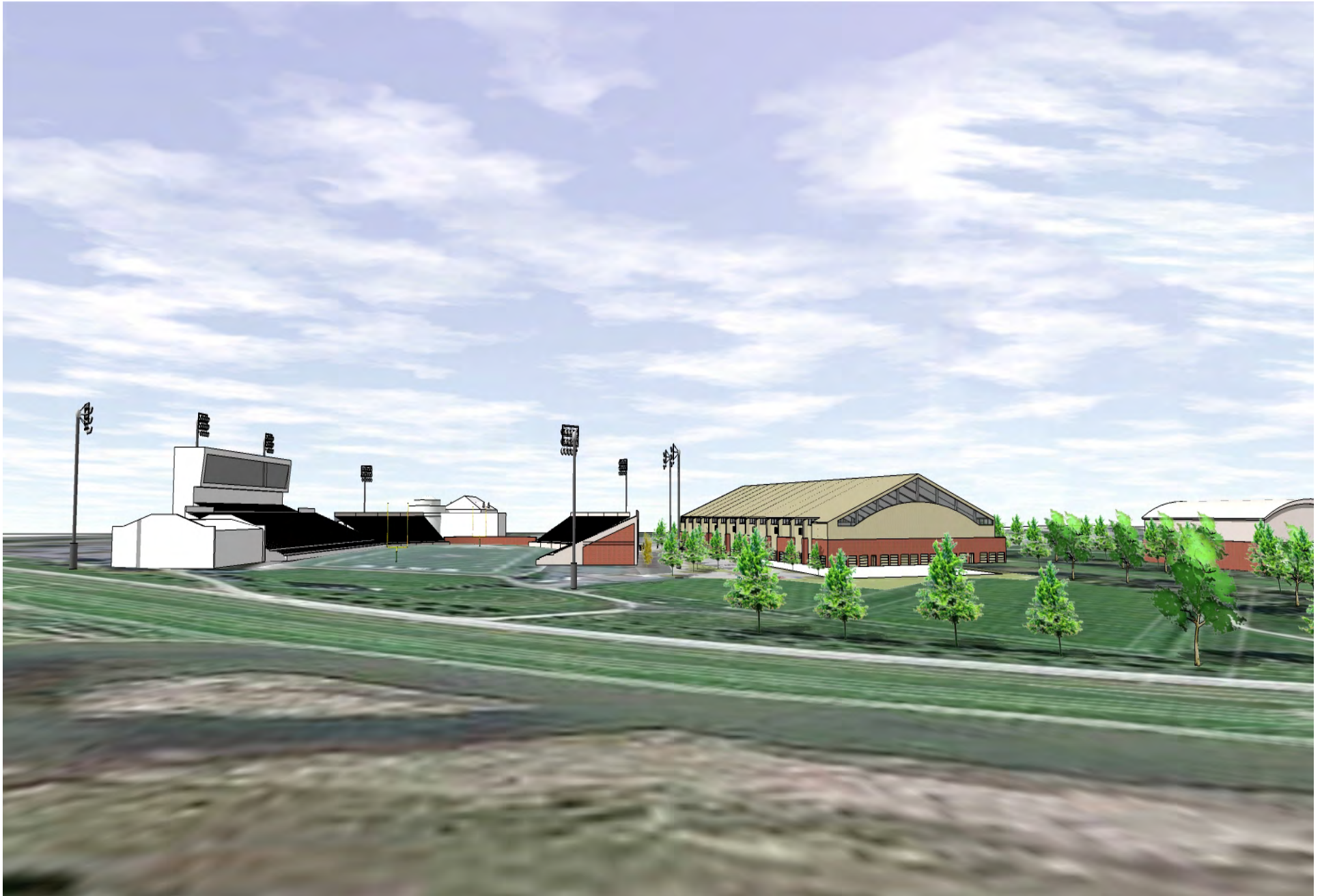


Cross Section with North Interior Elevation

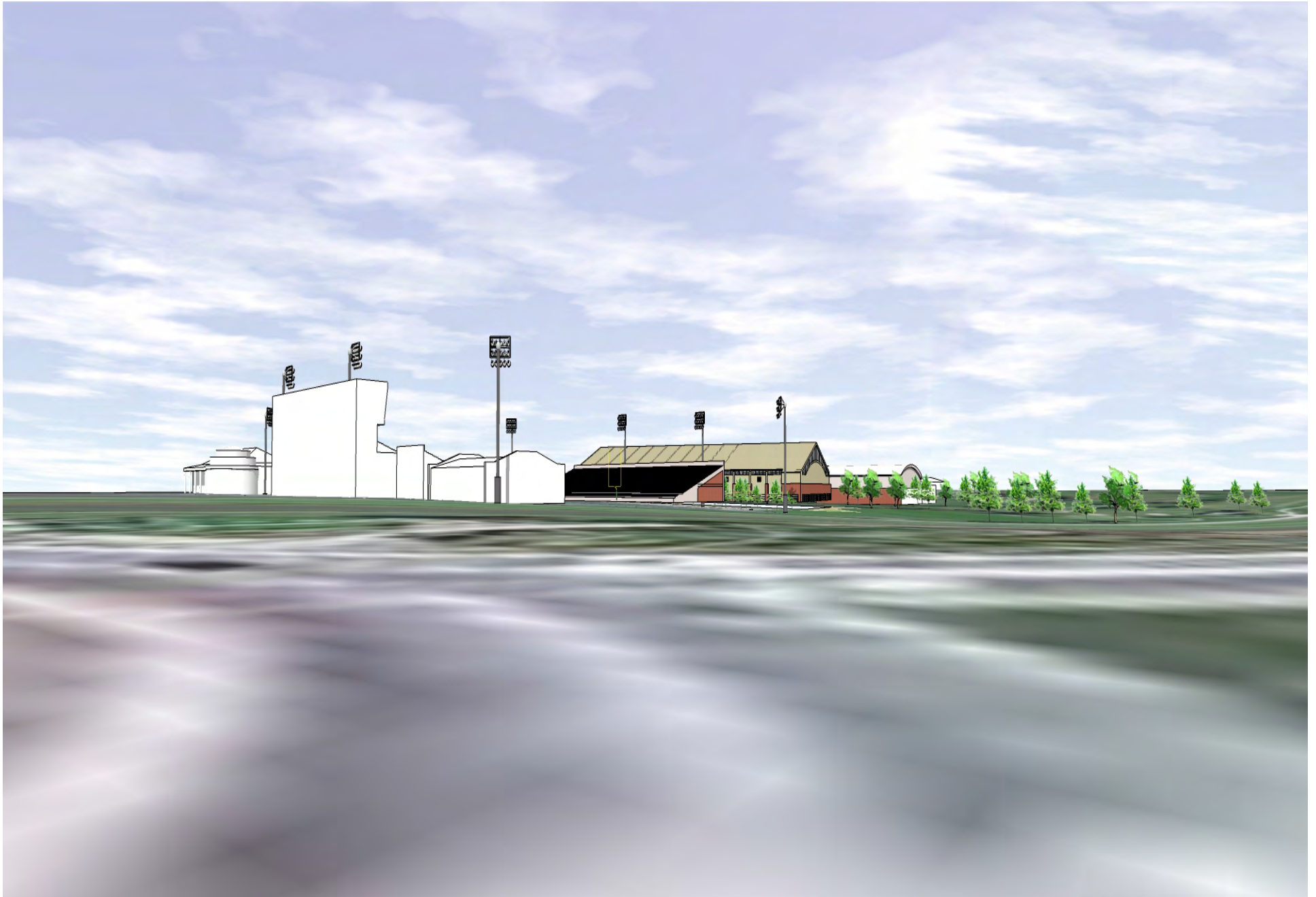


North-West View from South Green Drive



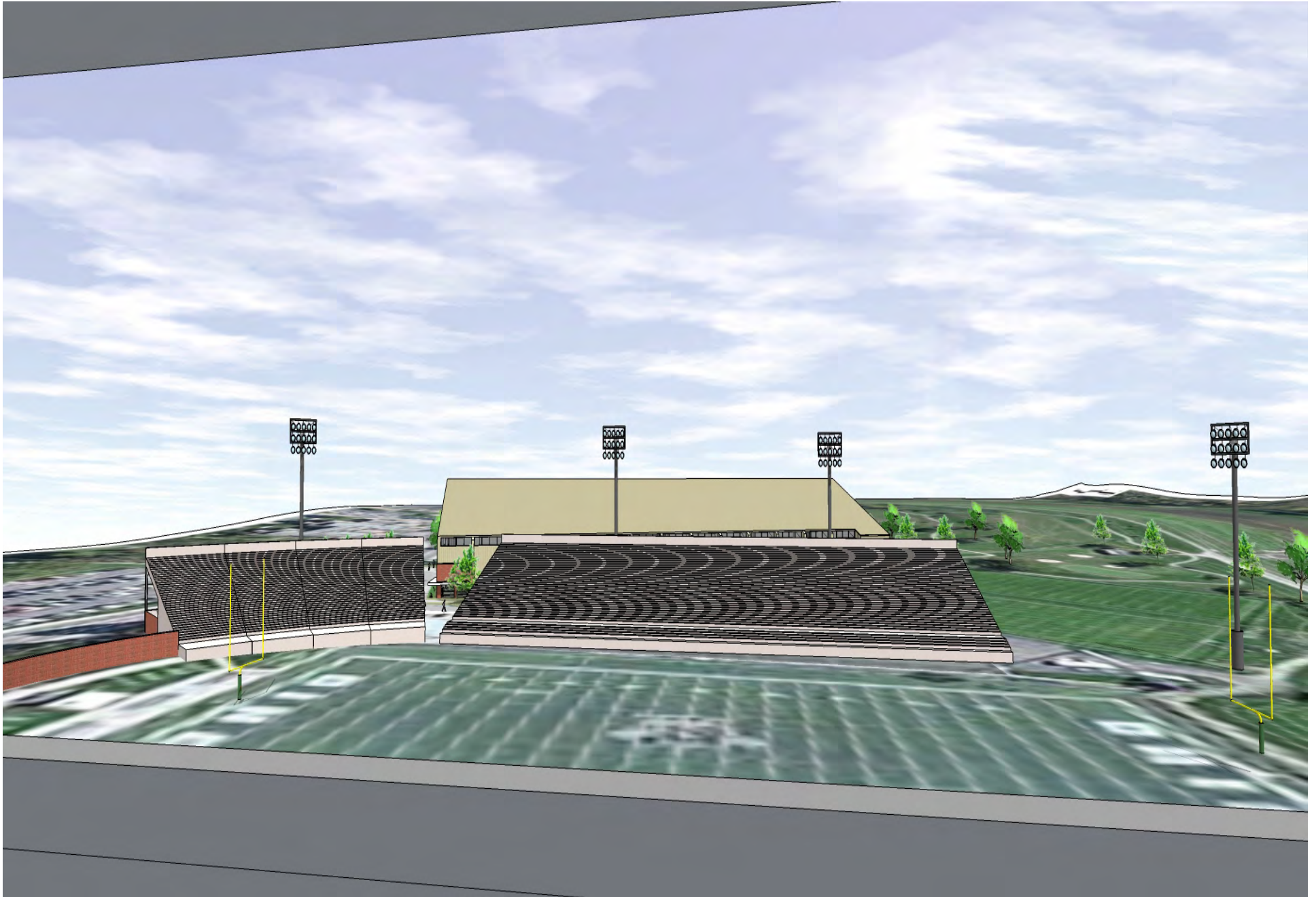


South-West View from 682



South-West View from 682 Roundabout





West View from Press Box

**APPROVAL OF PROJECT AND AUTHORIZATION TO DEVELOP  
CONSTRUCTION DOCUMENTS, RECEIVE BIDS AND AWARD  
CONSTRUCTION CONTRACTS FOR  
HOUSING DEVELOPMENT PLAN: PHASE 1  
DESIGN & SITE PREPARATION,  
PEDEN TURF REPLACEMENT,  
HUDSON HEALTH THIRD FLOOR RENOVATION,  
COMPUTER SERVICE CENTER HVAC/ELECTRICAL UPGRADE,  
and OUHCOM DUBLIN RENOVATION**

**RESOLUTION 2013-**

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

- Housing Development Plan: Phase 1 Design and Site Preparation with a total project budget of \$7.5 million to be funded from Residential Housing Auxiliary Reserves and FY2013 Bond Issuance,
- Peden Turf Replacement with a total project budget of \$800,000 to be funded by Athletics Reserves,
- Hudson Health Third Floor Renovation with a total project budget of \$760,000 to be funded by Student Affair WellBeing funds,
- Computer Service Center HVAC/Electrical Upgrade with a total project budget of \$1.6 million to be funding by FY2009 Bond Issuance, and
- OUHCOM Dublin Renovation with a total project budget of \$13.7 million to be funded by FY2013 Series Bonds and a gift from the Osteopathic Heritage Foundation.

**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.





## **Interoffice Communication**

**Date:** January 18, 2013

**To:** The President and Board of Trustees

**From:** Stephen T. Golding, Vice President Finance & Administration, CFO and Treasurer

**Re: CONSTRUCTION PROJECT APPROVAL REQUEST:**  
**Housing Development Plan: Phase 1 Design and Site Preparation**  
**Peden Turf Replacement**  
**Hudson Health Third Floor Renovation**  
**Computer Service Center HVAC/Electrical Upgrade**  
**OUHCOM Dublin Renovation**

The following construction projects in excess of \$500,000 in total project cost are presented to the Board for approval.

### **Housing Development Plan (HDP): Phase 1 Design and Site Preparation**

At the February Resources Committee meeting the overall HDP site master plan will be shared with the trustees. As previously presented to the board, the HDP will include a great deal of renovation of existing buildings along with new construction. A fall 2015 occupancy date is targeted for the Phase 1 construction. The chronology of HDP board presentations and actions to date is as follows:

- In April 2011, the Board of Trustees approved entering into design contracts for a phased master plan and the first phase of construction of the Housing Development Plan
- In June, 2012 the board approved the FY2013 Capital Improvement Plan (CIP) including Phase 1 projects totaling \$110.9M; Phase 1 actions to date include:
  - In June, 2012 the Board approved projects of \$1.1 million to demolish the Wolfe/Ullom Apartment Complex and \$800,000 to relocate South Green parking lots in order to make way for the first stage of construction
  - In November, 2012 the Board approved the renovation of Bush Hall on East Green at a cost of \$11.5 million.

At this time the University is seeking approval to incur Phase One HDP design and site preparation costs of \$7.5 million. From now until August it will be necessary to incur cost for design services as well to further prepare or “surcharge” the site which is partially within the 100 year flood plain. This expenditure is planned to be fully funded from Housing Reserves and a planned FY2013 bond issuance. It is anticipated that a resolution for the Phase One Housing

construction, with a total construction budget based on utilization of the Construction Manager at Risk delivery method, will be brought to the Board in August, 2013.

### **Peden Turf Replacement**

The existing artificial turf in Peden Stadium was installed in 2002 and is at the end of its useful life. The scope of the project is to replace the turf, address any subsurface condition problems that may be deemed necessary, and appropriately mark the new field. The project budget is \$800,000 and will be fully funded by Athletics Reserves.

### **Hudson Health Third Floor Renovation**

The four-story, 32,700 gross square foot Hudson Health Building was built in 1950 and has had the benefit of minor renovations over the years including full clay tile roof rehabilitation in 2009. In 2011, with the provision of medical care to Ohio University students by OUHCOM and University Medical Associates, renovations to the Hudson Health Building were undertaken on the basement, first and second floors for the newly developed Campus Care program.

This third floor project will renovate 8,200 square feet of the Hudson Health Building which houses Counseling and Psychological Services. The project will upgrade finishes in all the office and clinical spaces and provide a new patient intake area for increased privacy. The project will include asbestos abatement, new air conditioning units, new radiators with better heat control, and new lighting. New furniture will also be provided for all offices, clinic rooms and public spaces. The budget is \$760,000 and is fully funded from the Division of Student Affairs - WellBeing Funds.

### **Computer Service Center HVAC/Electrical Upgrade**

The Computer Service Center is a 60 year old, 44,500 gross square foot building that was fully rehabilitated 20 years ago. In 2009, approximately \$3 million of necessary physical improvements were identified for the Computer Service Center Building as part of the Student Information System and Network Upgrades approved by the Board. This work has been proceeding incrementally with a roof replacement, electrical reliability and chilled water capacity improvements.

This current project is designed to increase the reliability of the data center in particular. The project includes the addition of yet another chiller for back up cooling capacity, waterproofing of the penthouse mechanical room floor, replacement and upgrade of computer room air handling units, replacement and upgrade of HVAC controls, upgrade of the uninterruptable power system, and upgrade of the fire protection system. The project budget is \$1.6 million and is fully funded by the FY2009 Debt Issuance.

### **OUHCOM Dublin Renovation**

A 14.8 acre property, including three buildings, was purchased in June, 2011 from the City of Dublin for the specific development of the Ohio University Heritage College of Osteopathic Medicine Center Ohio Extension Campus. This project will renovate approximately 71,000 gross square feet within the three buildings in preparation for the summer 2014 opening as described below:

- A four-story, 46,000 gross square foot building built in the late 1980's will be fully renovated to house classrooms, clinical instruction and simulation space, faculty offices, and student services functions,
- The first floor of the adjacent three-story, 60,000 gross square foot building of similar vintage will be renovated. The remaining floors will continue to house existing tenants, and
- A 6,000 gross square foot building built in the mid 2000's will be renovated for use as a laboratory building.

LEED design has been incorporated in the full renovations and certification is planned to be pursued. The total project budget is \$13.7 million to be fully funded by FY2013 Series Bonds and the gift from the Osteopathic Heritage Foundation.

A resolution is included to facilitate approval for these projects. Please let me know if you have questions.

# Construction Projects

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Tab



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# Construction Projects Agenda

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- HDP: Phase 1 Design and Site Preparation
- Peden Turf Replacement
- Hudson Health Third Floor Renovation
- Computer Service Center HVAC/Electrical Upgrade
- OUHCOM Dublin Renovation



# Housing Development Plan (HDP): Phase 1 Design and Site Preparation

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- June 2012 – FY2103 CIP approved with HDP: Phase 1 housing projects totaling \$110.9 million
- Funding requested for Phase 1 design and preparation of the site which is partially within the 100 year flood plain
  - Full construction approval request planned for August, 2013
  - project will utilize the Construction Manager at Risk delivery method
- Budget: \$ 7.5 million
- Fund source: Housing Reserves and FY 2013 Bond Issuance





# Peden Turf Replacement

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- Artificial turf installed in 2002
- Past the useful life
- Estimated cost:       \$ 800,000
- Fund source:         Athletics Reserves



# Hudson Health Third Floor Renovation

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- Project renovates 8,200 sq. ft. on 3<sup>rd</sup> floor for counseling and psychological services
  - Basement, 1<sup>st</sup> and 2<sup>nd</sup> floors renovated in 2011 as part of newly developed Campus Care program
- Redesigned patient intake area for increased privacy
- Asbestos abatement, new radiators and new A/C units.
- New finishes, lighting and furniture
- Budget: \$ 760,000
- Fund source: Student Affairs WellBeing funds



# Computer Service Center HVAC/Electrical Upgrade

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- One of several incremental improvements since 2009 to be done concurrently with student information system and network upgrade
- Goal to increase reliability of Data Center
- Provides backup cooling capacity, upgrade of computer room air handling, upgrade of HVAC controls and upgrade of uninterruptable power system
- Budget: \$ 1.6 million
- Fund source: FY 2009 Bond Issuance



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# OUHCOM Dublin Renovation

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- 71,000 gsf renovation project for classrooms, faculty offices, student services functions, and clinical instruction, laboratory and simulation space
  - Facilities for Ohio University Heritage College of Osteopathic Medicine Center Extension Campus
  - 14.8 acre property with 3 buildings adjacent to 90 acre property secured for future development
- First class to start Summer 2014
- Budget: \$ 13.7 million
- Fund source: FY 2013 Series Bond and Osteopathic Heritage Foundation Gift



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## **Interoffice Communication**

**Date:** January 18, 2013

**To:** The President and Board of Trustees

**From:** Pamela J. Benoit, Executive Vice President and Provost

**Re:** **Regional Higher Education – Academic Quality Dashboard**

The mission of the five regional campuses of Ohio University is focused on Outreach and Access - outreach to unique communities and educational access through an open admissions policy. Enrollment has grown to 10,000 students including large proportions of students who are part-time, female, non-traditional, first generation and minority.

In addition to 12 complete bachelor's degree programs and 14 associate degrees, the campuses offer pathways for students relocating to Athens, transferring to other institutions, or, for advanced high school students, taking post-secondary courses.

Non-degree pathways offer a variety of job-training opportunities, business and industry training programs, certificates, stackable certificates with local career centers, and CEU's. Three Ohio University Centers (Pickerington, Proctorville and Cambridge), run by four of the campuses, offer expanded enrollment and outreach opportunities.

Quality of faculty is assured by involvement of the Athens departments in the hiring and tenuring of regional campus faculty. Quality of student learning outcomes is assured by standard course syllabi, standardized exams and professional licensure testing.

The five campuses are unique educational and cultural centers for their communities. The regional campuses expand the political outreach of Ohio University beyond the Athens area to three additional federal Congressional districts, four additional Ohio Senate districts and 11 additional Ohio House districts.

# Regional Higher Education

Tab



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# Regional Higher Education Agenda

- Mission
- Locations
- Offerings
- Non-degree Programs
- Quality Assurance
- Political Presence
- Unique Community Presence



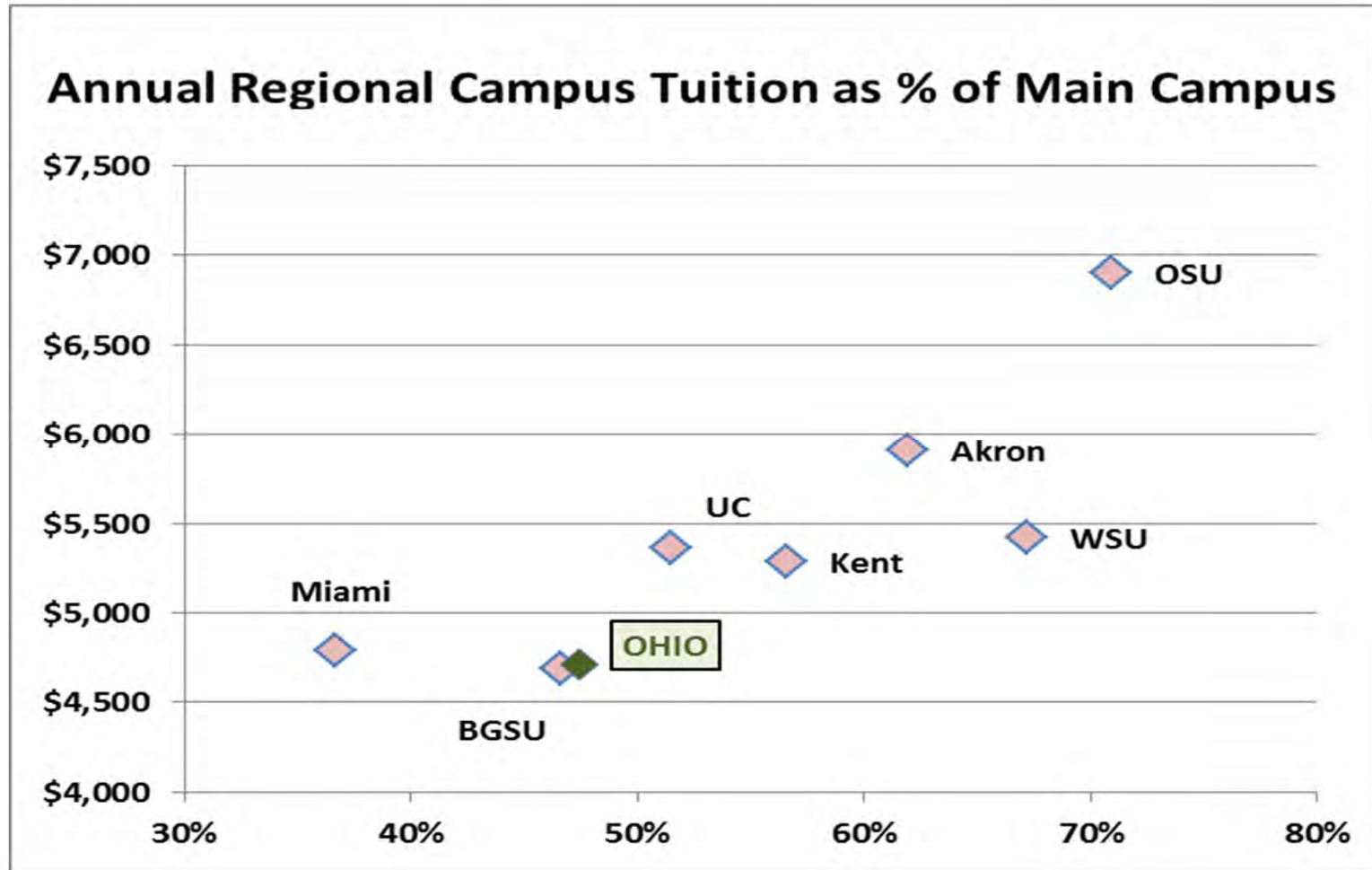
# Regional Higher Education Mission

- Outreach
  - 5 Regional Campuses
  - 2 Centers
  - Serve 10,000+ students
- Access
  - All campuses are 'open admission'



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# Regional Higher Education Mission - Access



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# Regional Higher Education Locations

- Campuses
  - Chillicothe
  - Eastern
  - Lancaster
  - Southern
  - Zanesville
- Centers
  - Pickerington
  - Proctorville



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# Regional Higher Education Locations

- Centers expand the reach of the campuses
  - Current
    - Pickerington (Lancaster)
    - Proctorville (Southern)
  - Future
    - Cambridge (Zanesville and Eastern)



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# Regional Higher Education Offerings

- 12 Bachelor's Degrees
  - Professional
  - Degree Completion
- 14 Associate Degrees
  - Technical, job-oriented
- First two years for relocate students
- Post-secondary students



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# Regional Higher Education Non-degree Programs

- Certificates
- Stackable certificates with career centers
- Job-training
- CEU's



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# Regional Higher Education Quality Assurance - Faculty

- Departmental role in hiring faculty
- Promotion and tenure review
- Faculty involvement in departments
- Approval of adjunct faculty credentials



# Regional Higher Education Quality Assurance - Student Learning Outcomes

- Standard course syllabi
- Standardized licensure testing in professional fields
- Standard course exams in some fields



# Regional Higher Education Quality Assurance - Outcomes

School of Nursing

Associate Degree

NCLEX First Time Pass Rates

OU-Chillicothe, OU-Southern and OU-Zanesville

Year	# Candidates	# Passed (1 <sup>st</sup> Time)	Percentage	National Percentage
2005	208	167	80.29	
2006	208	172	82.69	
2007	213	173	81.22	85.47
2008	266	222	83.46	87.06
2009	280	227	81.07	88.42
2010	293	252	86.01	87.42
2011	289	257	88.93	89.33

Source: OU School of Nursing



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# Regional Higher Education Quality Assurance - Outcomes

## PRAXIS PASS RATES FOR EARLY AND MIDDLE CHILDHOOD EDUCATION MAJORS REGIONAL CAMPUS STUDENTS ONLY

		<u>2010</u>	<u>2011</u>	<u>2012</u>
EARLY CHILDHOOD	TOOK	63	57	51
	PASSED	61	57	46
	PASS RATE	97%	100%	91%
MIDDLE CHILDHOOD *	TOOK	118	157	94
	PASSED	97	127	79
	PASS RATE	82%	81%	84%

SOURCE: ETS AND PATTON COLLEGE

\*Combined scores on Math, Science, Social Studies, Language Arts



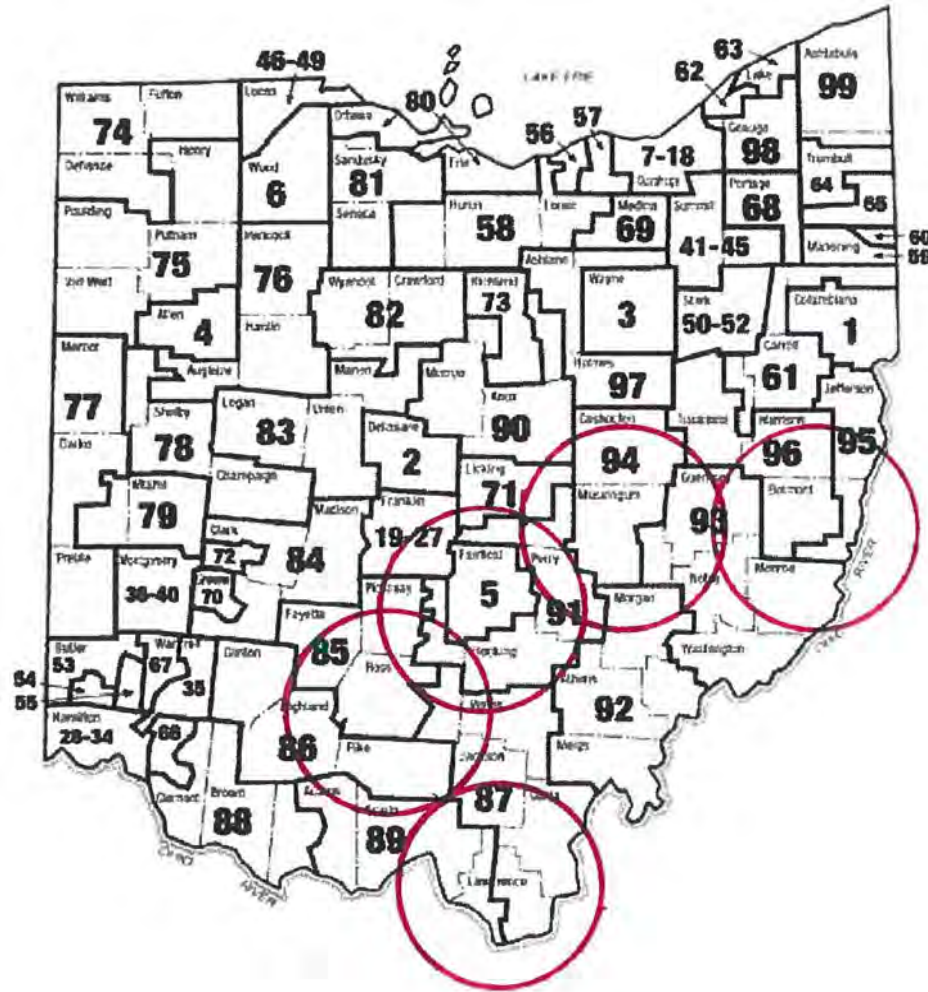
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# Regional Higher Education Political Impact

# Ohio House District Map

The Regional  
campuses expand  
Ohio University's  
political reach to  
many districts:

- 3 Congressional
- 4 Ohio Senate
- 11 Ohio House



# Regional Higher Education

## Unique Community Presence

- Regional campuses are unique educational, cultural, and community centers for their regions
  - Chillicothe Child Development Center
  - Eastern Campus Theatre
  - Lancaster Music Festival
  - Southern Horse Park
  - Zanesville Recreational Center



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# REGIONAL HIGHER EDUCATION

Updated January, 2013

## First-Year Retention - Regional Average

60.0%

Percent of new freshman who return for a second year

### Past Performance

2007	2008	2009	2010	2011
55%	57%	55%	52%	60%

Source: Ohio University IR

## Six-Year Graduation Rates - Regional Avg

30%

Percentage of new freshman graduating at within six years

### Past Performance

1999	2000	2001	2002	2003
27.4%	30.4%	32.6%	28.6%	30.2%

Average for Ohio Regional Campuses

19.4% 20.9% 23.2% 21.4% 25.9%

Source: Ohio University IR & IPEDS

## Student-Faculty Ratio

30:1 RHE Average

RHE Student FTE to Faculty FTE

OUC	24:1
OUE	29:1
OUL	33:1
OUS	26:1
OUZ	29:1

Source: Ohio University IR and UHR

## Regional Campus Tuition

\$ 4,810

For comparison, Lower Campus Tuition for OUC, OUL, OUZ is presented

### Past Performance

2008/09	2009/10	2010/11	2011/12	2012/13
\$4,581	\$4,581	\$4,581	\$4,647	\$4,810

Source: Ohio University Bursar

## Regional FTE - Fall

6,525

Regional headcount enrollment fall term

### Past Performance

2008	2009	2010	2011	2012
6,142	7,118	7,458	7,115	6,525

Source: Ohio University IR

## Regional Headcount - Fall

10,077

Regional headcount enrollment fall term

### Past Performance

2008	2009	2010	2011	2012
8,344	9,712	10,216	9,925	10,077

Source: Ohio University IR

## Regional Headcount - Fall 2012

10,077

Regional headcount enrollment; fall term 2012

OUC	2,295
OUE	1,108
OUL	2,582
OUS	2,097
OUZ	1,995

Source: Ohio University IR

## Gifts (Pledges) at December, 2012

\$5.56 million

Amount of cash and pledges received as of Dec, 2012,

	Dec, 2012	Campaign Goal
OUC	\$ 728,000	\$ 3,000,000
OUE	\$ 1,310,000	\$ 2,125,000
OUL	\$ 1,983,000	\$ 3,500,000
OUS	\$ 921,000	\$ 3,500,000
OUZ	\$ 618,000	\$ 1,000,000

Source: Ohio University Advancement Office

## Dashboard Key:

Connections to 4x4 Strategic Plan

	Four Fundamentals
	Enrollment
	Capital Campaign



## **Interoffice Communication**

**Date:** January 18, 2013

**To:** The President and Board of Trustees

**From:** Pamela J. Benoit, Executive Vice President and Provost

**Re:** **Intercollegiate Athletics Update**

The Intercollegiate Athletics discussion at the February Academics Committee meeting will provide data and indicators for the University's student athletes and its athletic programs.

The presentation reports on the progress and success of the University's student athletes compared to MAC peers and nationally, details the academic supports in place to assist student athletes, and provides background on NCAA rules and the internal compliance environment under which the programs operate.

Jim Schaus, Director of Athletics, will lead the discussion.



## **Interoffice Communication**

**Date:** January 18, 2013

**To:** The President and Board of Trustees

**From:** Jim Schaus, Director of Athletics

**Re:** **Academics Committee Presentation**

I am grateful for the opportunity to present the latest academic progress of the students participating in intercollegiate athletics. Attached, please find a PowerPoint presentation along with the recent audit findings of Ohio University Intercollegiate Athletics (ICA), as performed by Ohio University Internal Audit (IA).

I would like to bring particular attention to a few points made in the PowerPoint:

1. Our Student-Athlete population is excelling in the classroom and out-performing the general student body in the areas of graduation rate, cumulative grade point average, and retention.
2. Ohio's Student-Athletes are not clustered into less-demanding courses and programs of study. Rather, they are distributed throughout all colleges.
3. In addition to the existing institutional controls, the Board of Trustees Audit Committee authorized an internal audit of various areas of Athletics. The 4-year audit cycle began in the summer of 2012 with eligibility and academic progress, and I am pleased to report that Internal Audit had no negative findings (attached).
4. Ohio University is one of only 17 Division I-A (FBS) schools to have never committed an NCAA major violation.
5. Athletics positively impacts academic programs by providing a "Learning Laboratory" for over 400 undergraduate and graduate students.

Thank you in advance for the opportunity to speak to the Academics Committee and I look forward to answering any questions you may have.

# Athletics Update

Academics Committee  
February 7, 2013

David Brightbill, Chair

( 1 )



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# Athletics Update Agenda

- Graduation Rates
- Grade Point Average Statistics
- Retention
- Transfers
- Student-Athlete Colleges and Majors
- Practice Hours
- Academic Progress and Support
- Institutional Controls for Compliance
- Learning Laboratory



# NCAA Federal Graduation Rate (FGR) vs. NCAA Graduation Success Rate (GSR)

## FGR

- Assesses only first-time, full-time freshmen in a given cohort
- Only counts them as academic successes if they graduate from their institution of initial enrollment within a six-year period
- No accommodation for transfers in or out of an institution
- Ignores the large number of transfer students in higher education
- Allows for a direct comparison between Student-Athletes and the general student body

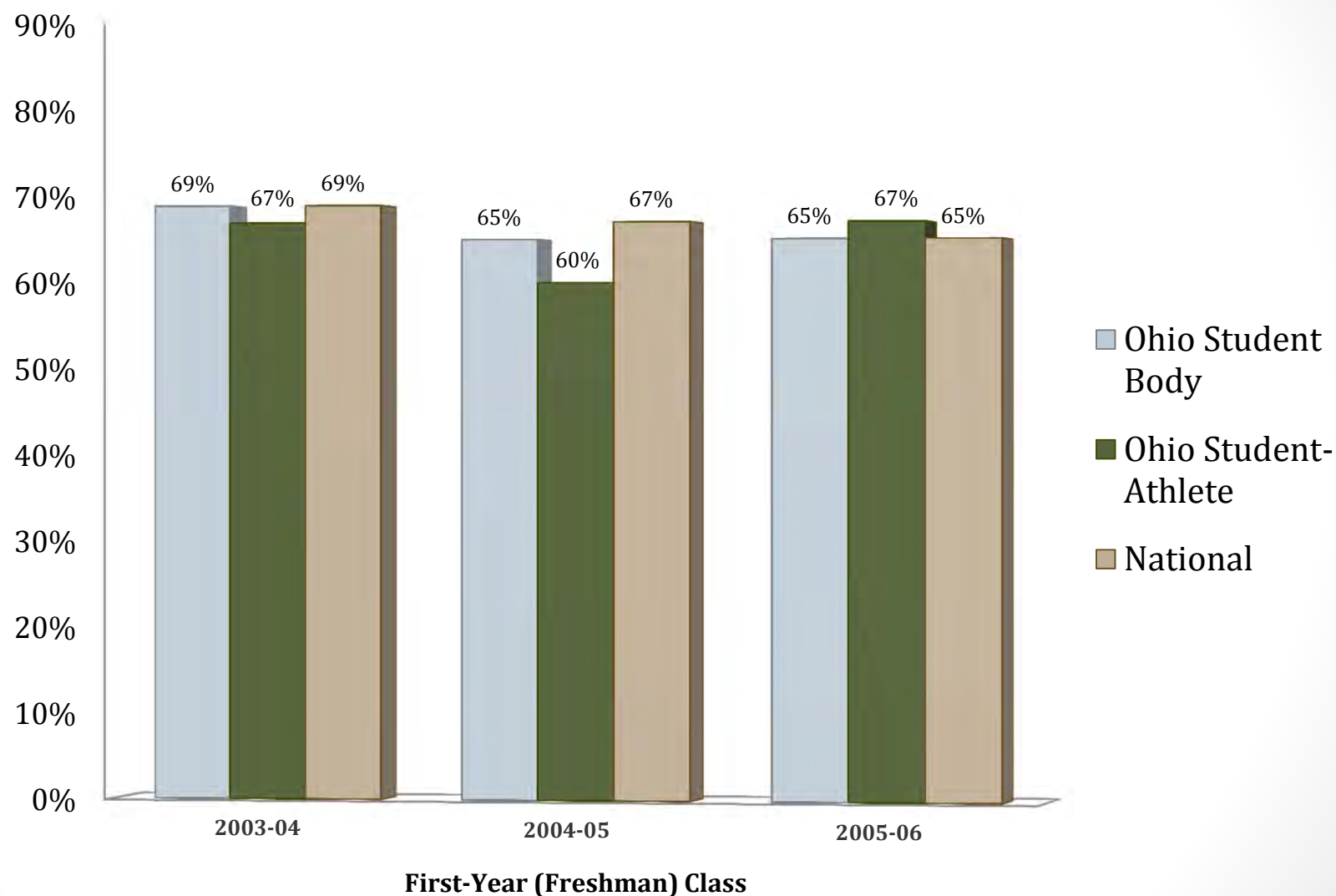
## GSR

- Begins with the federal cohort
- Adds transfer students, mid-year enrollees, and non-scholarship students (in specified cases)
- Student-Athletes who leave an institution while in good academic standing before exhausting athletic eligibility are removed from the cohort of their initial institution
- Provides a more complete and accurate look at actual Student-Athlete success by taking into account the full variety of participants in Division I athletics and tracking their academic outcomes



# 6-Year Cohort Graduation Rate Comparison

NCAA Federal Graduation Rate (FGR)



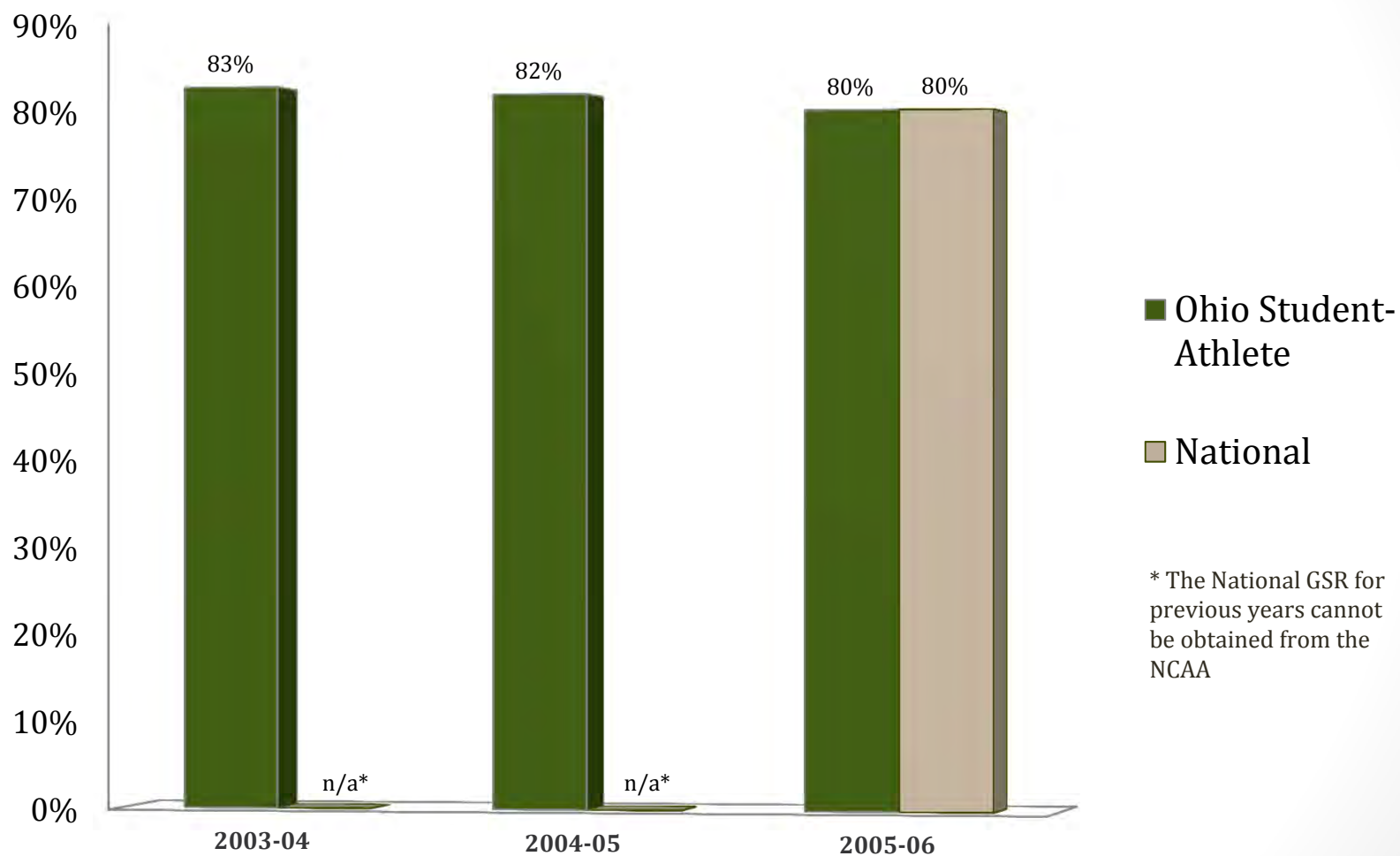
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Sources: Ohio University Office of Institutional Research and  
National Collegiate Athletic Association



# 6-Year Cohort Graduation Rate Comparison

NCAA Graduation Success Rate (GSR)



First-Year (Freshman) Class

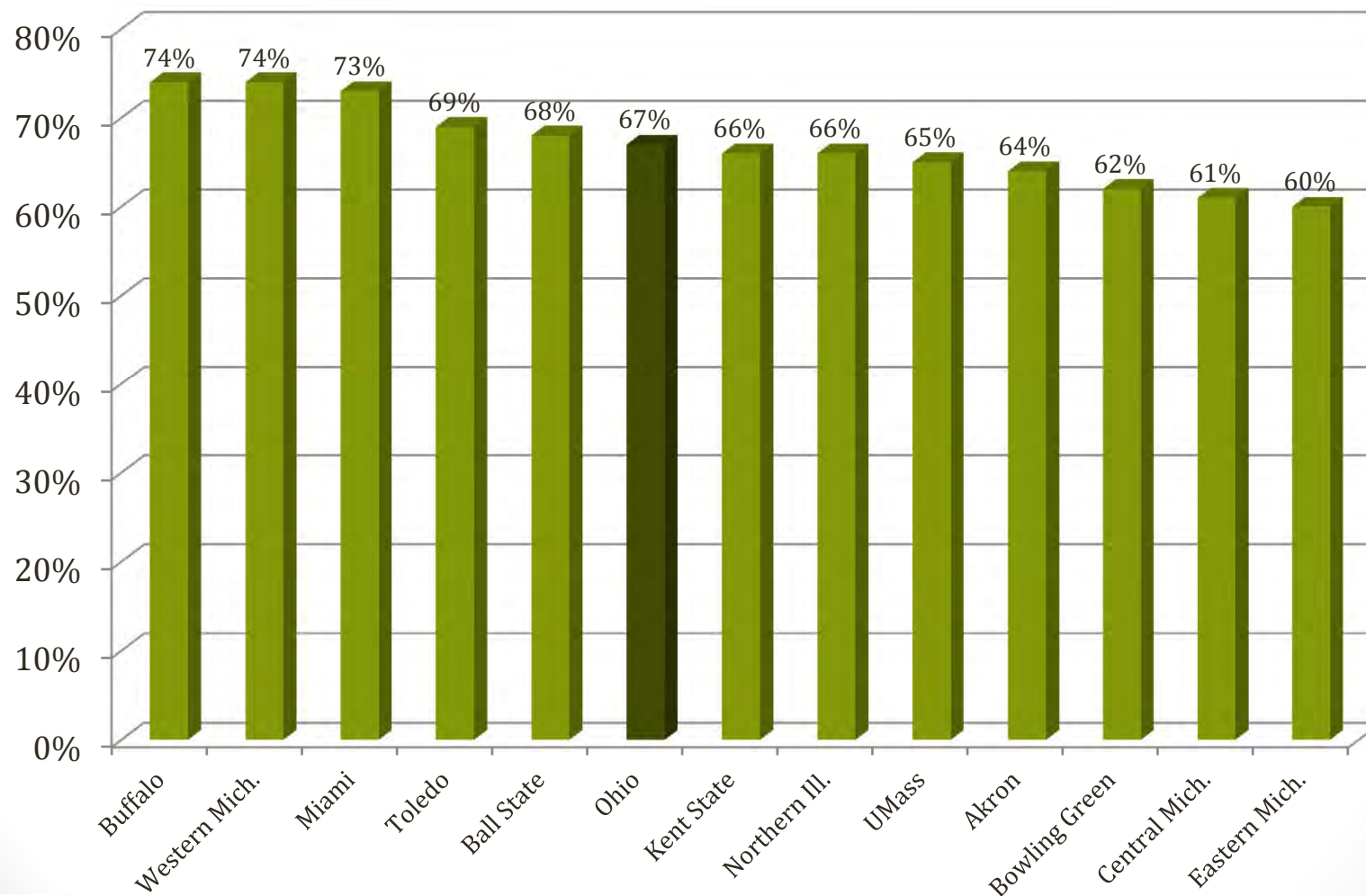


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Sources: Ohio University Office of Institutional Research and  
National Collegiate Athletic Association

# Mid-American Conference FGR Comparison

2005-06 Freshman Class Cohort

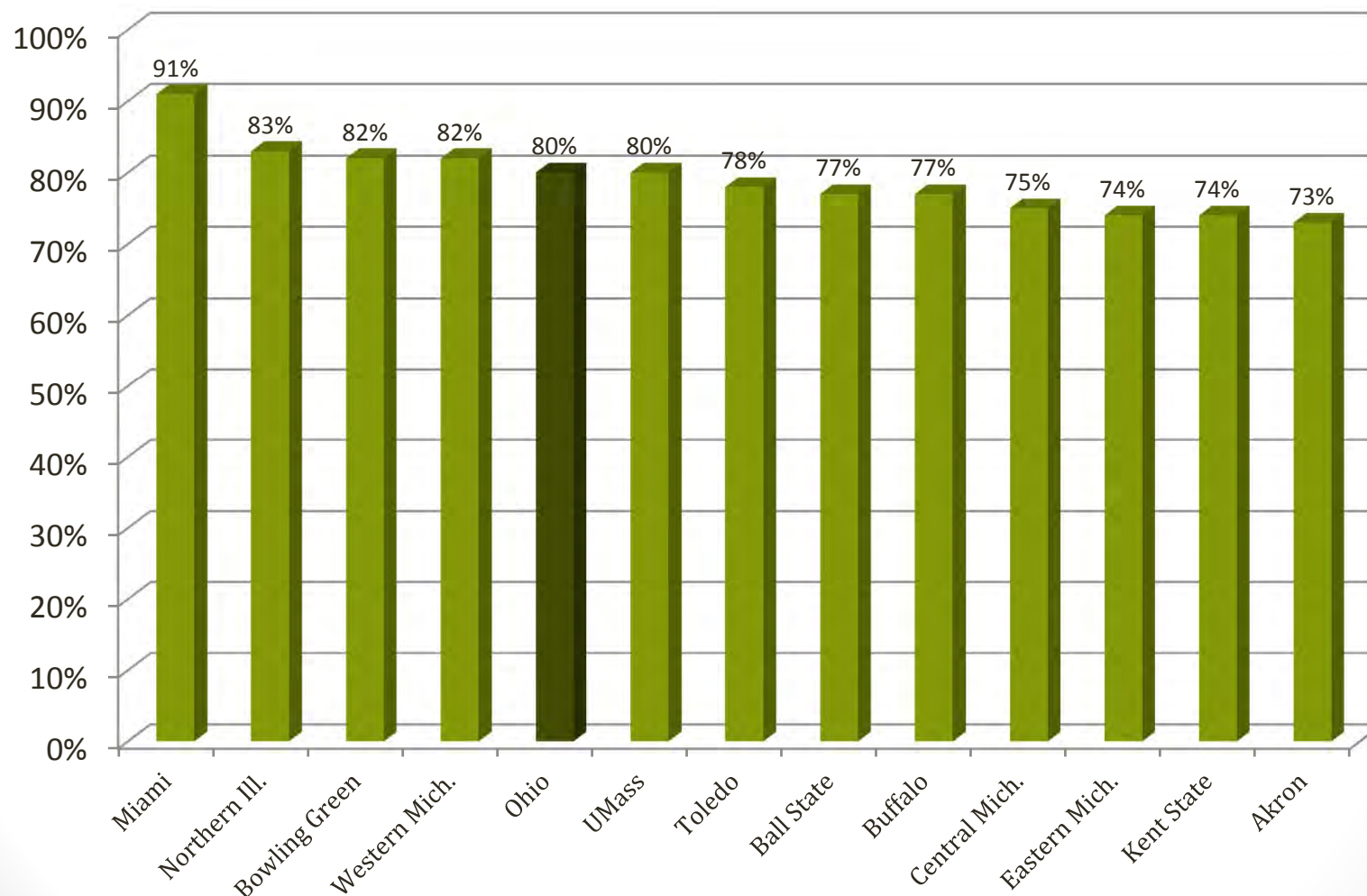


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Sources: Ohio University Office of Institutional Research and  
National Collegiate Athletic Association

# Mid-American Conference GSR Comparison

2005-06 Freshman Class Cohort

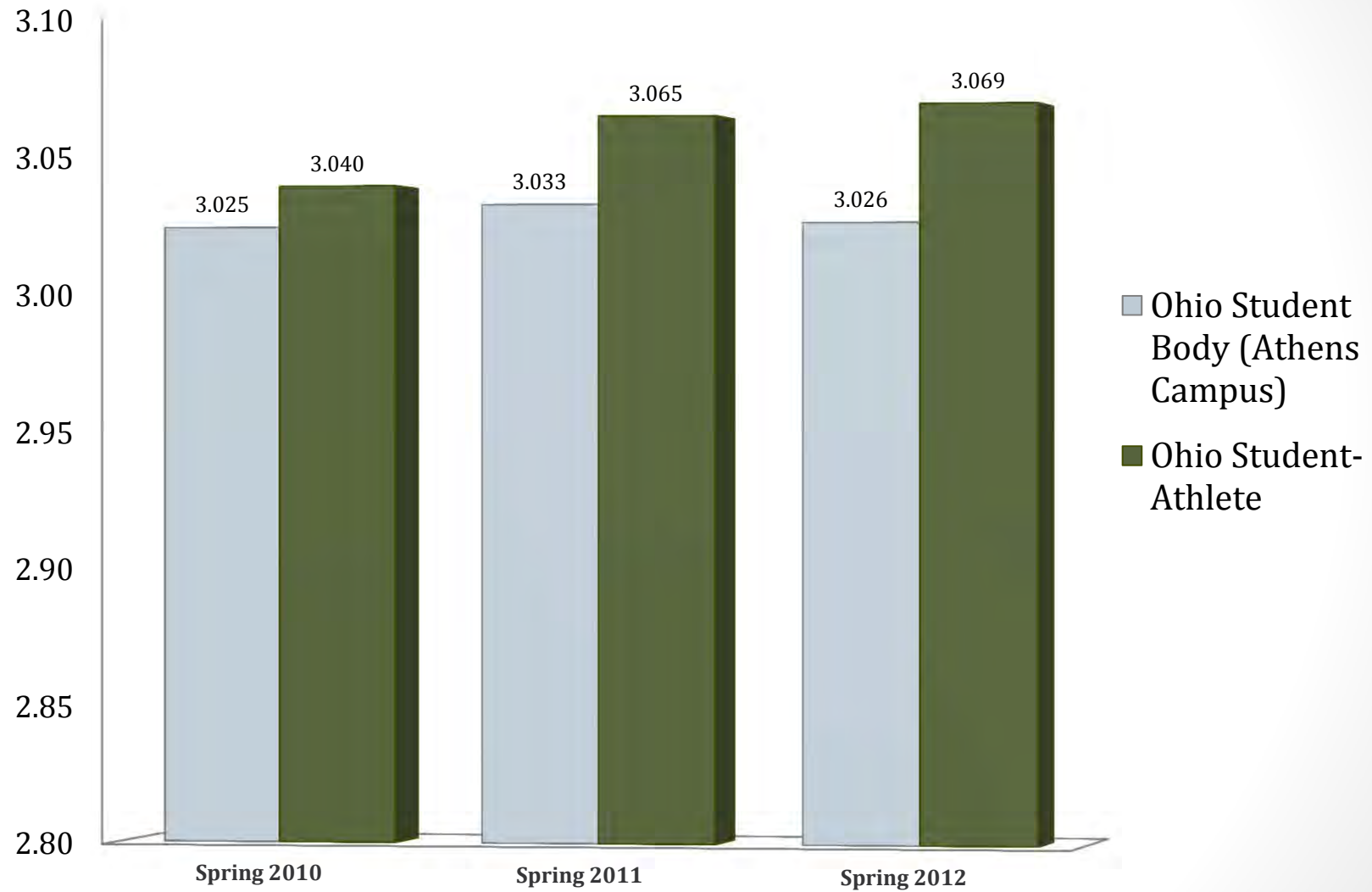


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Sources: Ohio University Office of Institutional Research and  
National Collegiate Athletic Association

# GPA Comparison

## Cumulative



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Sources: Ohio University Office of Institutional Research and  
Ohio Athletics Office of NCAA Eligibility and Student-Athlete  
Success

# GPA Report Summary

Cumulative

		2009-10	2010-11	2011-12
<b>MEN</b>	Baseball	2.770	2.846	2.939
	Basketball	2.578	2.686	2.699
	Cross Country	3.182	3.240	3.167
	Football	2.555	2.578	2.608
	Golf	3.342	3.374	3.305
	Wrestling	2.912	2.812	2.961
<b>WOMEN</b>	Basketball	2.756	2.894	3.092
	Cross Country	3.430	3.500	3.643
	Field Hockey	3.245	3.200	3.292
	Golf	3.611	3.840	3.823
	Soccer	3.329	3.502	3.469
	Softball	3.375	3.488	3.413
	Swimming & Diving	3.350	3.264	3.215
	Track	3.327	3.357	3.372
	Volleyball	3.529	3.584	3.718
<b>Team Totals</b>		3.040	3.065	3.069



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Sources: Ohio Athletics Office of NCAA Eligibility and Student-Athlete Success

# GPA Statistics

		2009-10			2010-11			2011-12		
		Fall	Winter	Spring	Fall	Winter	Spring	Fall	Winter	Spring
Number of Student-Athletes:										
3.00 and Above		235	235	231	243	248	210	232	236	227
3.50 and Above		125	123	121	123	126	123	143	143	118
Dean's List		86	99	76	82	102	85	89	79	69

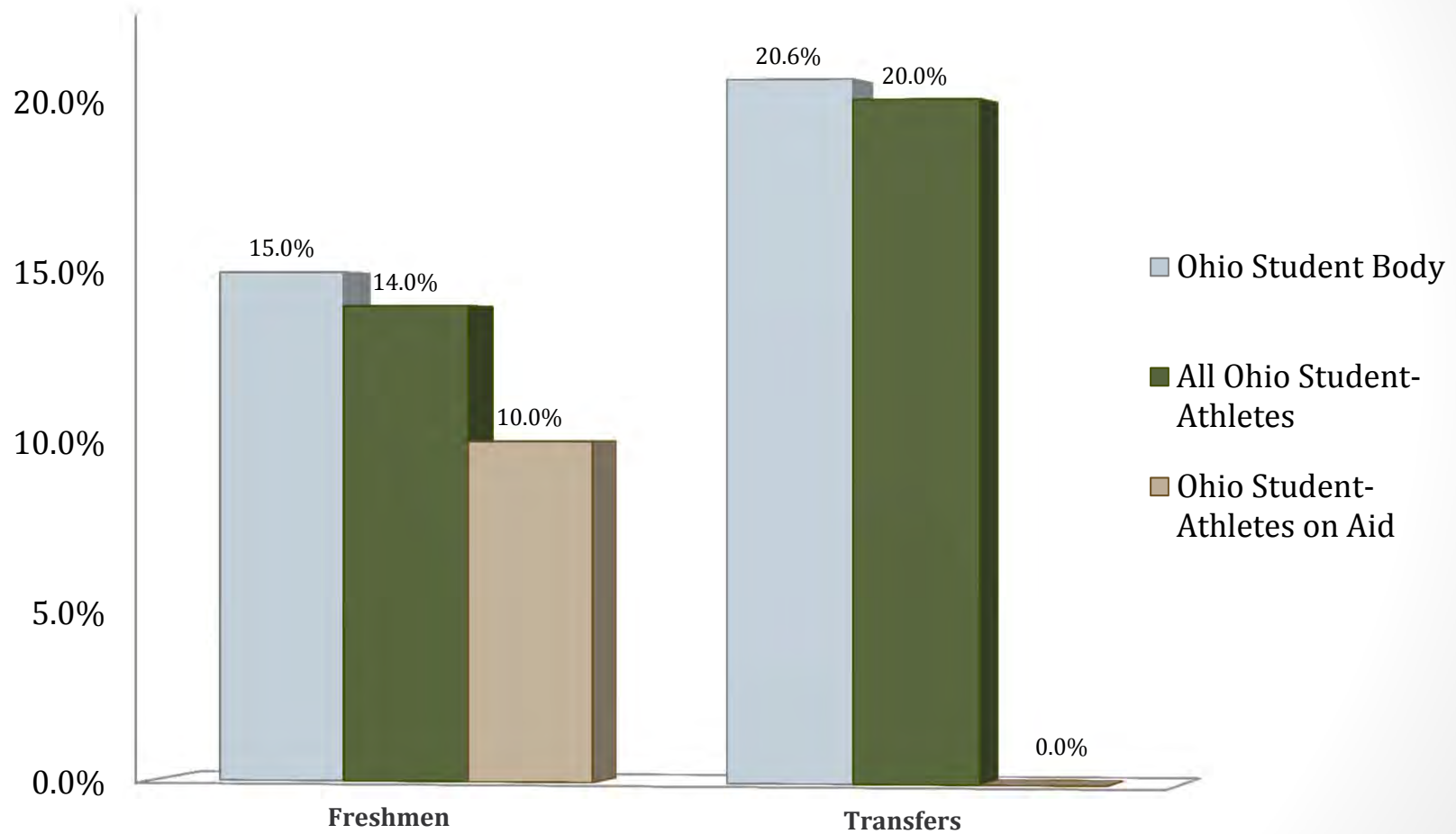


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Sources: Ohio Athletics Office of NCAA Eligibility and Student-Athlete Success

# Students on Academic Probation

Fall 2011

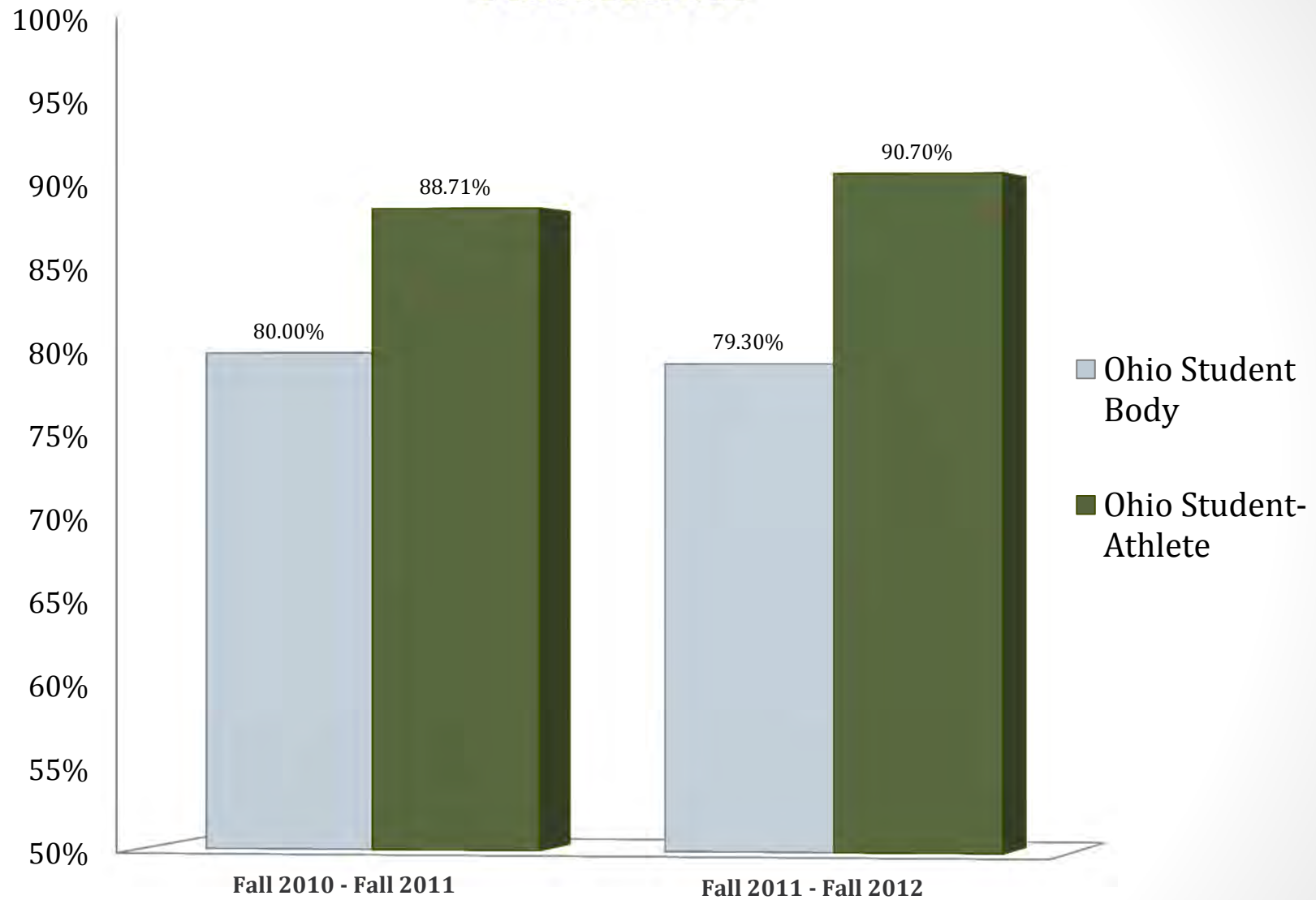


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Sources: Ohio University Office of Institutional Research and Ohio Athletics Office of NCAA Eligibility and Student-Athlete Success



# Retention



# Transfer Student-Athletes

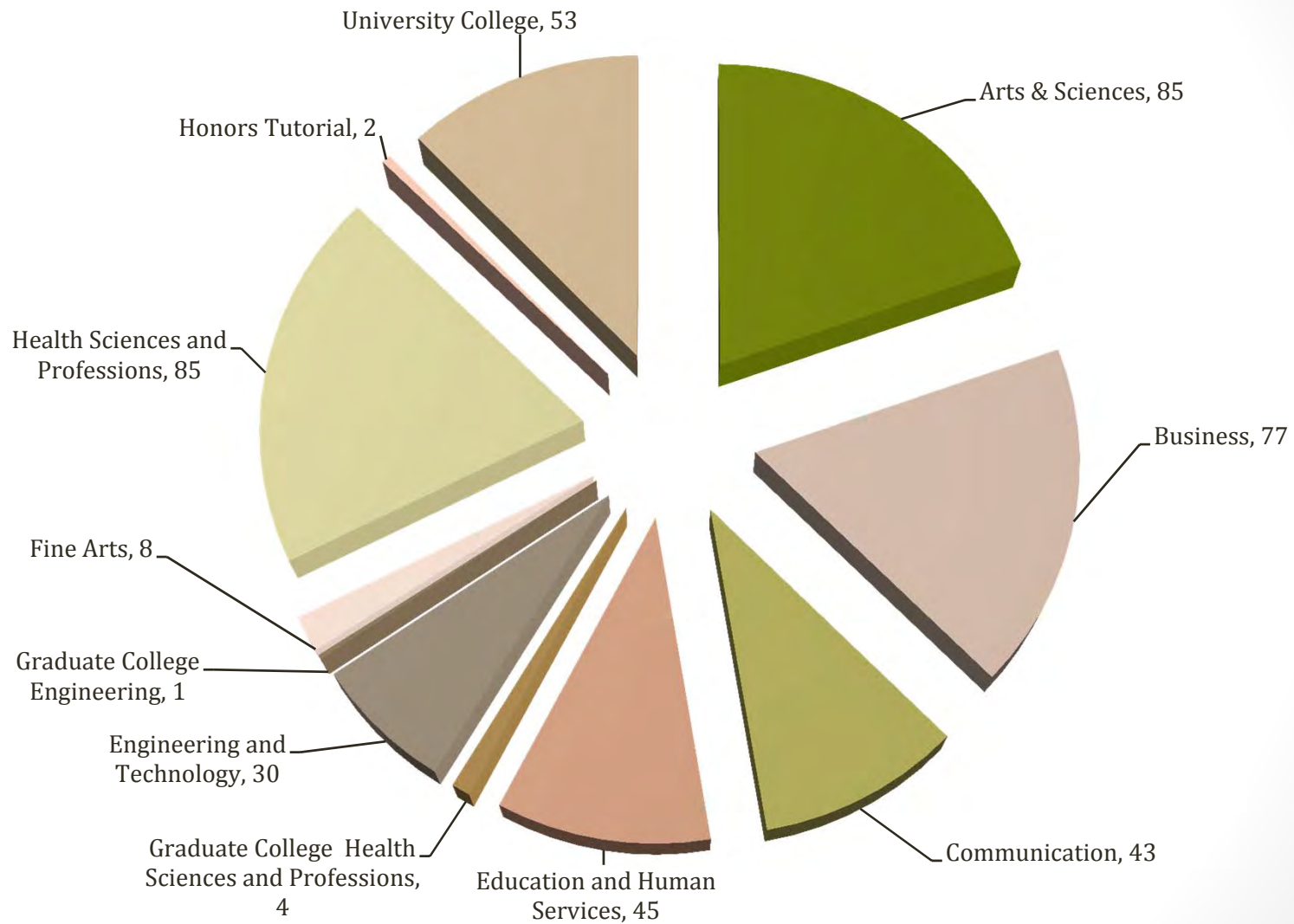
	2008-09	2009-10	2010-11	2011-12
Number of Student-Athletes on Aid	345	366	334	345
Transferred In	14	9	12	6
Transferred Out	11	9	12	7



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Source: Ohio Athletics Office of NCAA Eligibility and Student-Athlete Success

# Student-Athletes Per College



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Source: Ohio Athletics Office of NCAA Eligibility and Student-Athlete Success

# Student-Athletes Per Major

## Arts and Sciences

Anthropology	2
Biological Sciences	8
Bios-Marine Freshwater & Enviro	1
Bios Pre Physical Therapy	2
Bios Pre Professional	11
Bios Wildlife and Conservation	1
Chemistry/Biochem	2
Chem Pre-Medicine	2
Chem Pre-Pharmacy	1
Economics	1
English	1
English Pre-Law	1
French	1
Geog Environmental	1
History	1
Math Applied	1
Math Prep. for Actuarial Sci	1
Political Science Pre-Law	2
Political Science	2
Psychology	15
Sociology/Criminology	19
Sociology	4
Spanish	1
Undecided-A&S	4

## Business

Accounting	3
Business Economics	2
Finance	11
General Business	1
International Business	3
Management Information Systems	2
Marketing	11
Mgt. and Strategic Leadership	5
Pre Sport Management	26
Sport Management	10
Undecided COB	3

## Communication

Communication Studies	24
Journalism News and Information	9
Journalism Strategic Communication	5
Media Arts and Studies	1
Media Management	1
VICO-Commercial Photography	1
VICO-Multimedia	1
Video Production	1



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Source: Ohio Athletics Office of NCAA Eligibility and Student-Athlete Success

# Student-Athletes Per Major

## Education and Human Services

Early Childhood	4
Integrated Language Arts	3
Integrated Mathematics	7
Integrated Social Studies	2
Middle Child Lang/Soc Stu	1
Middle Child Math & Social Stu	1
Mild-Moderate Educ. Needs	1
Moderate-Intensive Educ. Needs	2
Outdoor Recreation & Education	1
Physical Education	3
Physical Science	1
Pre Early Childhood	1
Pre Physical Education	3
Recreation Management	7
Restaurant, Hotel and Tourism	6
Undecided Education	2

## Engineering and Technology

Chemical Engineering	3
Chemical Engr-Biological Track	2
Civil Engineering	2
Computer Science	2
El. Eng. W/ Computer Eng. Trk	1
Electrical Engineering	2
Engineering Tech & Mgt.	8
Mechanical Engineering	7
Undecided Engineering	3

## **Graduate College Engineering**

Mechanical Engineering	1
------------------------	---

## Fine Arts

Art	1
Graphic Design	2
Interior Architecture	1
Studio Art	3
Theater	1



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Source: Ohio Athletics Office of NCAA Eligibility and Student-Athlete Success

# Student-Athletes Per Major

## Health Sciences and Professions

Applied Nutrition	3
Athletic Training	2
Child and Family Studies	3
Communication Sciences	6
Community Health Services	2
Exercise Physiology	9
Family Studies	1
Health Services Administration	28
Long Term Health Care Admin	1
Nursing	3
Nutrition	1
Pre Athletic Training Education	2
Pre Exercise Physiology	19
Pre Nursing	3
Undecided-HSP	2

## **Graduate College Health Sciences and Professions**

Coaching Education	3
Recreation Studies	1

## Honors Tutorial

Biological Sciences	1
English	1

## University College

Pre-Engineering	2
Specialized Studies	9
Undecided	42



# Practice Hours

NCAA rules limit practice hours

- 20 hours per week during the season
- 8 hours per week when teams are not in season

Activity during out-of-season vacation periods, including summer, is voluntary for Student-Athletes.

- Monitored through JumpForward software, a program that allows coaches to track Student-Athletes on an individual basis
- Compliance staff conducts random practice checks





# Progress Toward Degree

## Degree Completion Requirements

- 24 hour rule: Student-Athletes must complete a minimum of 24 semester hours of academic credit prior to the beginning of their second year of enrollment
- 18 hour rule: Student-Athletes must complete 18 semester hours of academic credit during each regular academic year

## 6 Hour Requirement

- To be eligible for competition, a Student-Athlete must complete a minimum of six hours of academic credit in the previous full-time term of enrollment
- Credit hours must be degree applicable once a major is declared, otherwise, the credit hours may apply to any degree

## 9 Hour Football Requirement

- To be eligible to compete in the first four contests against outside competition in the following playing season, a football Student-Athlete must complete a minimum of nine semester hours of academic credit during the fall term.
- A student-athlete may regain eligibility to compete in the third and fourth contests, provided the Student-Athlete completes 27 semester hours of academic credit prior to the beginning of the next fall term. Credit hours must be degree applicable once a major is declared, otherwise, the credit hours may apply to any degree.

## NCAA Progress Towards Degree Requirements

- 40% of degree requirements prior to the start of fifth semester (48 credits)
- 60% of degree requirements prior to the start of seventh semester (72 credits)
- 80% of degree requirements prior to the start of ninth semester (96 credits)



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# Academic Support

## To ensure academic progress and success:

- Tutoring services are provided free of charge for all Student-Athletes
- Coaches and Sport Administrators are emailed study hall hours, meeting notes, and grades every Friday
- Vital academic concerns are relayed to coaches immediately
- Professors of all Student-Athletes are asked to complete online midterm progress reports
  - Student-Athletes earning a grade of C+ or below are contacted
  - Coaches are notified of all grades
- NCAA Eligibility and Student-Athlete Success staff generates and distributes travel letters informing each professor when a Student-Athlete will be missing class due to competition-related travel
- NCAA Eligibility and Student-Athlete Success staff assists Student-Athletes with any issues resulting in missed classes due to competition-related travel



# Academic Support

## Mandatory study hall for first semester (Freshmen and Transfers)

Student-Athletes complete either five or seven hours of study hall per week during the their first semester. The length of time is based on their incoming GPA and test scores.

5-Hour Study Hall Group – Student-Athletes are required to attend scheduled weekly meetings with an NCAA Eligibility and Student-Athlete Success coordinator for approximately 15 minutes to discuss courses, collect grades, review their to-do list, and assist in coordination of tutors if necessary.

7-Hour Study Hall Group – Student-Athletes are required to attend scheduled weekly meetings with an NCAA Eligibility and Student-Athlete Success coordinator for 30-45 minutes (Academic Weekly Meeting), which is a more concentrated and thorough version of the above description.

## After the first semester

If cumulative grade point average ever falls below 2.6, the Student-Athlete must:

- Complete 5 hours of study hall each week if his/her cumulative GPA is between 2.59 – 2.25
- Complete 7 hours of study hall each week if his/her cumulative GPA is below 2.25
- Attend Academic Weekly Meetings
- Attend tutoring



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# Institutional Control

## The Purpose

### NCAA Constitution, Article 2.1:

Responsibility for Control. It is the responsibility of each member institution to control its intercollegiate athletics program in compliance with the rules and regulations of the Association. The institution's president or chancellor is responsible for the administration of all aspects of the athletics program, including approval of the budget and audit of all expenditures.

### NCAA Bylaw 6.01.1:

The control and responsibility for the conduct of intercollegiate athletics shall be exercised by the institution itself and by the conference(s), if any, of which it is a member. Administrative control or faculty control, or a combination of the two, shall constitute institutional control.

# Institutional Control

## Defined and Maintained

Institutional control is defined by:

- The formal institutional policies and procedures in place at time of violation
- Whether those policies and procedures, if adequate, were being monitored and enforced

## Maintaining Control

- An institution must:
  - *Develop and adhere* to adequate compliance measures
  - *Convey* these measures to those who need to be aware
  - *Monitor* to ensure measures are being followed
  - *Take swift action* upon learning of a violation



# Institutional Control

## Current Systems

- Ohio University Internal Audit reviews ICA Compliance (completed in August 2012, with no findings)
- Received NCAA Certification in 2009
- Compliance Manual maintained on OhioBobcats.com
- Policy Manual & Employee Code of Conduct for Athletics
- An external review of compliance is conducted every four years and submitted to the President (MAC, 2010)
- An external review of academics is conducted every four years (Campus Committee, 2010)
- Commitment to Compliance in every job description and posting
- Background checks prior to hiring
- MAC Committee on Infractions



# Institutional Control

## Current Systems

- Staff attends NCAA Regional Rules Seminar annually
- Coaches meetings held monthly for rules education
- All-Staff meetings held quarterly for rules education
- Team meetings at least twice per year
- President meets annually with all staff
- Institutional Equity meets annually with all staff
- Other campus offices meet with coaches and ICA staff (e.g., Diversity)
- Athletic Department is under direct supervision of the President
  - Athletic Director meets with President twice a month
  - Athletic Director is on President's Executive Staff
- Athletic Department Executive Staff serve on numerous campus committees



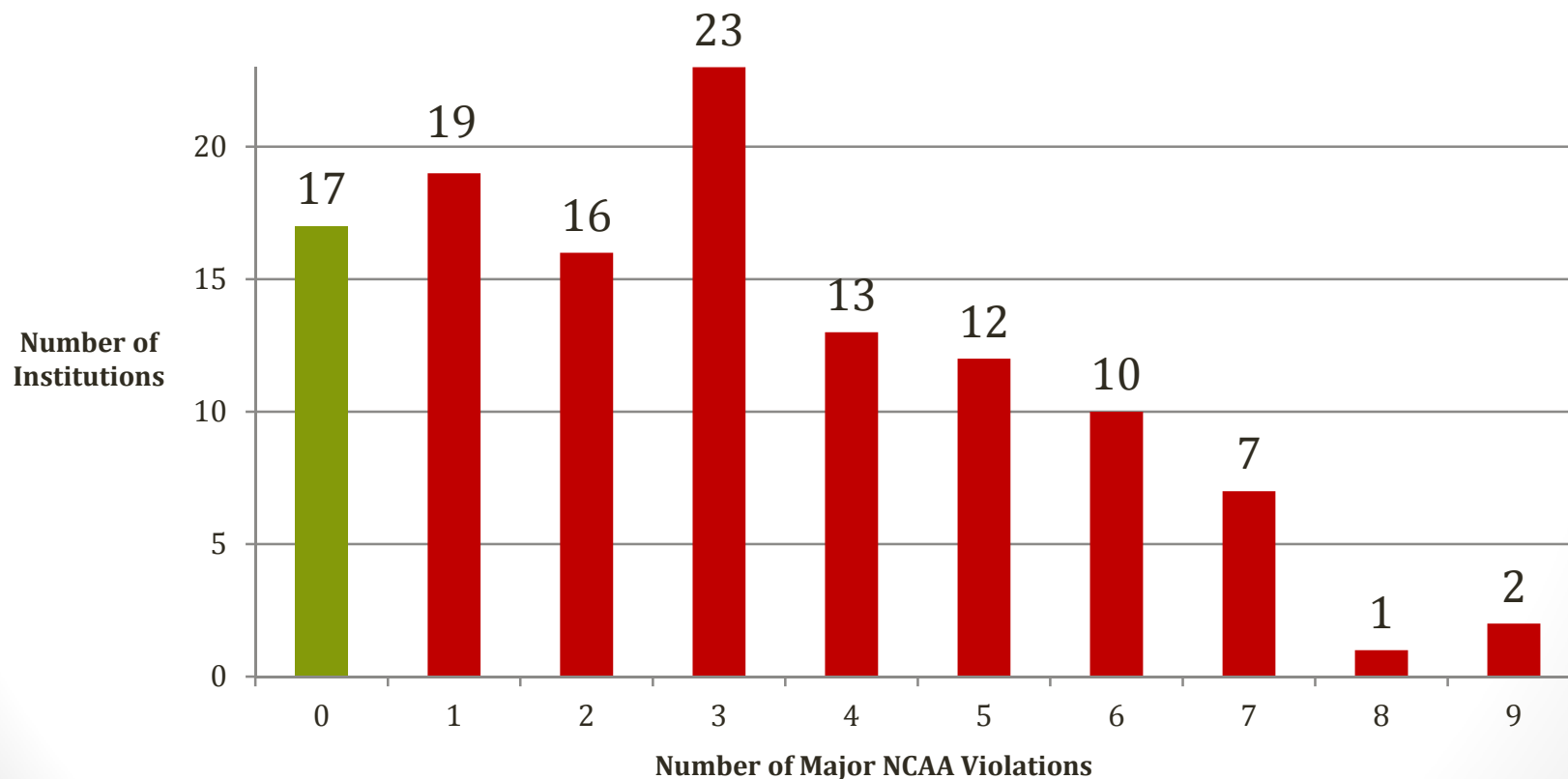


# NCAA Compliance

## No major NCAA violations

A major violation is a violation considered intentional or systematic, is intended to provide recruiting, competitive or other advantage, and includes any significant impermissible benefit.

Ohio University is one of only 17 out of 120 Division I-A (FBS) schools to have *never* committed an NCAA major violation.



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Sources: National Collegiate Athletic Association

# Staff Involved with Compliance

## Athletics Contingent

- Associate AD of Compliance & Director of Compliance
  - Associate AD has dotted line report to University Counsel
- Three full-time NCAA Eligibility and Academic staff members monitor NCAA progress toward degree requirements
- Four Learning Specialists

### Compliance

**TBA**, Associate Athletics Director

**Erik Hildebrand**, Director of Compliance

### NCAA Eligibility & Student-Athlete Success

**Randee Duffy**, Associate Athletics Director

**Jenny Polak**, Assistant Director

**Zach Rost**, Coordinator

**Kristin Arnold**, Learning Specialist

**Elizabeth Conard**, Learning Specialist

**Hope Howell**, Learning Specialist

**Brittany Tyree**, Learning Specialist



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# Staff Involved with Compliance

## University Contingent

- Liaison with Registrar certifies eligibility
- Two Faculty Athletic Representatives (FARs)
  - Eligibility Certification
  - Waiver Oversight
  - Violation Oversight
  - Involved with APR and other academic issues
  - Serve on MAC Infractions Committee
- University faculty and staff helps to monitor financial aid and University admissions policy

### Certifying Registrar/ Faculty Athletics Representatives

**Brittany Armann**

Academic Records & Athletic Eligibility Coordinator

**Ann Gabriel (FAR)**

Director, School of Accountancy

**Bob Colvin (FAR)**

Professor, Biological Sciences

### NCAA Certifying College Officers

<b>Arts &amp; Sciences</b>	Randy Price
<b>Business</b>	Lori Mardis
<b>Center for International Studies</b>	Laura Schaeffer
<b>Communication</b>	Anita James
<b>Education</b>	Greg Moeller
<b>Engineering</b>	Jeff Giesey
<b>Fine Arts</b>	Norma Humphreys
<b>Health Sciences &amp; Professions</b>	Becky Zuspan
<b>Honors Tutorial College</b>	Jan Hodson
<b>University College</b>	Greg Lester



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# Athletics Intersects with Academics

## A sampling of how Athletics and Academics converge

- Experience provided by Athletics enhances what is taught in a textbook and offers students multifaceted opportunities in their chosen fields with a great deal of responsibility, better positioning them for employment after graduation
- Members of the Ohio Athletics Sports Medicine staff provide clinical education to Athletic Training students
- Assistant Athletics Director for Multi-Media Marketing provides technical and artistic instruction on an individual and group basis to students in the area of Media Arts and Studies
- Senior Associate Athletics Director for Development teaches Fundraising to students in the Center for Sports Administration
- Athletics provides the Graduate Coaching Education and Center for Sports Administration programs with graduate assistant positions, having students assume full responsibilities as a Division I assistant coach or administrator



# Learning Laboratory

Learning Laboratories are a focused and hands-on learning experience for students.

Athletics functions as a learning laboratory for Ohio University graduate and undergraduate students to explore real-life conditions through academic practicum and employment opportunities.

Paid	
Academic Services Tutor (more than 20 hours per week)	7
Academic Services Tutor (less than 20 hours per week)	200
Bobcat TV Assistant	2
Box Office Assistant	2
Equipment Assistant	3
Facilities Assistant	1
Graduate Assistant	23
Photographer	4
Replay-Stream Operator	1
Softball Operations Assistant	1
Team Managers	9
Video Editor	1
Wrestling Ops Assistant	3
Unpaid	
Academic Specialist	1
Athletic Trainers	19
BobcatTV Production	1
Camera Operator	1
Compliance	4
Dance Team	15
Development	1
Live Production Editor	1
Media Relations Assistants	5
Team Managers	20
Ticket Operations	5
Video Board Production	1
Video Editor	1
Total Ohio Students 2012-13	457



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# **Ohio University Internal Audit**

Audit of Intercollegiate Athletics Compliance Office



# OHIO UNIVERSITY

## Internal Audit

1 Ohio University  
WUSOC 275  
Athens OH 45701.2979

September 4, 2012

Mr. Jim Schaus  
Director of Athletics  
Convocation Center S124  
Athens, OH 45701

Dear Mr. Schaus:

This is the final report for the audit of Intercollegiate Athletics related to Eligibility Certification (i.e., initial, continuing and transfer) and Academic Performance Program procedures. It is substantially the same as the draft we discussed.

In accordance with Internal Audit operating procedures, copies of this report are also available to the full Board of Trustees and the Auditor of State.

We have truly appreciated the interest and assistance you provided throughout our engagement and we look forward to working with you again.

Sincerely,

A handwritten signature in black ink that reads "Jeffrey A. Davis".

Jeffrey A. Davis, CPA, CIA, CISA, CFE  
Chief Audit Executive

cc: Ms. Julie Allison  
Mr. Michael Angelini  
Dr. Pam Benoit  
Mr. David Brightbill  
Mr. J. Patrick Campbell  
Mr. Stephen Golding  
Dr. Gene Harris  
Ms. Diana Hisey  
Ms. Jennifer Kirksey  
Dr. Kevin Lake  
Dr. Peter Mather  
Dr. Roderick McDavis  
Ms. Amanda Roden  
Ms. Tricia Turley Brandenburg  
Ms. Dawn Weiser  
Deans  
External Auditors  
Vice Presidents



**Ohio University Internal Audit  
ICA Compliance  
Audit Report  
September 2012**

**OVERALL AUDITOR OPINION RATING**

Meets Expectations

**OBJECTIVE AND SCOPE**

As a public institution, the University is held to a high level of public scrutiny and accountability. University officials are responsible for providing assurance that internal controls and risk management processes relevant to fiscal management and oversight are sufficient and consistent with the University's mission. The Office of Internal Audit (IA) has been assigned the responsibility of providing an independent, objective assessment of management activities and expenditures to determine if senior University administrators are taking the necessary steps to provide assurance that resources are managed effectively and in accordance with all applicable University rules, regulations and procedures. In conjunction with this responsibility, we performed a compliance audit of selected processes of the Intercollegiate Athletics Compliance Office.

This audit was conducted in compliance with Institute of Internal Auditing standards and the 2011-12 NCAA Division I Manual. Per Bylaw 22.2.1.2 (e) of the 2011-12 NCAA Division I Manual, "at least once every four years, its rules-compliance program is the subject of evaluation by an authority outside the athletics department. The evaluation shall include a review of the following program areas:

- 1) Governance and organization;
- 2) Initial-eligibility certification;
- 3) Continuing-eligibility certification;
- 4) Transfer-eligibility certification;
- 5) Academic Performance Program;
- 6) Financial aid administration, including individual and team limits;
- 7) Recruiting (e.g., contacts and evaluations, official and unofficial visits);
- 8) Camps and clinics;
- 9) Investigations and self-reporting of rules violations;
- 10) Rules education;
- 11) Extra benefits;
- 12) Playing and practice seasons;
- 13) Student-athlete employment
- 14) Amateurism; and
- 15) Commitment of personnel to rules-compliance activities."

In order to comply with the NCAA Division I Bylaws, IA will audit these program areas on a rotational basis within the prescribed four year time frame. For FY12, IA performed the review as a normal part of our audit process following the Association of College and University Auditors NCAA Division I Compliance Audit Guide for Eligibility Certification (i.e., initial, continuing, and transfer) and Academic Performance Program procedures. Due to limitations with the availability of records through the NCAA website, compliance steps related to the Student-Athlete Statement and the Drug-Testing Consent Form will be tested at a future date.

**Ohio University Internal Audit  
ICA Compliance  
Audit Report  
September 2012**

We interviewed administration and staff regarding business and other processes. We reviewed financial and student data from FY11 and FY12 and examined samples of documents supporting operations; such as eligibility forms, participation forms, squad lists, and academic data.

**BACKGROUND**

"The mission of the Ohio University Compliance Office is to function within the scope of the University to coordinate, monitor and verify compliance with all National Collegiate Athletic Association (NCAA), Mid-American Conference (MAC) and University rules, regulations and policies." (Excerpt from Ohio Bobcats Compliance website).

**CONCLUSION**

It is important to note that the compliance review is intended to assist Ohio University with examining and improving its compliance program. As such, even the most sound compliance program cannot eliminate completely an institution's vulnerability to inadvertent rules violations. This compliance review is intended to reveal possible institutional vulnerabilities, thus allowing the institution to address these concerns by enhancing internal policies and procedures.

Management has established a positive control environment and IA noted no opportunities for significant or minor improvement. In addition, IA noted no vulnerabilities in the performance of this compliance audit related to Eligibility and the Academic Performance Program.

**Ohio University Internal Audit  
Auditor's Overall Opinion Rating Guidelines  
Appendix A**

The following rating guidelines identify Internal Audit's overall opinion of the unit. The opinion is a compilation of the evaluation of the review of each business operation within the unit.

**1. Exceeds Expectations**

- Monitoring is in place and the control environment is effective
- Management actively seeks control improvements

**2. Meets Expectations**

- Some monitoring is in place; internal controls are generally effective
- Management is developing internal control improvements

**3. Needs Improvement**

- Monitoring is not routine
- Control improvements are considered only when control weaknesses are discovered
- Operational success could be negatively impacted and reputational risk is increased if controls are not strengthened

**4. Inadequate**

- Little monitoring takes place
- Controls show critical weakness, putting the success of the operation at risk and increasing financial and reputational risk

The following should be considered in evaluating the effectiveness of the controls for **each business operation**:

1. Proportion of significant observations
2. Repeat observations from prior audits
3. Existence of monitoring
4. Management actions to improve the control environment

Note: Fraud identified during an audit will automatically result in an overall rating of inadequate.



## **Interoffice Communication**

**Date:** January 18, 2013

**To:** The President and Board of Trustees

**From:** Pamela J. Benoit, Executive Vice President and Provost

**Re:** **Scholarship Task Force Update**

The Scholarship Task Force is charged with developing a new scholarship program for Ohio University that takes into consideration student access, affordability and the ability to remain competitive by meeting the goals of the Strategic Enrollment Management Plan.

This presentation will cover the overview of the work done to date by the task force and the steps moving forward toward the final recommendations of the committee.

The presentation will provide an update to the ongoing efforts of the Student Scholarship Task Force and will demonstrate:

1. The current scholarship model provides clear guidelines for students but is overly restrictive.
2. A need to be more competitive and meet student's affordability and enrollment decisions on a per-student basis will be the outcome of a new scholarship model that is being developed.
3. The Student Scholarship Task Force is in the process of analyzing these issues and will recommend a new model by June 30<sup>th</sup>.

# Scholarship Task Force Update



Tab

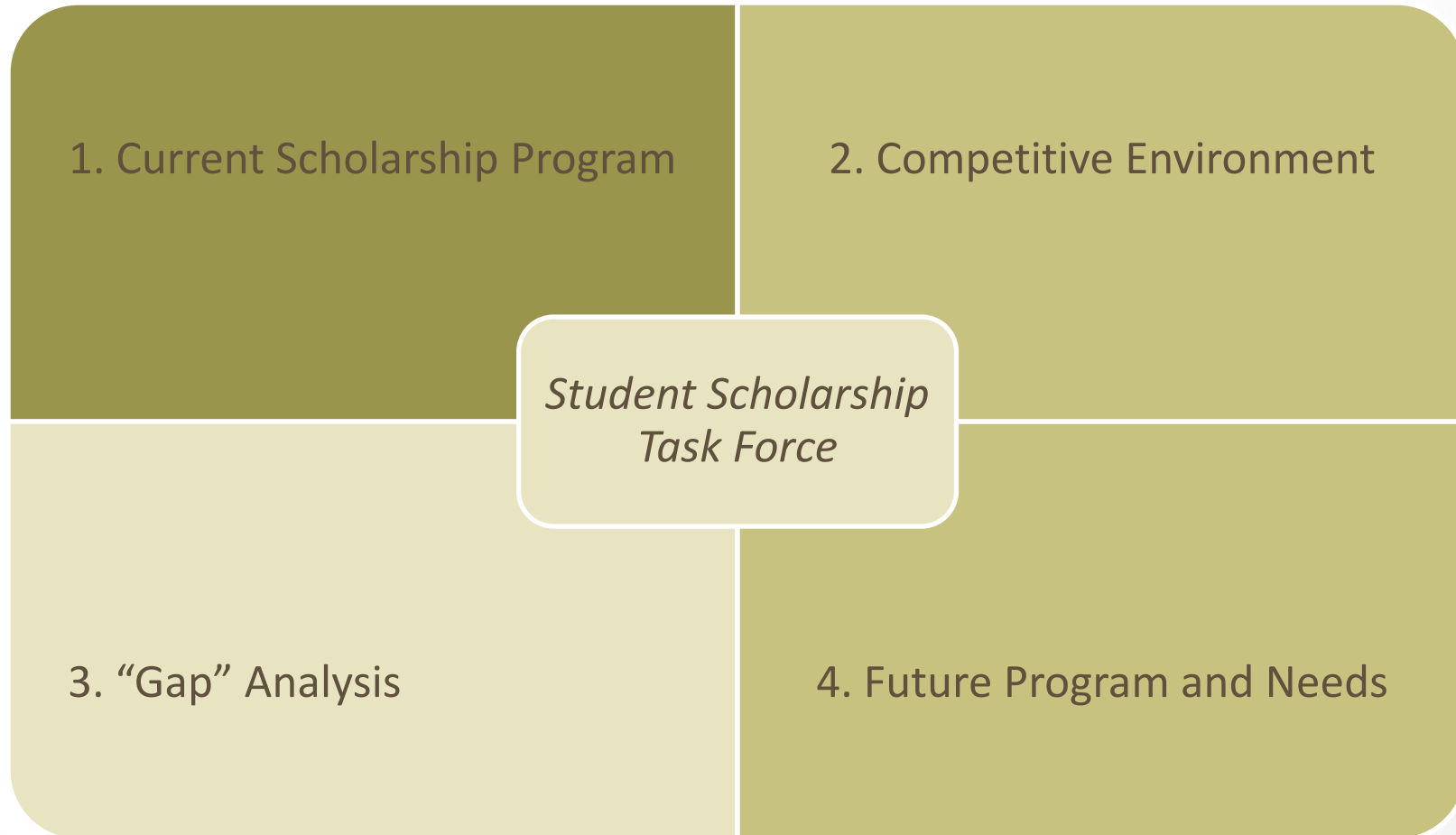
*Craig Cornell, Vice Provost for Enrollment Management*

( 1 )



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# Scholarship Programs at Ohio University



# The History of and Current Academic Scholarship Programs



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# Academic Scholarship Programs

The FY13 general fund academic scholarship budget of approximately \$19.5 million is used to leverage our costs and effectively create a discount rate for our students and families. These programs consist of the following categories:

- ***Gateway Programs- Excellence, Scholarship and Trustee - \$12 million annually***
- Fine Arts Talent, Transfer, Upperclass Deans, Targeted Scholarships and various miscellaneous awards - \$7.5 million annually



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# Gateway Award Program

The Gateway Award Program Consists of three tiers:

1. Pure Merit (academic credentials only)

- Gateway Excellence
- Gateway Scholarship
- Gateway Trustee
- Room and Board Discount

2. Merit Blended with Financial Need

- Gateway Grant

3. Pure Financial Need

- OU Bobcat Award



# Gateway Award Program - Current Program

ACT	SAT	Gateway Excellence Scholarships (No Need or No FAFSA)	
		Award	Non-Res Trustee
36	1580-1600	In-state Tuition	\$6,000
35	1530-1570	In-state Tuition	\$6,000
34	1500-1520	In-state Tuition	\$6,000
33	1450-1490	In-state Tuition	\$6,000
32	1400-1440	In-state Tuition	\$6,000

ACT	SAT	Gateway Scholarships (No Need or No FAFSA)		Gateway Grants (FAFSA by 1st Priority Deadline)			OU Bobcat Award	
		Award	Non-Res Trustee	0-2000 EFC	2001-4000 EFC	4001-6000 EFC	0-2000 EFC	2001-4000 EFC
31	1360-1390	\$4,000	\$6,000	\$2,700	\$2,400	\$2,100	\$1,200	\$1,800
30	1320-1350	\$2,000	\$6,000	\$2,400	\$2,100	\$1,800	\$1,200	\$1,800
29	1280-1310	\$1,500	\$6,000	\$2,100	\$1,800	\$1,500	\$1,200	\$1,800
28	1240-1270	\$1,000	\$6,000	\$1,800	\$1,500	\$1,200	\$1,200	\$1,800
27	1200-1230	\$750	\$6,000	\$1,500	\$1,200	\$900	\$1,200	\$1,800
26	1170-1190	\$500	\$6,000	\$1,200	\$900	\$600	\$1,200	\$1,800
25	1130-1160	\$500	\$6,000	\$900	\$600	\$600	\$1,200	\$1,800
<25	400-1120	\$0	\$0	\$0	\$0	\$0	\$1,200	\$1,800



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# Gateway Award Program

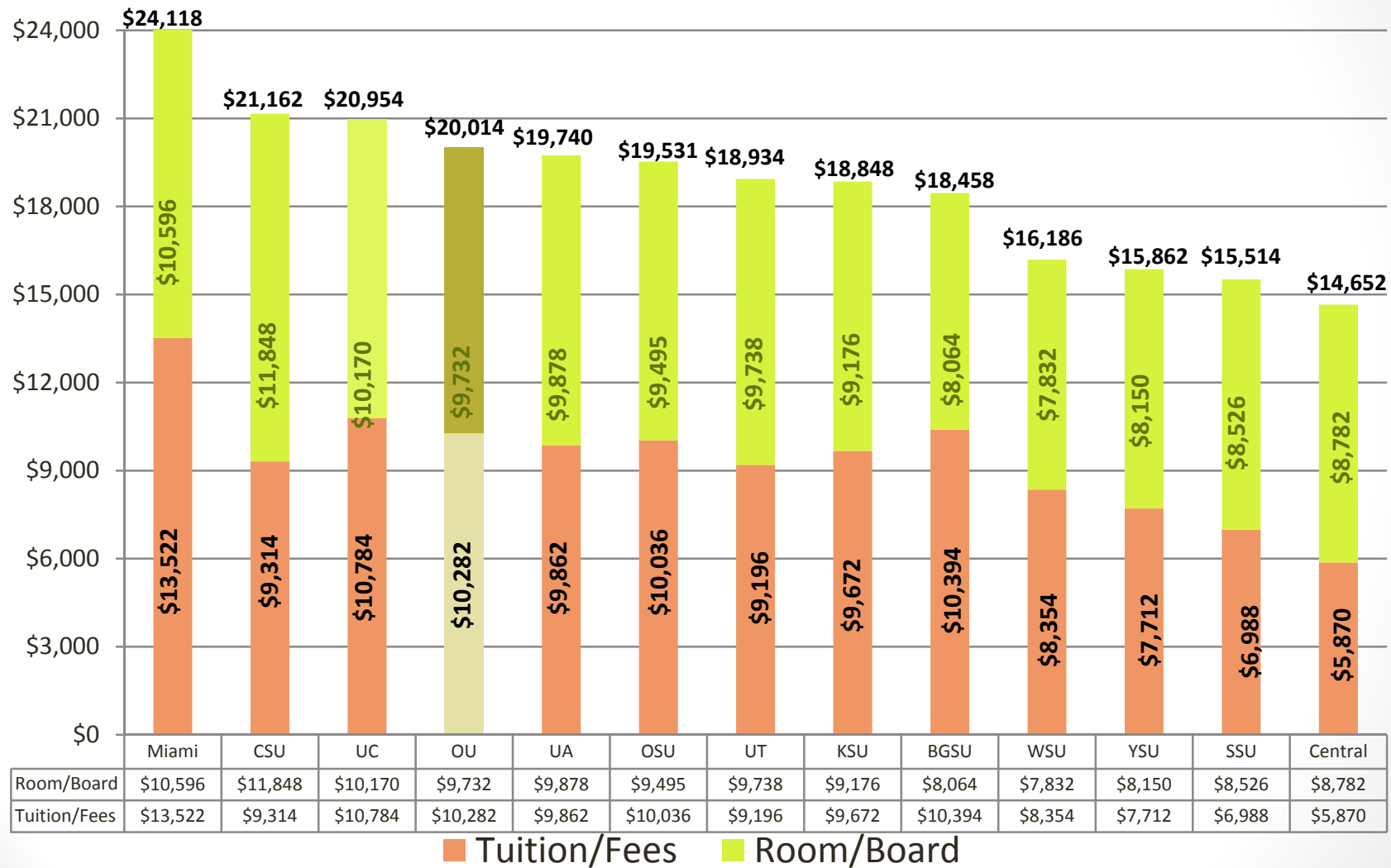
- Pros
  - Clear, published guidelines for merit awards
    - Transparent for students and families
  - In-state tuition for high achievers
  - Generous non-resident award
  - Unique blend of merit and need
    - Need-based awards promote our access mission
  - Clear guidelines allow, to some extent, ease of administration
- Cons
  - The published guidelines are very restrictive
    - No leeway for students who hold high ACT/SAT but miss the 3.0 gpa or have extremely high gpa but below a 25 ACT
    - No ability for case-by-case judgments/exceptions
  - Several levels have lost their “purchasing power” and are no longer competitive with other institutions



# The Current Competitive Environment



# Ohio School Cost Comparison- Total Tuition/Fees + Room/Board Combined Rates – 2012-13



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\* [https://www.ohiohighered.org/files/uploads/financial/Fall\\_12\\_SurveyofCharges.pdf](https://www.ohiohighered.org/files/uploads/financial/Fall_12_SurveyofCharges.pdf)

# The Competitive Environment

Most institutions in Ohio have lower requirements for scholarships and higher award amounts

	Scholarship Award Ranges	Required ACT	Required GPA
University of Akron	\$1000 - \$6000	21+	3.00
Bowling Green State University	\$1000 - \$8000	20+	3.00
University of Cincinnati	\$2000 - \$6000		
Cleveland State University	\$1000 - \$4500	23+	3.00
Kent State University	\$1000 - \$4500	23+	3.25
Miami University	\$2000 - \$13075	26+	3.70
Ohio State University	\$2000 - \$5000	28+	class rank
<b>Ohio University</b>	<b>\$500 - \$4000</b>	<b>25+</b>	<b>3.00</b>
University of Toledo	\$1500 - \$6500	16+	2.75
Wright State University	\$500 - \$18,500	23+	3.00
Youngstown State University	\$1500 - \$4500	22+	3.00





# The Competitive Environment

Students doing on line comparisons can quickly gauge where we are not as competitive with other schools

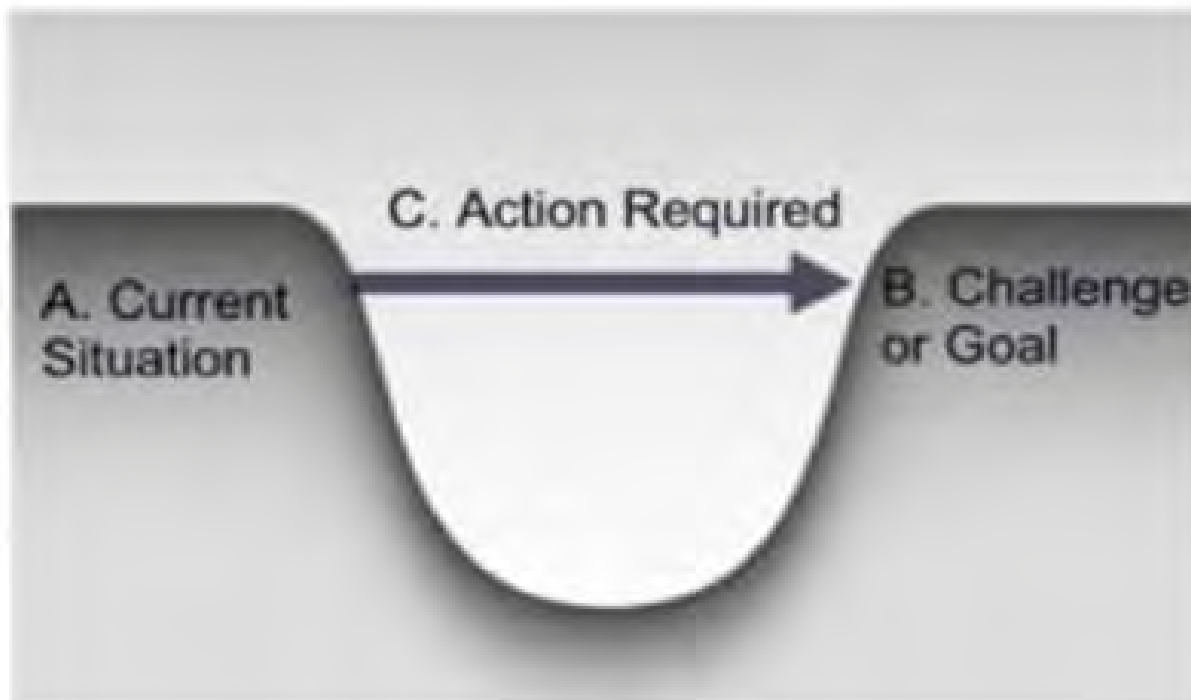
ACT Score*	# of applications in applicant pool for the 2012 class	OU Gateway Program	BGSU on-line calculator	Difference
25	1285	\$500	\$1,000	(\$500)
26	1033	\$500	\$1,000	(\$500)
27	933	\$750	\$4,000	(\$3,250)
28	709	\$1,000	\$4,000	(\$3,000)
29	510	\$1,500	\$4,000	(\$2,500)
30	378	\$2,000	\$4,000	(\$2,000)
31	272	\$4,000	\$4,000	Even
32	269	In-State Tuition	\$4,000	Approx. \$6,000
33	147	In-State Tuition	\$4,000	Approx. \$6,000
34	67	In-State Tuition	\$6,000	Approx. \$4,000
35-36	19	In-State Tuition	\$6,000	Approx. \$4,000



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\* ASSUME 3.0 GPA

# “Gap” Analysis



# “Gap Analysis”

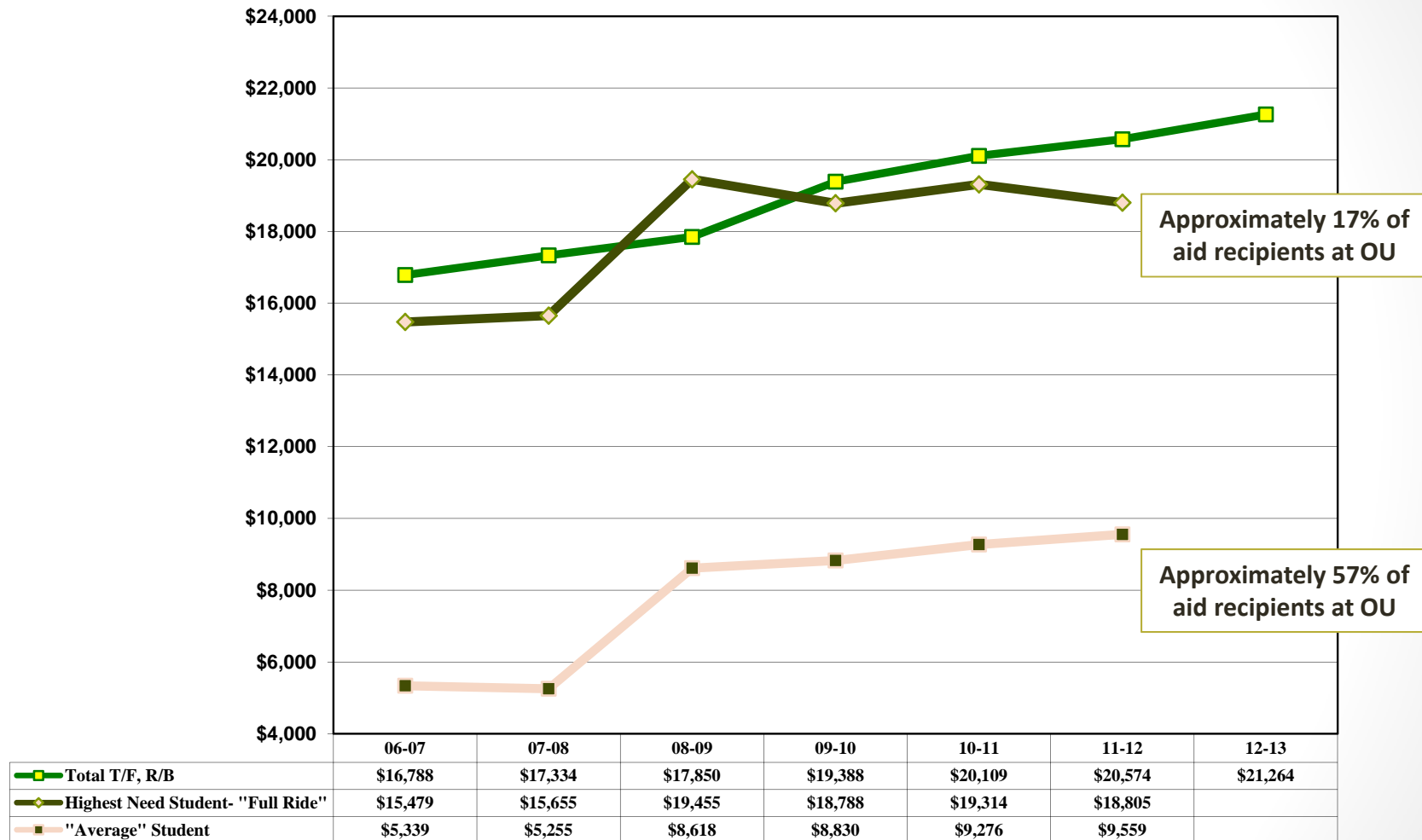
The good news is that we continue to commit unrestricted institutional dollars to discount our tuition:

NACUBO and College Board Definition of Discount Rate:			
Total Discount Rate =		$\frac{\text{Total Institutional Grant Aid}}{\text{Total Gross Tuition and required fee revenue}}$	
<a href="http://www.collegeboard.com/prod_downloads/press/tuition-discounting.pdf">http://www.collegeboard.com/prod_downloads/press/tuition-discounting.pdf</a>			
DATA SHARED WITH BOARD OF TRUSTEES IN THE DASHBOARD - provided by Finance and Administration:*			
Year	Total Undergraduate Gross Tuition and Required Fee Revenue*	Total Institutional Scholarship and Grant Aid for Undergraduate Students**	Discount Rate for Undergraduate Athens Students
2006-7	\$ 240,990,636	\$ 39,543,722	16.4%
2007-8	\$ 257,254,813	\$ 39,514,236	15.4%
2008-9	\$ 262,264,797	\$ 46,280,584	17.6%
2009-10	\$ 277,553,921	\$ 47,959,272	17.3%
2010-11	\$ 303,352,545	\$ 57,466,229	18.9%
2011-12	\$ 331,064,132	\$ 63,729,790	19.2%
* Ohio University Consolidated Statement of Activities; Includes all tuition and fees and what is called "scholarship allowance"			



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## Undergraduate Tuition, Room, and Board Expenses Comparison Freshman Highest Need Student with a “Full Ride” vs. “Average” Student with Standard Student Loan and OU Discount Rate

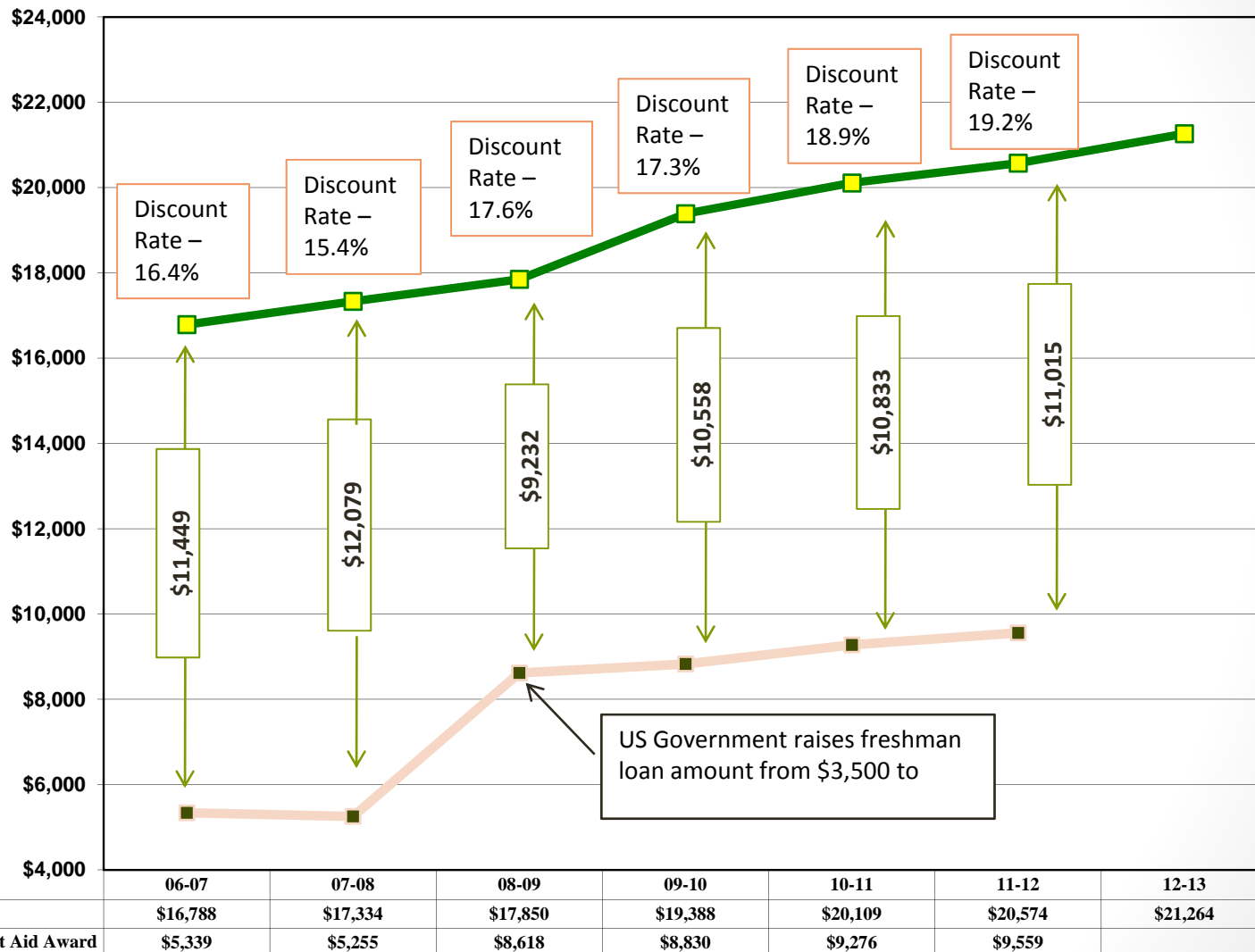


Source: Student Financial Aid Office \*06-07 and 07-08 figures represent maximum OCOG vs. OIG awards



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## Undergraduate Tuition, Room, and Board Expenses Comparison Average Student Aid Award (Freshman Loan and Average Discount Rate)



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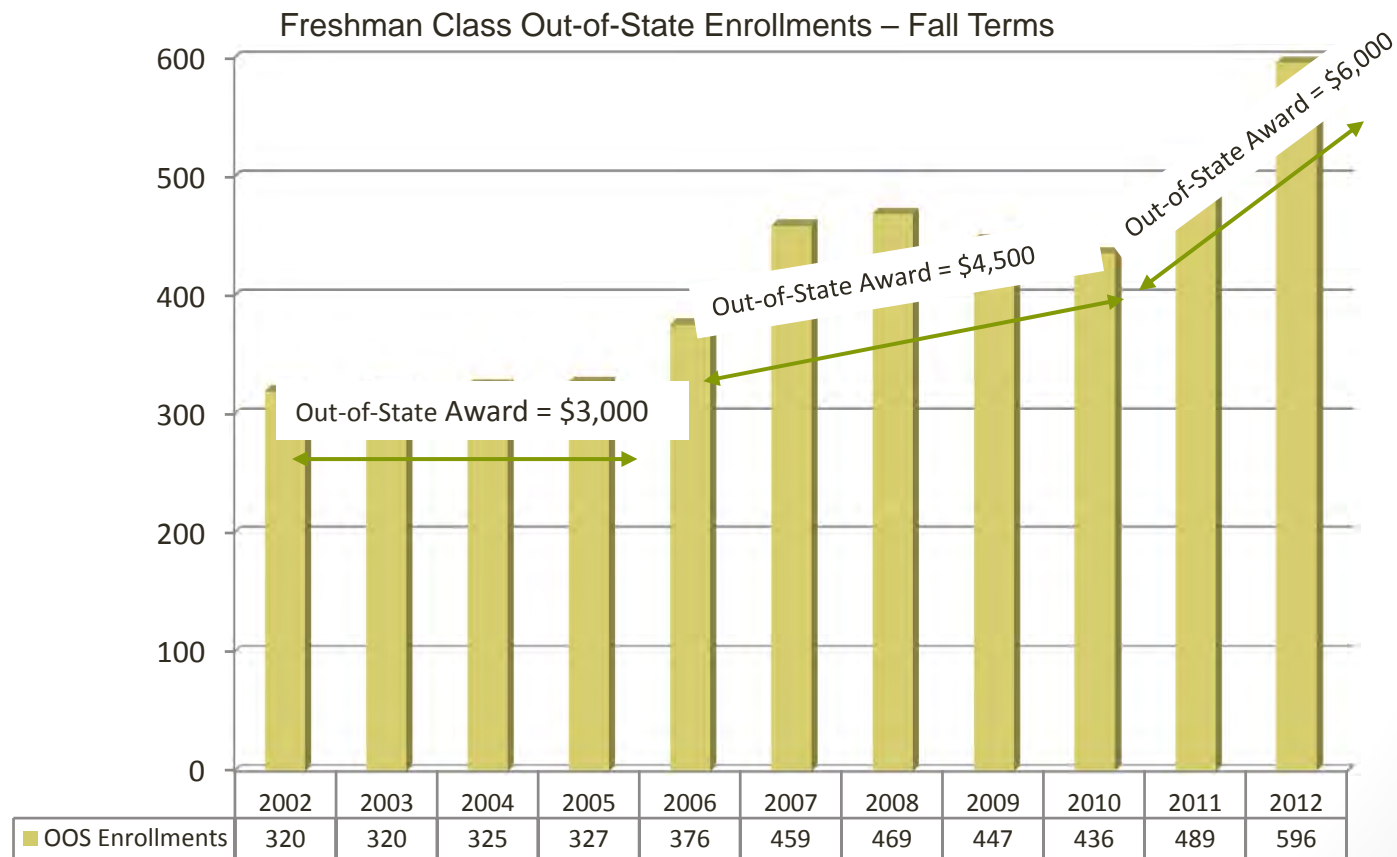
# Future Program and Needs



# Future Program and Needs

When we have made strategic changes, in alignment with our SEMP to our scholarship programs, we have seen success:

- Raised Gateway Trustee (Out-of-State Surcharge) Awards over the years

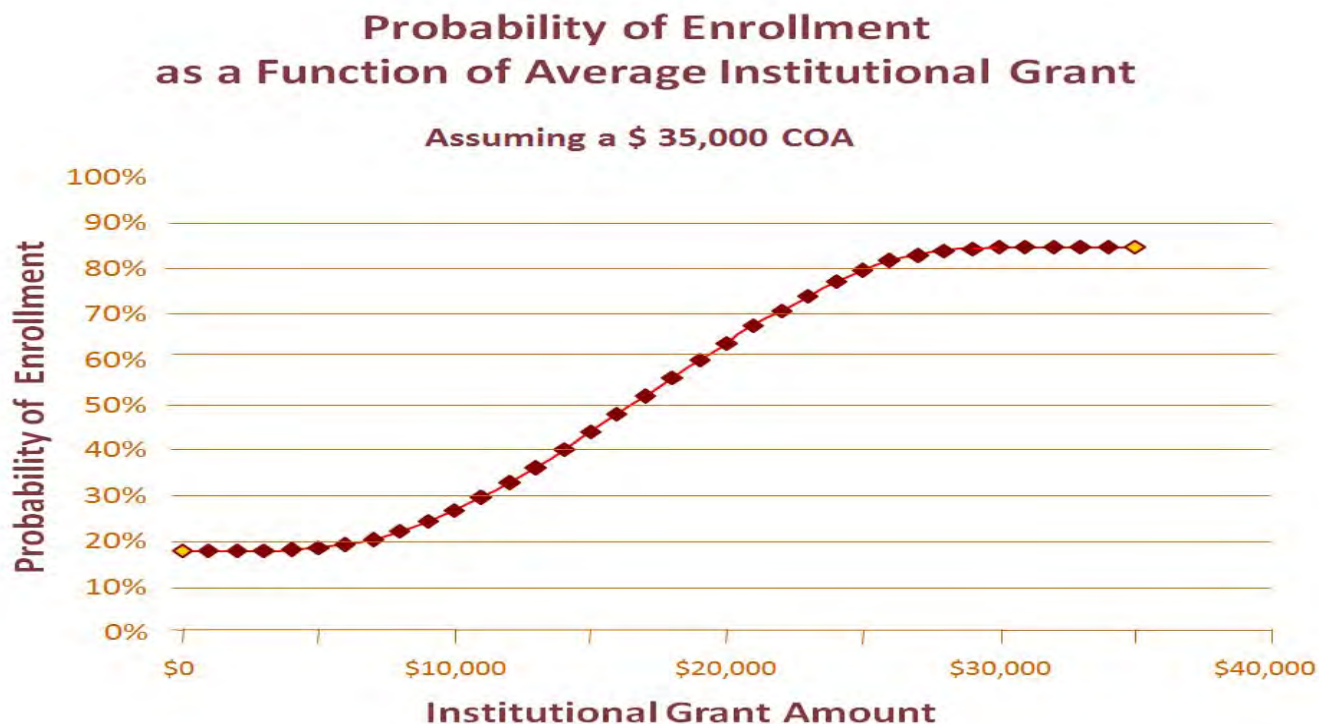


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# Future Program and Needs

The Student Scholarship Task Force will be making recommendations in the development of a more sophisticated and strategic scholarship program that will allow us to maintain our commitments to affordability, maximize net tuition and remain competitive.

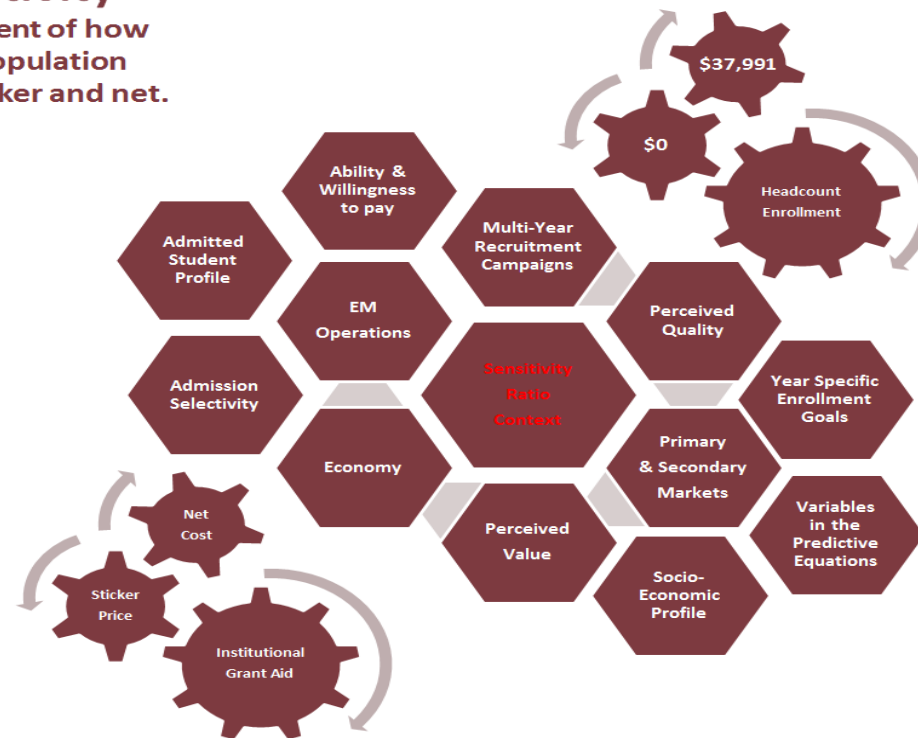


# Future Program and Needs

With consideration being given to all of the factors that affect a student's decision to enroll at Ohio University once admitted- in essence- increase our yield based on various student populations.

## Price/Aid Sensitivity

A statistical measurement of how an admitted student population responds to price – sticker and net.



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# Future Program and Needs

Our new scholarship model will allow us to look at various student populations and determine the student enrollment behavior based on aid received

Student Population #1	Yield=24.8% Avg Grant: (E)=\$5,402 (N)=\$3,424
-----------------------------	---

Yield- Admitted to Enrolled Percentage

(E)- Average institutional aid for those that enrolled

(N)- Average institutional aid for those that did not enroll

Note: Not OU Data

This model will inform us where our aid programs are effective by showing many different data elements. It will inform us the best ways to leverage our costs and meet our enrollment goal for various cohorts taking price sensitivity into consideration.



# Future Program and Needs

Preliminary analysis is showing us some encouraging things:

- Students are price sensitive but we do very well considering that and in comparison to other schools due to the strong academic reputation of OU.
- Competitive pressures and a locked scholarship model do not allow us to be flexible enough to meet students on a student-by-student basis and make individual adjustments to meet enrollment goals
- Students may be opting out of even applying to OU for fear that there is not enough financial aid when looking at our current awarding structure
- Targeted scholarship enhancements ranging from \$1,000 - \$3,500 above current scholarship awards can make a large difference in our student yields for many of the populations



**OHIO**  
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# Student Scholarship Task Force Membership

- Mike Angelini, Assoc. VP for Finance
- Hala Annabi, Assoc. Professor, MIS, College of Business
- Candace Boeninger, Asst. VP for Enrollment and Director of Undergraduate Admissions
- Candice Casto, Director of Investments and Endowed Operations
- Craig Cornell, Chair, Vice Provost for Enrollment Management
- Jim Fonseca, Interim Exec. Dean for Regional Higher Education
- Laurie Hatch, Chair, Department of Sociology and Anthropology
- Jim Hill, Assoc. VP for Development and Campaign Manager, University Advancement
- Norma Humphries, Assistant Dean, College of Fine Arts
- Jill Lallier, Assoc. Director of Operations, Student Financial Aid and Scholarships
- Valerie Miller, Director, Student Financial Aid and Scholarships
- Cecil Walters, Director, Office of Multicultural Student Access and Retention
- Mike Williford, Associate Provost for Institutional Research and Assessment



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## **Interoffice Communication**

**Date:** January 18, 2013

**To:** The President and Board of Trustees

**From:** Pamela J. Benoit, Executive Vice President and Provost

**Re:** **AQIP Update**

Nationally and regionally, accreditation is changing to meet the changing needs of higher education. Some key events will take place in the next two years involving Ohio University's accreditation with the Higher Learning Commission (HLC) of the North Central Association of Colleges and Schools.

The HLC is changing its approaches or "Pathways to accreditation. One such pathway, Academic Quality Improvement Project (AQIP), in which Ohio University has been involved since 2002, remains a viable choice for institutional accreditation. However, the Criteria for Accreditation are changing significantly beginning January 1, 2013. As an AQIP institution, Ohio University is scheduled to participate in exercises designed to demonstrate how it meets these Criteria between now and in 2015.

This update is designed to communicate to the Board how the University is preparing to meet these requirements and successfully gain reaffirmation of accreditation with the HLC. The attached presentation gives the highlights of Ohio University's AQIP accreditation participation.

# AQIP Update

Tab

[ 1 ]



# AQIP Update



Alteration and/or unauthorized use prohibited.

[ 2 ]





# Accreditation purposes

- Accreditation enables Ohio University to do the following:
  - Students are eligible for federal financial aid
  - Articulate transfer credits from other accredited colleges & universities
  - Recruit and retain qualified students
  - Place students in accredited graduate schools and employment
  - Faculty/staff are eligible to receive federal and other grants
  - Recruit and retain qualified faculty
  - Demonstrate that it is committed to meeting stringent quality criteria
  - Demonstrate that it is committed to continuous quality improvement
- Accreditation is voluntary yet required for a university to fully function in the 21<sup>st</sup> century



[ 3 ]

# Types of Accreditation

- Institutional (institution-wide) accreditation
  - All locations of Ohio University
  - All programs and services
  - Academic and academic support units
- Specialized (discipline-specific) accreditation
  - Only particular disciplines, departments, or programs
  - Not available for all disciplines
  - About 40 Ohio University programs have specialized accreditation



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## Accreditation of Ohio University

- Ohio University is accredited by the Higher Learning Commission (HLC) of the North Central Association of Colleges and Schools (NCA)
- The HLC is responsible for accrediting over 1,000 public and private colleges and universities in 19 states
- It is one of six regional accrediting associations in the US
- Ohio University has been continuously accredited by the HLC since 1913
- Since 2002, Ohio University has been a member of the Academic Quality Improvement Program (AQIP), an accreditation pathway through the HLC

[ 5 ]



## What is AQIP?

- AQIP, or the Academic Quality Improvement Program, is the accreditation pathway which Ohio University is following
- Institutions who have strong records of maintaining accreditation through HLC are **invited** to join AQIP
- Ohio University was invited to join AQIP in 2002
- In AQIP, institutions accept a philosophy of “Continuous Improvement” and work on defined short term (1-3 year) “Action Projects” of the institution’s choosing
- Institutions who participate in AQIP maintain continuous accreditation by HLC; their accreditation is reaffirmed every 7 years
- Ohio University’s accreditation was last reaffirmed in 2009

[ 6 ]



## AQIP Action Projects

- Current Action Projects:
  - Quarters to Semesters
  - Academic Support Unit Program Review
  - Sustainability
- Completed Action Projects:
  - Student Engagement
  - First Year Experience
  - Faculty Engagement
  - Facilities Planning
  - Graduate Education Review
  - Centers of Excellence
  - Common Learning Objectives
  - General Education Assessment



[ 7 ]

## Important upcoming AQIP Dates

- 2013-15 Preparation
  - Adapt to new HLC Criteria for Accreditation
  - Participate in AQIP activities
  - Prepare required AQIP Systems Portfolio
  - Prepare for Site Visit
- 2014-15 AQIP Requirements
  - Quality Checkup Site Visit
  - Strategy Forum
  - Systems Portfolio
- 2015-16 Reaffirmation of Accreditation



[ 8 ]

# New HLC Criteria for Accreditation

Effective January 1, 2013

## 5 Criteria with 21 Core Components

1. Mission - The institution's mission is broadly understood within the institution and guides its operations.
2. Integrity: Ethical and Responsible Conduct - The institution acts with integrity; its conduct is ethical and responsible.
3. Teaching and Learning: Quality, Resources, and Support - The institution provides high quality education, wherever and however its offerings are delivered.

[ 9 ]



# New HLC Criteria for Accreditation

Effective January 1, 2013

## 5 Criteria with 21 Core Components

4. Teaching and Learning: Evaluation and Improvement -The institution demonstrates responsibility for the quality of its educational programs, learning environments, and support services, and it evaluates their effectiveness for student learning through processes designed to promote continuous improvement.
5. Resources, Planning, and Institutional Effectiveness -The institution's resources, structures, and processes are sufficient to fulfill its mission, improve the quality of its educational offerings, and respond to future challenges and opportunities. The institution plans for the future.

[ 10 ]



# Reaffirmation Preparation

- Plan Ahead!
- Appoint institutional accreditation coordinator
- Appoint AQIP advisory committee
- Review previous HLC feedback reports
  - Identify evidence of recommendations followed
  - Identify remaining issues to address
- Increase Awareness & Understanding of Accreditation & AQIP
- Incorporate New Criteria for Accreditation
  - Compile into Systems Portfolio
  - Build body of evidence for Site Visit
- Prepare Ohio University community for Site Visit

{ 11 }

**COLLEGE OF BUSINESS  
NAME CHANGE FOR THE  
MANAGEMENT SYSTEMS DEPARTMENT**

**RESOLUTION 2013 --**

**WHEREAS**, the faculty in the Management Systems Department in the College of Business feel that the current name fails to cover the scope of the curriculum and research interests of the school; and

**WHEREAS**, the proposed name change would also bring the school in line with similar competing programs around the country; and

**WHEREAS**, the current school designation does not adequately recognize the focus of faculty and their professional activities; and

**WHEREAS**, the faculty have thoroughly discussed the desirability of a change of name for the school, the dean of the College of Business supports this recommendation, and it has been approved by the University Curriculum Committee.

**NOW, THEREFORE BE IT RESOLVED**, that the Management Systems Department be changed to the Management Department.



## **Interoffice Communication**

**Date:** January 18, 2013

**To:** The President and Board of Trustees

**From:** Pamela J. Benoit, Executive Vice President and Provost

**Re:** **Name Change for the Management Systems Department**

A resolution and a letter from the Dean of the College of Business, Hugh Sherman, are attached seeking board approval for changing the name of the Management Systems Department to the Management Department. The letter provides information on the rationale for the name change which has been approved by the University Curriculum Council.





OHIO  
UNIVERSITY

College of Business

Office of the Dean  
Copeland Hall 614  
1 Ohio University  
Athens OH 45701-2979

T: 740.593.2001  
F: 740.593.4489

November 30, 2012

Pam Benoit  
Executive VP and Provost  
Cutler Hall 206  
Athens, Ohio 45701

Re: Name Change – Management Systems Department

We are requesting a name change for the Management Systems department. It is confusing for students and does not reflect their focus on the management disciplines. Therefore we are asking to change the name of the department to Management Department. If you need any other clarification, please let me know.

Thank you for your assistance.

A handwritten signature in black ink, appearing to read "Hugh D. Sherman".

Hugh D. Sherman, PhD  
Dean, College of Business

**COLLEGE OF BUSINESS  
MANAGEMENT DEPARTMENT  
INTERNATIONAL BUSINESS CERTIFICATE**

**RESOLUTION 2013 –**

**WHEREAS,** the Management Department has proposed offering an undergraduate International Business Certificate, and

**WHEREAS,** the proposed certificate has the support of the Faculty and Dean of the College of Business, the University Curriculum Council, and the Executive Vice President and Provost, and

**WHEREAS,** this program reaches beyond the College of Business, providing undergraduate students from various disciplines an opportunity to become more familiar with the field of International Business,

**THEREFORE, BE IT RESOLVED,** that the Board of Trustees of Ohio University hereby approves offering the International Business Certificate by the Management Department in the College of Business.



## **Interoffice Communication**

**Date:** January 18, 2013

**To:** The President and Board of Trustees

**From:** Pamela J. Benoit, Executive Vice President and Provost

**Re:** College of Business - International Business Certificate

A resolution and a letter from the Dean of the College of Business, Hugh Sherman, are attached seeking board approval for the International Business Certificate to be offered by the Management Department. The letter provides information on the rationale for the name change which has been approved by the University Curriculum Council.



OHIO  
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College of Business

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December 12, 2012

Pam Benoit  
Executive VP and Provost  
Cutler Hall 206  
Athens, Ohio 45701

Re: International Business Certificate

Dawn;

I endorse the international business certificate that was recently approved by the University Curriculum Committee on December 12, 2012. This multi-disciplinary certificate will greatly benefit students throughout the College and University. If you have any questions about this certificate please let us know.

Hugh D. Sherman, Ph.D.  
Dean, College of Business

**COLLEGE OF HEALTH SCIENCES AND PROFESSIONS  
NAME AND DEGREE CHANGE FOR THE  
INDUSTRIAL HYGIENE PROGRAM**

**RESOLUTION 2013--**

**WHEREAS**, the faculty in the Industrial Hygiene Program within the Department of Social and Public Health in the College of Health Sciences and Professions feel that the current name fails to portray the scope of the curriculum and does not reflect perceptual shifts within the professional community; and

**WHEREAS**, the current program designation does not adequately recognize the focus of faculty and their professional activities; and

**WHEREAS**, the proposed name change would make the program congruent with similar competing programs around the country and likely enhance the effectiveness of student recruitment and retention efforts; and

**WHEREAS**, the faculty are entirely supportive of a program name change and given that the Dean of the College of Health Sciences and Professions also supports this recommendation, and that it has been approved by the University Curriculum Council.

**NOW, THEREFORE BE IT RESOLVED**, that the Industrial Hygiene Program be changed to the Occupational Hygiene & Safety Program and the associated degree be changed from a Bachelor of Science in Industrial Hygiene (BSIH) to a Bachelor of Science in Occupational Hygiene & Safety (BSOHS).



## **Interoffice Communication**

**Date:** January 18, 2013

**To:** The President and Board of Trustees

**From:** Pamela J. Benoit, Executive Vice President and Provost

**Re:** **Name Change for the Industrial Hygiene Department**

A resolution and a letter from the Dean of the College of Health Sciences and Professions, Randy Leite, are attached seeking board approval for changing the name of the Industrial Hygiene Department to the Occupational Hygiene and Safety Department, as well as the changing the name of the degree awarded to students to Bachelor of Science in Occupational Hygiene and Safety. The letter provides information on the rationale for the name change which has been approved by the University Curriculum Council.

## **MEMO**

*Subject:* Change of Name for the Industrial Hygiene Program

*Date:* January 9, 2012

*From:* Randy Leite, Dean, College of Health Sciences and Professions

*To:* Ohio University Board of Trustees

I am writing to convey my support for the proposed name change of our current Industrial Hygiene baccalaureate major program to *Occupational Hygiene and Safety*. This change would be accompanied by a change in the degree awarded to students who complete the major from Bachelor of Science in Industrial Hygiene to *Bachelor of Science in Occupational Hygiene and Safety*.

As indicated in the resolution, the proposed name is more consistent with current terminology utilized in the discipline. It also more accurately conveys that this program prepares students to work in various occupational settings and not just in industrial settings. It is believed this will enhance student recruitment. Finally, the proposed name more accurately reflects program content as reflected in the curriculum developed for the new semester calendar.

This change is unanimously supported by the faculty in the program area and the College of Health Sciences and Professions' Curriculum Committee. It has also been approved by the University Curriculum Council.



## **MAJOR AND DEGREE PROGRAM REVIEWS**

### **RESOLUTION 2013 –**

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

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

**WHEREAS**, Section 67 of Am. Sub. H.B. 694 requires the college and university Board of Trustees to “initiate on-going processes for the review and evaluation of all programs of instruction presently conducted by the institutions for which they are responsible.”

**THEREFORE, BE IT RESOLVED**, that the Board of Trustees of Ohio University hereby accepts the Seven Year Reviews for 2004-2011 for the following programs on the Chillicothe, Southern, and Lancaster campuses:

- Accounting Technology
- Business Management Technology
- Office Technology



## **Interoffice Communication**

**Date:** January 18, 2013

**To:** The President and Board of Trustees

**From:** Pamela J. Benoit, Executive Vice President and Provost

**Re: Program Reviews –Accounting Technology, Business Management Technology,  
and Office Technology on the Chillicothe, Lancaster, and Southern Campuses**

The University has a rigorous program of internal review for academic programs. Programs are reviewed by the Academic Program Review Committee of the University Curriculum Council on a seven year cycle. Typically reviews occur over an academic year and culminate in a comprehensive report on the viability of the program. Executive summaries of the reviews are submitted to the Academics Committee of the Board of Trustees.

Included with your materials for the upcoming meeting are the Executive Summary for the program reviews listed above and a resolution for board acceptance of the review. I will briefly discuss the disposition of the review recommendations during February's committee meeting.



OHIO  
UNIVERSITY

Regional Higher Education

DATE: January 12, 2013

TO: Pam Benoit, Executive Vice President and Provost

FROM: Jim Fonseca, Interim Executive Dean, Regional Higher Education

SUBJECT: Seven Year Review for 2004-2011 of Accounting Technology, Business Management Technology, and Office Technology

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I was pleased to receive the UCC's combined review of the three Associate Degree programs in Accounting Technology, Business Management Technology, and Office Technology programs, located on the Chillicothe, Southern, and Lancaster campuses. The Academic Program Review Committee found these programs viable and noted that they play a substantial role in the University's overall mission.

The Regional Deans and I are also pleased to note mention in the Review of excellent leadership of these programs; highly motivated and enthusiastic faculty and students; proactive administration and proactive community advisory boards that provide input on the needs of employers and students. This input from advisory groups has led to the development of certificates, job placement and continuing education for students.

In regard to concerns expressed by the Review Committee about dependence on the programs on two directors, the Regional Campus Deans are currently making efforts toward further development of faculty in order to maintain program quality. We have selected or renewed campus Program Coordinators for each program at each campus. These arrangements are in place as of Fall 2012. To further ensure proper campus coordination and program coordination across campuses for multi-campus programs such as these three, we have also put in place as of the start of the Spring 2013, a new standardized compensation scale for program coordination with detailed standard expectations for program coordinators at all campuses. We have underway the development of a process and form to evaluate Campus Program Coordinators and cross-campus Program Coordinators. This evaluation form and process is still being developed but will be in place by the end of Spring 2013. Additional faculty in these programs are very likely to be hired by September 1, 2013. Chillicothe will be searching for a Group II faculty member who can teach courses in at least two of these three programs. Southern campus may hire an additional Group II faculty member in Business Management Technology in 2014 depending upon the outcome of other searches underway in 2013. In sum, faculty leadership of these programs is strong and will get stronger in the very near future.

A second concern and associated recommendation from the Review Committee related to the formal assessment of student learning outcomes and more training of faculty in blended and on-line course delivery. It is the intention of the Deans and the Program Coordinators to expand the formal assessments of student learning outcomes. The

January 12, 2013

Seven Year Review for 2004-2011 of Accounting Technology, Business Management Technology, and Office Technology

Page 2

revision of course syllabi during the quarter to semester transition, which resulted in revised syllabi emphasizing learning outcomes for each class, is an important step in improving such assessment. These syllabi were completed prior to the start of Fall 2012 but implementation of these outcomes in each course is a longer process that will continue on an on-going basis. Each campus is approaching these issues in a variety of ways. Southern campus will hold a professional development seminar for faculty focused on outcomes-based education in Spring 2013 and other campuses will be encouraged to do the same. All campuses are ensuring that Program Advisory Committees will take place by the end of the 2012-13 Academic Year, if they have not already occurred. These Program Advisory Committees will be asked for job-oriented expectations that will be incorporated back into course learning outcomes beginning in Fall 2014. All regional campuses are developing and/or strengthening outcomes assessment as part of on-going efforts of campus on-line course committees. In various ways campuses are making learning outcomes assessment, and quality matters issues in general, a focus of assistance available to faculty who teach on-line courses and blended courses. This assistance occurs through faculty seminars and brown-bags. Chillicothe has an early retired faculty dedicated to offering faculty one-on-one assistance in developing on-line and blended courses. Lancaster is developing a job description for a new position to perform a similar role. Chillicothe's person is already in place, as noted above, and a search will be underway for Lancaster's staff position in Spring 2013.

The Regional Deans and I look forward to meeting with you soon to update you on our progress toward implementing these recommendations.

University Curriculum Council  
Academic Program Review Committee  
November 29, 2012



Review of Accounting Technology, Business Management Technology, and Office Technology  
Seven Year Review for 2004 – 2011

RECOMMENDATION: Viable

The Accounting Technology, Business Management Technology, and Office Technology program, located on the Chillicothe, Southern, and Lancaster campuses, is viable and plays a substantial role in the University's overall mission.

As noted in the review, aspects of the program are to be commended, such as its excellent leadership; highly motivated and enthusiastic faculty and students; proactive administration that identifies strengths/weaknesses and acts to make improvements; proactive advisory boards that provide input concerning needs of employers and students; development of certificates that are attractive to both students and employers; outstanding program outcomes including (but not limited to) job placement or continuing education for students; and good program coordination among campuses.

The reviewers also express some concerns: Programs are highly dependent on the two directors, however the Deans' responses indicate that there are efforts being made towards the development of faculty and staff in order to maintain program quality. Programs have a limited number of formal assessments of student learning outcomes, however, the campus Deans have acknowledged the importance of outcomes assessment in the future.

These concerns and the recommendations in the reviews should be addressed in a meeting among regional campus Deans, Dr. Fonseca, and Provost Benoit by March 1, 2013.

## **University Curriculum Committee Academic Program Review<sup>1</sup>**

Accounting Technology, Business Management Technology, and Office Technology  
Ohio University – Lancaster, Chillicothe, and Southern  
Seven-year review for 2004-2011

### **EXECUTIVE SUMMARY**

The Associate of Applied Business degree program is a **viable** program. The Ohio University regional campus programs prepare students for non-executive positions in accounting and general business. For the time period of the review, the department offers three variations of an Associate of Applied Business degree: Accounting Technology, Business Management Technology, and Office Technology. According to the program, the Associate of Applied Business degree programs offer students “a broad academic background in the traditional liberal arts area, supplemented with technical training.” Specifically, the programs are as follows:

- The Accounting Technology (AT) Program is structured to provide students the accounting skills needed to perform such duties as payroll, accounts receivable, accounts payable, general ledger, bookkeeping, auditing, and tax return preparation.
- The Business Management Technology (BMT) Program prepares students entry level management position in retail or service and serves more “entrepreneur and small business types” who are not only interested in obtaining a degree but also the knowledge obtained from specific classes.
- The Office Technology (OTEC) Program prepares students for employment in various office environments including positions as an administrative assistant, office manager, legal or medical administrative assistant, accounting clerk, applications specialist and a variety of positions in desktop publishing, business communications, data processing, and word processing.

### **Commendations**

The Associate of Applied Business degree programs are to be commended for the following:

- Well organized programs with excellent leadership;
- Highly motivated, enthusiastic faculty and students;
- Proactive administration that identifies strengths/weaknesses and acts to make improvements;
- Proactive advisory boards that provide input concerning needs of employers and students;
- Development of certificates that are attractive to both students and employers;
- Outstanding program outcomes including (but not limited to) job placement or continuing education for students; and
- Good program coordination among campuses.

<sup>1</sup>Prepared in Fall 2012 by William Shambora (Department of Economics) and Katherine Hartman (Department of Marketing), UCC Academic Review Committee. Internal reviewer site visits completed in Spring, 2012 by William Shambora, Jeff Giesey, Judith Lee, Ron Stephens, Tim Anderson, Tom Scanlon, Ann Paulins and Edith Dashiell.

## Concerns and Recommendations

Concerns with the program include the following:

- Programs are highly dependent on two directors, which could be a potential problem if circumstances change. Specifically, both directors are responsible for teaching multiple classes, advising students, and coordinating programs. However, the associate dean is qualified to provide assistance as needed.
- Programs have a limited number of formal assessments of student learning outcomes.

Recommendations for the program include the following:

- Offer training for faculty to provide both online and/or blended classroom formats.
- Development formal assessments of student learning outcomes including (but not limited to) knowledge, critical thinking, and skill development.



## **Program Review**

The Associate of Applied Business degree program is a **viable** program. The Ohio University regional campus programs prepare students for non-executive positions in accounting and general business. For the time period of the review, the department offers three variations of an Associate of Applied Business degree: Accounting Technology, Business Management Technology, and Office Technology. According to the program, the Associate of Applied Business degree programs offer students “a broad academic background in the traditional liberal arts area, supplemented with technical training.” Specifically, the programs are as follows:

- The Accounting Technology (AT) Program is structured to provide students the accounting skills needed to perform such duties as payroll, accounts receivable, accounts payable, general ledger, bookkeeping, auditing, and tax return preparation.
- The Business Management Technology (BMT) Program prepares students entry level management position in retail or service and serves more “entrepreneur and small business types” who are not only interested in obtaining a degree but also the knowledge obtained from specific classes.
- The Office Technology (OTEC) Program prepares students for employment in various office environments including positions as an administrative assistant, office manager, legal or medical administrative assistant, accounting clerk, applications specialist and a variety of positions in desktop publishing, business communications, data processing, and word processing.

## **Faculty Profile**

Total full-time faculty has ranged from three to six depending upon the program and depending upon the campus. Program course offerings are also staffed using a variety of part-time faculty. Directors have continued to successfully secure part-time faculty that show a strong commitment to the program, teaching, and students. Although full-time and part-time faculty members are diverse with respect to gender, the program acknowledges limited diversity with respect to race.

## **Programmatic Practices**

Teaching and Advising. In general, the program has been able to offer class sizes that are small enough to provide individual attention to students yet large enough to be economically efficient. Although the individual teaching loads vary somewhat by program and campus, the typical teaching load for full-time faculty is 12 quarter hours. In addition, full-time faculty members have student advising responsibilities.

Support for Research. Because the focus of regional campuses is on teaching, little support is required.

Service. All faculty members (except adjunct faculty) have service expectations. In general, faculty members in all three programs are very active and have a number of shared governance responsibilities. Service expectations include service responsibilities within the academic unit, university center (campus), Regional Higher Education, and the university at large. In addition,

there has been an increase in students' expectations for service as well as service to the surrounding community. Although faculty members are enthusiastic and dedicated to their responsibilities, the increase in service expectations has been a challenge in terms of both time and energy.

Interdisciplinary Work. Due to the nature of the programs, small staff, and close proximity of activities, interdisciplinary efforts among the three programs are common. For example, BMT courses also fill requirements in OTEC and AT courses. In addition, interdisciplinary work in AT has focused on project related coursework between AT and BMT.

Diversity of Faculty / Students. The regional campus programs are open enrollment. In general, all campuses make efforts to promote diversity when promoting to the campuses and recruiting students. For both faculty and student populations, there is diversity with respect to gender yet females outnumber male students. However, there is little racial diversity.

### **Research, Scholarship, and Creative Activity**

Scholarship. With a limited number of full-time faculty, research and scholarship are also limited. However, faculty members have been active in research, scholarship, and other creative activities.

- ATCH Group I faculty remain active in their field through work on boards or business consulting. Additionally all ATCH Group I faculty complete at least 40 hours of approved continuing education per year (on average) to maintain CPA licenses. For most, this is approximately five, eight hour conferences annually. Additionally, Group II and Group IV faculty members remain active in the field via consulting, boards etc. and also maintain CPA licenses where applicable. Additionally, all ATCH faculty work with external advisory boards.
- BMT program faculty engaged in a total of 44 Scholarly and Creative Activities between 2004 and 2010 including (but not limited to) 18 presentations, 11 publications, and none consulting projects. Contributions by Hoyt and McCown are commended.
- OTEC program faculty have attended more than a dozen conferences, participated in two conference panel discussions, made eleven presentations, produced three publications, maintain nine memberships, received five awards and recognitions, and maintain four certifications/licensures.

### **Resources**

Staffing. Staffing varies by campus and by program. For example, on the Southern campus, all faculty members in the Business Technologies faculty profile have access to faculty secretaries and other support staff such as computer services and student services. However, on the Chillicothe campus, a Central Processing center is available to everyone and is staffed by a Faculty Secretary and three student assistants.

Physical Facilities. Physical facilities vary by campus and by program. In all cases, the facilities are modern and well-designed for classroom instruction and lab work. The campuses make very productive use of the resources at their disposal.

Technology. Computer labs get a great deal of use by these programs. Students get plenty of hands-on experience which appears to have made them very marketable in the local areas. Plans are in place for continuous upgrades and the faculty and administration are aware of the need for continuous growth in these resources.

### **Undergraduate Program Review**

Curriculum. These programs are specifically designed to build job skills for students seeking careers in office support and administration. The curricula support these goals quite effectively. Students can begin the programs without knowing how to turn a computer on and still succeed in achieving their degrees. The programs are all designed to take students at all levels and build their skills through a course by course process that results in the attainment of the appropriate knowledge/skill level. For example, the office technology degree program starts with Keyboarding I and builds to courses like Accounting Procedures and Information System Design.

Students. Most of the students in these programs are female, many of whom are non-traditional students. Their backgrounds are very diverse in terms of educational preparation and stage of life. A common objective is to build job skills that will help them to begin careers in office settings. During site visits we found the students to be very enthusiastic about their faculty, campuses and job prospects. The alumni have gravitated to medical, general business and accounting fields. Several even work at the Southern campus. All appear to be happy with their career placements. We found that few alumni go on to four-year programs or leave the geographical area.

### **Graduate Program Review**

*Not applicable*

### **Commendations**

The Associate of Applied Business degree programs are to be commended for the following:

- Well organized programs with excellent leadership;
- Highly motivated, enthusiastic faculty and students;
- Proactive administration that identifies strengths/weaknesses and acts to make improvements;
- Proactive advisory boards that provide input concerning needs of employers and students;
- Development of certificates that are attractive to both students and employers;
- Outstanding program outcomes including (but not limited to) job placement or continuing education for students; and
- Good program coordination among campuses.

## **Concerns and Recommendations**

Concerns with the program include the following:

- Programs are highly dependent on two directors, which could be a potential problem if circumstances change. Specifically, both directors are responsible for teaching multiple classes, advising students, and coordinating programs. However, the associate dean is qualified to provide assistance as needed.
- Programs have a limited number of formal assessments of student learning outcomes.

Recommendations for the program include the following:

- Offer training for faculty to provide both online and/or blended classroom formats.
- Development formal assessments of student learning outcomes including (but not limited to) knowledge, critical thinking, and skill development.



OHIO  
UNIVERSITY  
Southern Campus

November 26, 2012

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Dr. Rob Brannan  
Chair, Program Review Committee  
University Curriculum Council (UCC)

Dear Rob:

In responding to the Academic Program Review of the Associate of Applied Business degree programs in business fields (Accounting Technology, Business Management Technology, and Office Technology), I would first like to thank the review team that visited the Southern Campus—Professors Jeff Giesey, Judith Lee, and William Shambora—for their thorough and thoughtful approach to the program review process. Their professionalism was much appreciated by the Southern Campus faculty and staff with whom they met. Reviewing three programs spread across three campuses was a daunting task well handled.

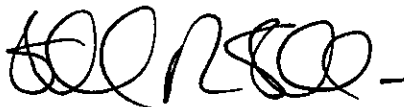
Second, I would like to offer my perspective on the Program Review Committee's findings. As the only campus to offer all three of the programs in the associate degree business cluster, Southern has benefitted from strong faculty leadership in these programs. Professors Ella McCown and Kim Riley are truly "highly motivated, enthusiastic faculty" who have provided "excellent" leadership for the programs, as the committee characterizes the entire regional campus applied business faculty. I concur with the committee's assessment of the other applied business program strengths that are commended in the report.

While I share the review committee's view that the applied business programs are "highly dependent on two directors" at the Southern Campus, I do believe that there is a support system that can be utilized should a director leave or become incapacitated in some manner. Fortunately, as noted by the committee, Professor McCown, who was the director of the BMT and ATCH programs for much of the last decade, currently is serving as Southern Campus associate dean, so can provide additional support and advice as needed, as well as coordinate course offerings in her new role. In addition, the "good program coordination among campuses" noted by the committee means that loss of an experienced coordinator on a campus does not result in the loss of program integrity and quality, as leadership may be (and often is) provided on a temporary basis by a program director at a neighboring campus. This is not to say that more robust staffing would not be highly beneficial: it would be. Our campus staffing plan includes another Group II position in the applied business area.

I also share the review committee's concern about the "limited number of formal assessments of student learning outcomes" that the applied business programs require, believing that to be to a greater or lesser extent the case with most academic programs at colleges and universities. I will ask the Southern Campus Academic Division Coordinator to make outcomes-based education a topic for our regularly offered professional development seminars and/or webinars, which have regularly featured Blackboard training and other topics of interest to faculty developing online and blended courses. Additional seminars on online and blended learning have been provided at the RHE Faculty Conference and on campus by eLearning OHIO. Finally, Executive Dean Jim Fonseca has asked each campus dean to encourage faculty to form an Online and Blended Learning Committee (OBLC) to ensure the quality of distance course offerings. Southern has a faculty OBLC that recently has become more proactive in establishing the expectation of compliance with Quality Matters guidelines.

Again, I wish to thank the review team that visited the Southern Campus and to applaud the University Curriculum Council for the efficiency with which the program reviews of ACTH, BMT, and OTEC were conducted. I appreciate the opportunity to respond to the review and wish to commend the Council on its commitment to revise the process in order to make it more data driven. We at the Southern Campus appreciate the additional perspectives of our programs the review process provides and will address the concerns it raises.

Sincerely,

A handwritten signature in black ink, appearing to read "Willan", followed by a horizontal line.

William R. Willan, PhD

Dean

Ohio University Southern



**OHIO**  
UNIVERSITY

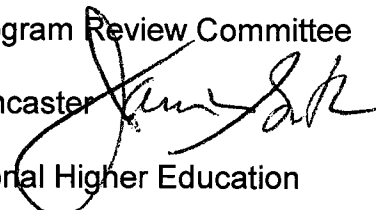
Lancaster Campus

Office of the Dean  
1570 Granville Pike  
Lancaster OH 43130-1097

T: 740.654.6711  
F: 740.687.9497

**MEMORANDUM**

To: Robert Brannan, Chair, UCC Academic Program Review Committee

From: James M. Smith, Dean, Ohio University Lancaster 

Copy: James W. Fonseca, Executive Dean, Regional Higher Education

Subj: Academic Program Review – A.A.B. programs in Accounting Technology, Business Management Technology and Office Technology

Date: November 26, 2012

I was pleased to have the opportunity to read the program review report regarding A.A.B. programs in Accounting Technology and Business Management Technology that are offered at Lancaster. The commendations expressed for the collective effort of these business related programs can be attributed to the hard work of dedicated faculty.

One of the positive aspects noted in the report is the “good program coordination among campuses.” While positive, there is a corresponding concern that the “Programs are highly dependent on two directors.” Since the time of the site visits in Spring 2012, the regional deans expanded the amount of academic program oversight of associate degree programs under the curricular authority of the regional campuses. Specifically, starting with Fall 2012, each campus now has a designated “campus program coordinator” and in cases where the program exists on several regional campuses a single “system program coordinator” is added. These positions have a specified list of duties and compensation is provided in the form of a stipend. This change should alleviate any concern of a potential problem identified in the review of dependence on a single faculty member per discipline for teaching, advising and administrative functions.

I concur with the findings of the report, but do note that the faculty profile described in the report where program directors are not tenure-track faculty is not accurate for Lancaster. In the current arrangement, campus program coordinators for BMT and ATCH are both tenured and the OUL campus coordinator for accounting is also the system coordinator.



Regarding the second concern and recommendation in the report on the need for more assessments of formal learning outcomes, I believe this is an area where faculty could work collaboratively with their respective community program advisory committees to develop meaningful assessments. I also believe the faculty can bring valuable perspectives to this work, such as Professor Hoyt's work in designing service learning/community engagement projects between campus students and community agencies. While Hoyt's current work is focused on the Applied Management program, the process of linking learning outcomes that culminate in meaningful projects that are evaluated by corporate/agency managers provides realistic feedback to students and faculty alike on the student's abilities in their discipline, critical thinking, and problem solving. Regardless of methodology for assessment, system program coordinators will need to bring faculty together to examine the issues of assessment and establish best practices for implementation throughout the system. Campus program coordinators can guide the process at a local level. With the increased amount of program oversight established by the regional deans at the campus and system level this focus on assessment should be a very manageable task and I would think assessment activities could be in place in under a year's time. Assessment is a significant factor in accreditation processes and perhaps faculty training in this area should be considered.

In summary, program enrollment and program quality are very good and thus the programs are viable and should continue to be supported.

November 15, 2012

Dr. Rob Brannan  
Chair, Program Review Committee  
University Curriculum Council (UCC)

Dear Rob:

Thank you for sending the draft of the internal program review document for the Associate of Applied Business degree offered on the Ohio University Lancaster, Chillicothe and Southern campuses. I also would like to thank professors Tim Anderson and Ronald Stephens, the reviewers from the UCC who conducted the site visit to the Ohio University Chillicothe campus. I greatly appreciate such a complete and thorough review of our programs.

As you know, the Ohio University Chillicothe (OU-C) campus offers two of the three academic programs reviewed in the report, Business Management Technology (BMT) and Office Technology (OTEC), which result in awarding the Associate of Applied Business degree. I would very much agree with the internal review that these programs are “viable” components of the curriculum offered on the OU-C campus. I would also agree with the seven commendations listed within the review document as strengths of the programs and would add that the physical facilities used on our campus to offer these degrees allow these programs to offer an up-to-date curriculum which well prepares our students to enter the local workforce or continue their education in the completion of a baccalaureate degree program.

I also share the review committee’s concern regarding the staffing of the programs. In the case of the BMT and OTEC programs, each is directed by a single group I faculty program coordinator. These individuals are responsible for maintaining program curricular offerings, student advising, recruitment and marketing of the program and are paid a separate stipend for these duties. The Program Coordinator also carries a fairly heavy teaching load, but this load is no different than other regional campus faculty. Each program also relies a great deal on adjunct or group III teaching faculty in order to offer the complete curriculum. While this strategy provides a great deal of flexibility and is more financially profitable for the program(s), it does come with the cost of program stability and pedagogical consistency within some of the course offerings. On the OU-C campus we are currently addressing these issues by hiring additional group II faculty to support the two year degree programs which are expanding in enrollment and when possible employing faculty who can teach within the curriculum of more than one program.

The development of formal assessments of student learning outcomes and the collection of assessment data related to these outcomes is a challenge for many academic programs at Ohio University, BMT and OTEC notwithstanding. As the revised UCC program review Self Study Guidelines emphasizes such activities, it is expected that both of these programs will begin to adopt this philosophy and work to develop additional assessment strategies for the program learning outcomes and begin a formal process for collecting this data.

Another recommendation of the review was to offer training for faculty to provide both on line and/or blended classroom formats. I would like to emphasize that on the Chillicothe campus we have supported a Technology Rich Faculty Learning Community for the past several years which offers such training to

faculty. The faculty associated with the learning community provides workshops and personal training to all faculty who wish to explore techniques and methods for on line and blended deliveries in their classes. Our campus policy requires faculty to successfully complete this workshop before they can list in the course schedule or advertise a course offering as being on line or blended. In addition, we have recently employed our retired Director of Information Technology part time to offer one-on-one training to faculty who wish to incorporate additional technologies, such as advanced Blackboard and Podcast components, into their courses.

In conclusion, I very much appreciate the efforts of the program reviewers to assess the Associate of Applied Business degree programs offered on the Chillicothe campus and the opportunity to respond to their findings and recommendations. This process will be invaluable to each of these programs as they plan for the future.

Sincerely,

Martin T. Tuck PhD  
Interim Dean  
Ohio University Chillicothe

# **The Ohio University Board of Trustees By-Laws as Amended**

*Revised September 6, 2012*

*Revised April 24, 2011*

*Revised February 10, 2010*

*Revised January 23, 2009*

*Revised February 8, 2008*

*Revised July 14, 1989*

*Revised June 23, 1990*

*Revised September 20, 2002*

*Revised December 17, 2004*

## **Article I. Corporate Authority and By-Laws**

Section 1. The Board of Trustees of the Ohio University, a body corporate and politic, hereby adopts these Bylaws for the purpose of governing its activities in accordance with Chapter 3337 of the Ohio Revised Code.

Section 2. No By-Laws shall be enacted, amended, or repealed, except by a vote of a majority of the members (5 votes) of the Board authorized to vote, and then only after thirty (30) days notice of a proposed change has been given to all members.

Section 3. The Board shall be comprised of nine Trustees and two student Trustees, all appointed by the governor of the State of Ohio in accordance with Section 3337.01 of the Ohio Revised Code. The Board shall also include two national Trustees and the chair of the Ohio University Alumni Association Board of Directors or his or her designee. One national Trustee shall be appointed by the Board for a term of one year beginning on July 1, 2010. One national Trustee shall be appointed by the Board for a term of three years beginning on July 1, 2010. Thereafter, both national Trustees shall serve terms of three years.

Section 4. The nine Trustees appointed by the Governor shall hold voting privileges. The two student trustees, the two national trustees and the chair of the Ohio University Alumni Association Board of Directors may not vote on Board matters but their opinions and advice will be actively solicited and welcomed in Board deliberations.

## **Article II. Officers of the Board**

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

- (a) Chairperson
- (b) Vice-Chairperson
- (c) Secretary
- (d) Treasurer

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

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

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

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

### **Article III. Election of Officers**

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

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

Section 3. In the event of a vacancy in an Officer position, the Board shall elect a successor from among its members to serve the remainder of the vacant term.

## Article IV. The President and Presidential Duties

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

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

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

## Article V. Meetings

Section 1. Regular Meetings. The Board shall hold no fewer than five (5) regular meetings a year, with the date and time fixed in accordance with the provisions of Article II. Section 2.

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

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

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

Section 5. Quorum and Voting. A majority of the members of the Board authorized to vote pursuant to Revised Code Section 3337.01, ("the Voting Trustees") ~~A majority (5 voting Trustees) of the Board membership~~ shall constitute a quorum for the conduct of the ordinary business of the Board. Voting Trustees must be physically present to be counted in a quorum and cannot participate by telephone. Affirmative votes of a majority of the Voting Trustees shall be necessary to approve a resolution of the Board. Affirmative votes of two-thirds ~~(6 votes)~~ of the Voting Trustees ~~authorized to vote~~ shall be necessary to elect or remove a President, ~~and a vote of a majority (5 votes) of the Trustees authorized to vote shall be necessary to authorize the sale or lease of a University building or the planned demolition of a University building.~~

Section 6. Agenda. The Secretary shall consult with the chairs of the Standing Committees and then prepare a proposed agenda for each Regular Meeting. The proposed agenda shall be delivered to the President for his or her review and then to the Chairperson of the Board for final approval.

## **Article VI. Standing and Special Committees**

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

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

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

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

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

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

Section 2. The Executive Committee shall be made up of the Chair and Vice Chair of the Board of Trustees and the Chairs of University Academics and University Resources Committees and have broad powers to act in all matters not deemed by the Chairperson of the Board and the

President of the University as of importance to command the immediate attention of the entire Board. All actions of the Executive Committee shall be subject to approval by the Board, except those wherein the Board has delegated to the Executive Committee or the President full power to act for the Board.

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

Section 4. The Chairperson of the Board and the President shall be ex-officio non-voting members of all Standing Committees and Special Committees.

## **Article VII. Parliamentary Authority**

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





**OHIO**  
UNIVERSITY

**Internal Audit**

1 Ohio University  
WUSOC 275  
Athens OH 45701.2979

Date: January 18, 2013

To: The President and Board of Trustees

From: Chief Audit Executive Jeff Davis, CPA, CIA, CISA, CFE

Subject: Internal Audit Update

Internal Audit will present an update of progress in completing the FY13 work plan at the February 7, 2013 Audit Committee Meeting. Audit plan completion, the audit schedule, staffing, the external audit request for proposal, ICA compliance auditing, the status of the external audit findings and the audit process will be addressed.

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

# Audit Committee

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**Trustee Kevin Lake  
Audit Committee Chair  
February 7, 2013**

# Chief Audit Executive Report

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**Jeffrey Davis, CPA, CIA, CISA, CFE**

# Agenda

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- ◉ Audit Status Update
- ◉ FY13 Audit Schedule
- ◉ IA Staffing
- ◉ External Audit RFP
- ◉ ICA Compliance
- ◉ External Audit Finding Update
- ◉ Audit Process

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# Audit Status Update

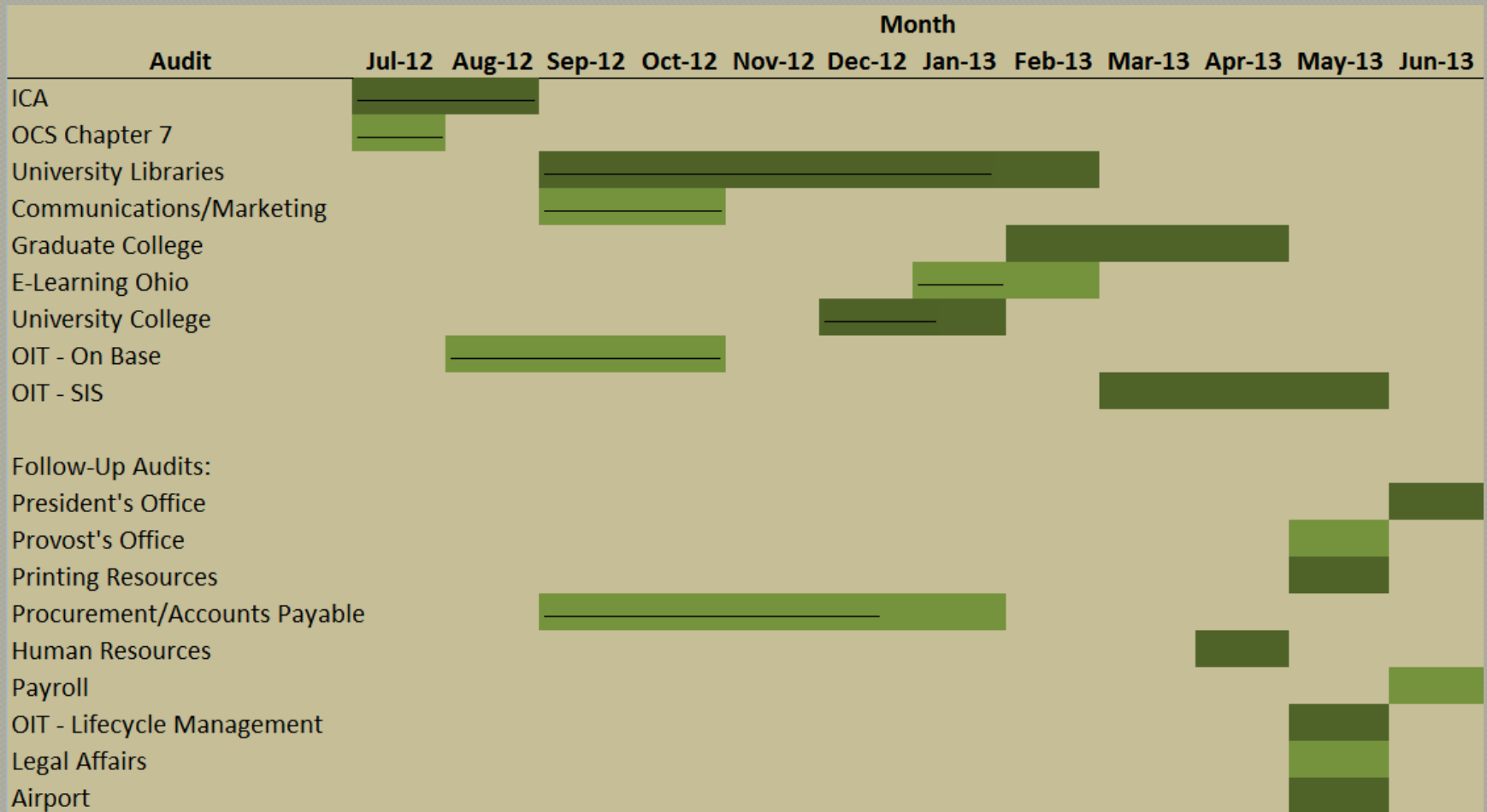
# FY13 Audit Plan Status

<b>Audit</b>	<b>Auditor</b>	<b>Status</b>	<b>Report Date</b>
Airport	Ennis	Completed	7/06/12
Legal Affairs	Ries	Completed	7/13/12
OIT – Lifecycle Management	Ries/Ennis	Completed	10/5/12
Chapter 7 Compliance Testing	All	Completed	N/A
ICA Compliance	Ries/Ennis	Completed	9/4/12
Communications and Marketing	Ennis	Completed	11/7/12
OIT Applications – On Base	Tong	Completed	Draft 10/19/12
University Libraries	Ries/Tong	In Progress	
University College	Ennis	In Progress	
E-Learning Ohio	Ries/Tong	In Progress	
Graduate College	Ennis/Tong	Planned	
OIT Applications - SIS	Tong	Planned	

# FY13 Audit Plan Status (con't)

Follow-Up Audit	Auditor	Status	Report Date
Procurement Services/Accounts Payable	Ries/Ennis	In Progress	
President's Office	Ries	Planned	
Printing Resources	Ennis	Planned	
Provost's Office	Davis	Planned	
Airport	Ennis	Planned	
Legal Affairs	Ries	Planned	
OIT Lifecycle Management	Tong	Planned	
Human Resources	Davis	Planned	
Payroll and Tax Compliance	Ries	Planned	

# FY13 Audit Schedule





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# IA Staffing

# Staffing Update

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- IA will be hosting Mr. George Habib, Director of Internal Audit at the University of Ghana, for approximately 8 weeks
- Tressa Ries, Audit Manager completed the requirements to become a Certified Fraud Examiner
- Two staff members will be participating in a Project Management course organized by Finance

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# External Audit RFP

# External Audit RFP

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- Plante Moran has completed the last year of our contract
- University is currently going through the process to select an external auditor
- Ohio Auditor of State (AOS) directs the process
- University completed the draft RFP December 21<sup>st</sup> and submitted to AOS

# External Audit RFP (con't)

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- Pre-proposal conference held January 7<sup>th</sup> with AOS and Independent Public Accounting (IPA) firms
- IPA firms receiving the completed RFP included Plante Moran, Crowe Horwath, BKD, Deloitte & Touche, McGladrey and Ernst & Young
- IPA firms will submit completed proposals to AOS by January 21<sup>st</sup>

# External Audit RFP (con't)

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- AOS will evaluate the proposals once received and allocate 95 of the 100 points in the scoring system
- University will have the opportunity to review proposals and may award up to 5 points using our own criteria
- IPA firms may be asked to provide oral presentations

# External Audit RFP (con't)

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- ◉ Entrance conference to be held with Audit Committee at the April meeting
- ◉ Audit engagement to commence in June
- ◉ Interim work completion by June 21<sup>st</sup>
- ◉ Fieldwork completion by September 23<sup>rd</sup>
- ◉ Draft report issuance by October 1<sup>st</sup>

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# ICA Compliance



# ICA Compliance

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- IA performed compliance procedures commencing in July 2012
- NCAA Division I Manual requires review every 4 years by an authority outside of ICA

# ICA Compliance

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- ◎ Year 1 (FY13)
  - Eligibility Certification
    - Initial
    - Continuing
    - Transfer
  - Academic Performance Program

# Year 1 Audit Process/Results

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- ◉ Eligibility Certification (Initial, Continuing and Transfer)
  - Performed testing based upon the Association of College and University Auditors NCAA Division I Compliance Audit Guide - defines specific audit steps for testing compliance within 15 areas
  - NCAA has specific standards that incoming, continuing, and transferring students must meet prior to practicing, competing and receiving institutionally administered financial aid

# Year 1 Process/Results (con't)

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## ● Eligibility

- Reviewed ICA policies and procedures, student-athlete handbook, job descriptions, and flowcharts for compliance
- Performed student-athlete eligibility testing for a selection of teams and student-athletes
  - Appropriate approvals and form completion
- Examined documentation related to NCAA compliance educational efforts
  - Student-athlete training sessions, coaching manuals, face-to-face meetings, etc.

# Year 1 Process/Results (con't)

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- Academic Performance Program (APP)
  - Verified APP data submission to NCAA for a sample of student-athletes
  - Performed testing related to Academic Performance Census, Academic Progress Rate (APR) and Graduation Success Rate (GSR)
    - Reviewed process for gathering data
    - Examined process for submitting required documentation
    - Verified comparison of data for accuracy

# Year 1 Process/Results (con't)

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- IA made no report recommendations for the areas audited
- IA communicated one matter to the ICA Compliance office that was not considered significant

# Future Compliance Auditing

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- ◎ Year 2 (FY14)
  - Governance and Organization
  - Commitment of Personnel to Rules-Compliance Activities
  - Investigations and Self Reporting of Rules Violations
  - Rules Education
  - Recruiting

# Future Compliance Auditing(con't)

- Year 3 (FY15)
  - Camps and Clinics
  - Extra Benefits
  - Student-Athlete Employment



# Future Compliance Auditing(con't)

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- ◎ Year 4 (FY16)
  - Financial Aid Administration
  - Playing and Practice Seasons
  - Amateurism

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# External Audit Finding Update

# Federal Program Audit Findings

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- **Reporting of Changes in Student's Status**
  - Changes in student status not communicated timely to federal government
  - IA has confirmed with the University Registrar that the University is now in compliance with the guidelines

# Federal Program Audit Findings

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## Return of Title IV Funds

- For student withdrawals, calculations for return of Title IV funds were not performed and credited to the students account in the required 45 day period
- IA worked with the Bursar's Office to monitor progress regarding this issue.
- Corrective action regarding the backlog was completed by November 30th

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# Audit Process

# Types of Services

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## Audits

- Board approved audits of academic/business units and processes

## Consulting

- Planned and requested consulting activities to assist management

## Investigations

- Investigate allegations of financial impropriety

# Internal Audit Plan Objectives

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- Address significant financial, operational and compliance risks
- Assist others to identify, evaluate and mitigate risks
- Promote stronger internal controls

# Key Audit Areas

## Financial

- Cash Handling
- Segregation of Duties
- Payroll/Compensation
- Account Reconciliations
- Contracts
- Billings
- Travel and Entertainment
- Pcards
- Procurement
- Capital Assets and Inventory

## IT

- Sensitive Data
- Backups
- Inventory Control
- Access
- Change Management
- Segregation of Duties
- Business Continuity
- Disaster Recovery
- Acquisition/Disposal
- Security

## Compliance

- University Policy
- Tax Issues
- NCAA Guidelines
- Privacy – HIPAA/PCI
- Grants/Contracts
- Effort Reporting
- Conflict of Interest
- Leave/FMLA
- Human Resources
- State Compliance



# Control Considerations

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Typical questions asked related to key audit areas:

- Are monthly financial reports thoroughly reviewed?
- Are you aware of the extent to which cash is collected in your area? If so, are control procedures adequate? (reconciliation, segregation of duties, etc.)
- Do you have any issues with Pcard users that need to be addressed? (training, monitoring, etc.)

# Control Considerations (con't)

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- Are faculty and staff aware of the need to protect sensitive data?
- Are internal policies in place to address unique issues in your area?
- Any potential conflicts of interest that need to be disclosed, evaluated or monitored?

# Control Considerations (con't)

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- ⦿ Any segregation of duties concerns?
- ⦿ Any areas where oversight/guidance can be improved?
- ⦿ Do you have adequate inventory control?
- ⦿ If I-9s are completed in your area does the person handling this have adequate knowledge?

# Control Considerations (con't)

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- IT considerations (access to systems, servers, business continuity, etc.)?
- Is there a process for ensuring former employees have turned in all property, keys, etc.?
- How are new University policies communicated to faculty and staff?
- Do you have an approved records retention schedule?

# Conclusion

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- Questions?



## **Interoffice Communication**

**Date:** January 18, 2013

**To:** The President and Board of Trustees

**From:** Pamela J. Benoit, Executive Vice President and Provost  
Stephen T. Golding, Vice President for Finance and Administration, CFO and Treasurer

**Re:** **A New Business Model: Accessibility, Affordability and Debt Management**

The attached presentation is a continuation of the conversations of last fall regarding the University's evolving business model and the need for smart growth. At the February Board meeting we want to specifically expand on the discussion regarding alternative tuition models by focusing on a tuition guarantee and how such an approach might align with one of our principle investment strategies to raise financial aid endowments.

We believe the importance of this discussion is to focus on how alternative tuition strategies can help us manage the cost of a student's education. We further believe if aligned with additional financial aid we can address some of the challenges of escalating student debt. This latter problem is not as easy to address as there are multiple factors which impact student debt levels which we will discuss in more detail in February.

And finally the presentation is not intended to signal that we have settled on any one approach or model. Rather it is intended to extend the November conversation with the board to explore alternative tuition models that could balance students and their families covering a reasonable portion of their cost of education going forward with the need of the university to have a stable revenue stream that addresses the escalating costs of providing an OHIO quality educational experience.

# OHIO UNIVERSITY

## A NEW BUSINESS MODEL: ACCESSIBILITY, AFFORDABILITY AND DEBT MANAGEMENT

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**Board of Trustees Presentation**

**February 7, 2013**

**Pan Benoit, Executive Vice President and Provost**

**Steve Golding, Vice President for Finance and Administration**



# TUITION GUARANTEE OVERVIEW

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# OHIO's Challenges

- Demands for participation which are changing student entry from elite to mass to universal – higher education is becoming an entitlement
- Increasing demands from business and industry for “exact” requirements of knowledge and skills not provided by post-secondary education – workforce readiness competencies
- Government and private sector increasingly looking to higher education to assist in solving societal problems – with a special emphasis on economic development and technological progress
- The accelerating growth of knowledge and its globalization – challenging universities to remain relevant and meet the needs of its students, region and state

# OHIO's Challenges

- Ohio University leadership believes the current business model required to maintain the quality of an OHIO education is overly dependent on uncontrollable student debt and therefore over time is unsustainable because:
  - Tuition increases alone cannot generate sufficient dollars to cover both the family share and the state share of the future cost of a higher education degree
  - A tuition growth model fueled by future increases in personal debt will be constrained by the availability of capital to support increases in student and family debt
  - A tuition growth model fueled by future increases in personal debt will be constrained by the strength of labor markets and the earning power of university graduates
  - Current economic data shows that family disposable income is declining, putting more pressure on universities to offer escalating financial aid packages to offset tuition increases

# OHIO's Challenges

- In-state tuition and fees at Ohio's 4 year publics increased an average of 3% in the last 5 years
  - Second lowest increase in the country after Maryland (Columbus Dispatch, October 24, 2012)
- Factors Influencing Tuition Pricing:
  - State appropriations
  - Prior Year's Tuition
  - Institutional mission
  - Tuition charged by peer institutions
  - Financial Aid
  - Cost of instruction (SHEEO, February 2011)

# OHIO's Challenges

- A fundamental question facing Ohio University today regarding future tuition revenue streams therefore is:
  - What proportion of the cost of an OHIO education should students and their families assume going forward?
  - Are there alternative tuition concepts that OHIO should be considering to allow students and their families to better predict and be able to afford their educational costs?
- Ohio's leadership believes a Tuition Guarantee Program may offer a solution to these current challenges

# What is a Tuition Guarantee Program?

- A program that provides one tuition rate for an entering freshmen cohort that remains unchanged for a defined period of time and/or a specific number of credit hours
- The period of time or number of credit hours typically are sufficient to complete a degree under normal full-time conditions

# Why Provide a Tuition Guarantee Program?

- Budget planning for students and parents
- Predictability of tuition revenues
- Financial incentive for timely graduation
- Financial incentives for targeted groups (e.g., combined BA/MA, transfer students, etc.)
- Marketing (both in-state and non-resident)
- Potential to enhance revenue
- Potential to reduce student debt upon graduation

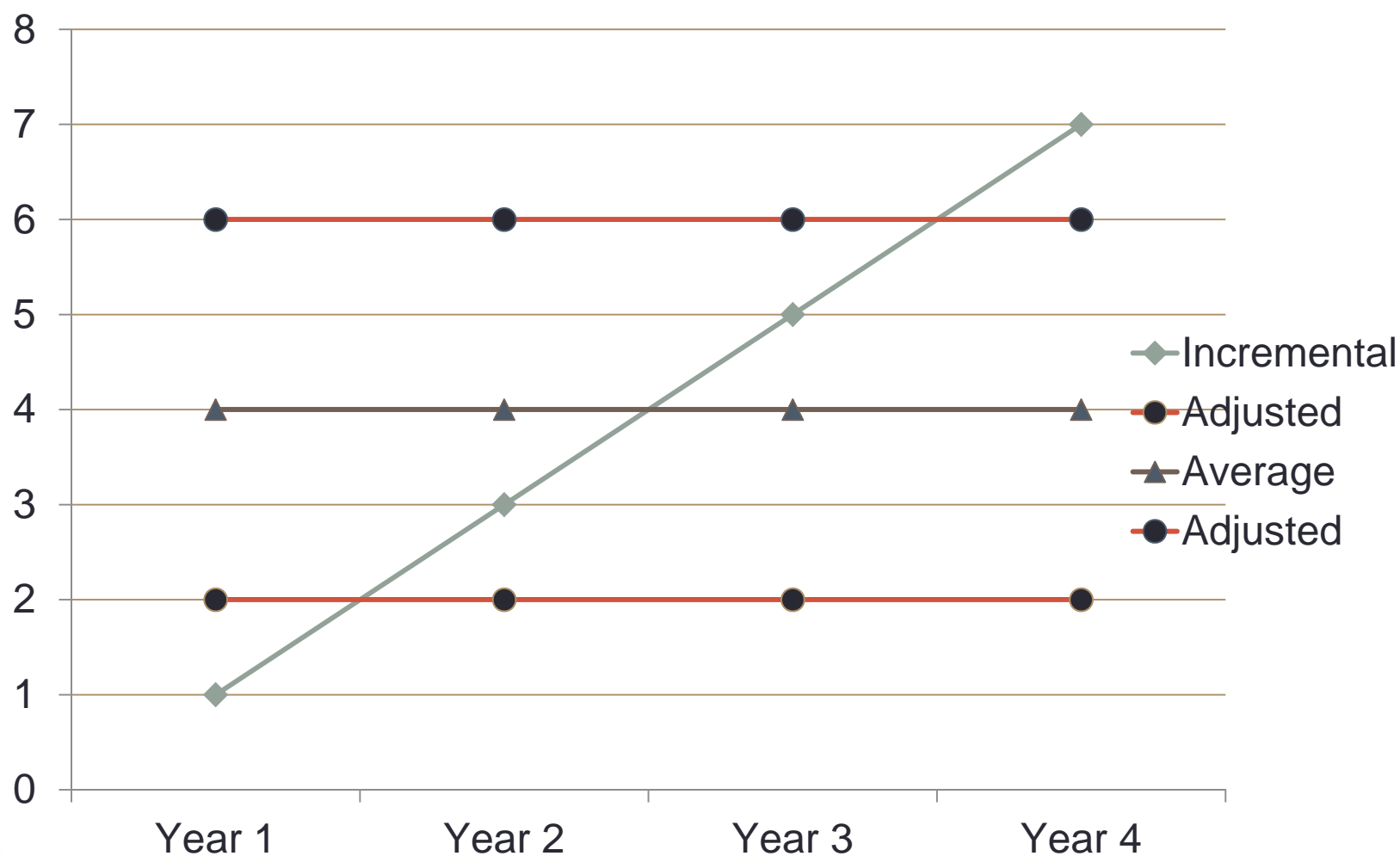


# Steps in a Guaranteed Tuition Program

- Program implementation will require legislation
- Establish fixed-rate and credit/time limits
  - Predict likely tuition rates and/or tuition revenue need over multi-year period without a guaranteed tuition
  - Determine revenue goals (neutral or enhanced)
  - Identify administrative costs and system changes
  - Establish appropriate reserve levels
- Set subsequent cohort rates based on economic conditions and revenue goals



# Guarantee Tuition Concept





# Things to Consider

- Voluntary or mandatory program
- Student eligibility
- Course fees
- Inflation risk tolerance / mitigation
- Administrative systems support program
- Tuition rate will grow faster than normal during start-up
- Tuition prices will look comparatively high
- Interaction with other institutional efforts

# Colorado Experience

- State specific conditions
  - TABOR limitations on tuition rate increases
  - Boulder campus highly tuition dependent
    - Below average resident tuition rates
    - Relatively high non-resident tuition rates
  - Introduction of Colorado Pre-paid Tuition Plan
- Financial modeling and business systems review to determine feasibility
- Conducted parent/student focus groups to assess interest and support

# Colorado Guaranteed Tuition Plan Specifics

- Premium added to normal legislative approved tuition rate for first 6 cohorts
- Tuition would remain fixed for a student for 4 years (or 135 credit hours in 5 years)
- Students exceeding the 4 year time limits have tuition increases to the rate of the cohort that follows

# Colorado Guaranteed Tuition Plan Specifics

- Transfers pay prior year freshman rate – fixed for 3 years (or 135 credit hours in 4 years)
- University of Colorado students enrolled in joint Bachelor/Masters 5 year program get rates extended one year
- Non-residents converting to residency pay freshman rate in effect that year

# Status of Colorado Plan

- Plan approved by Colorado legislature to begin with resident students in AY 1999-2000; non-resident would begin in AY 2000-2001
- Line-item vetoed by Governor over concerns for long-term potential to exceed TABOR spending limits
- Plan implemented in AY 2005-2006; Board of Regents may consider implementation for residents in AY 2014-2015

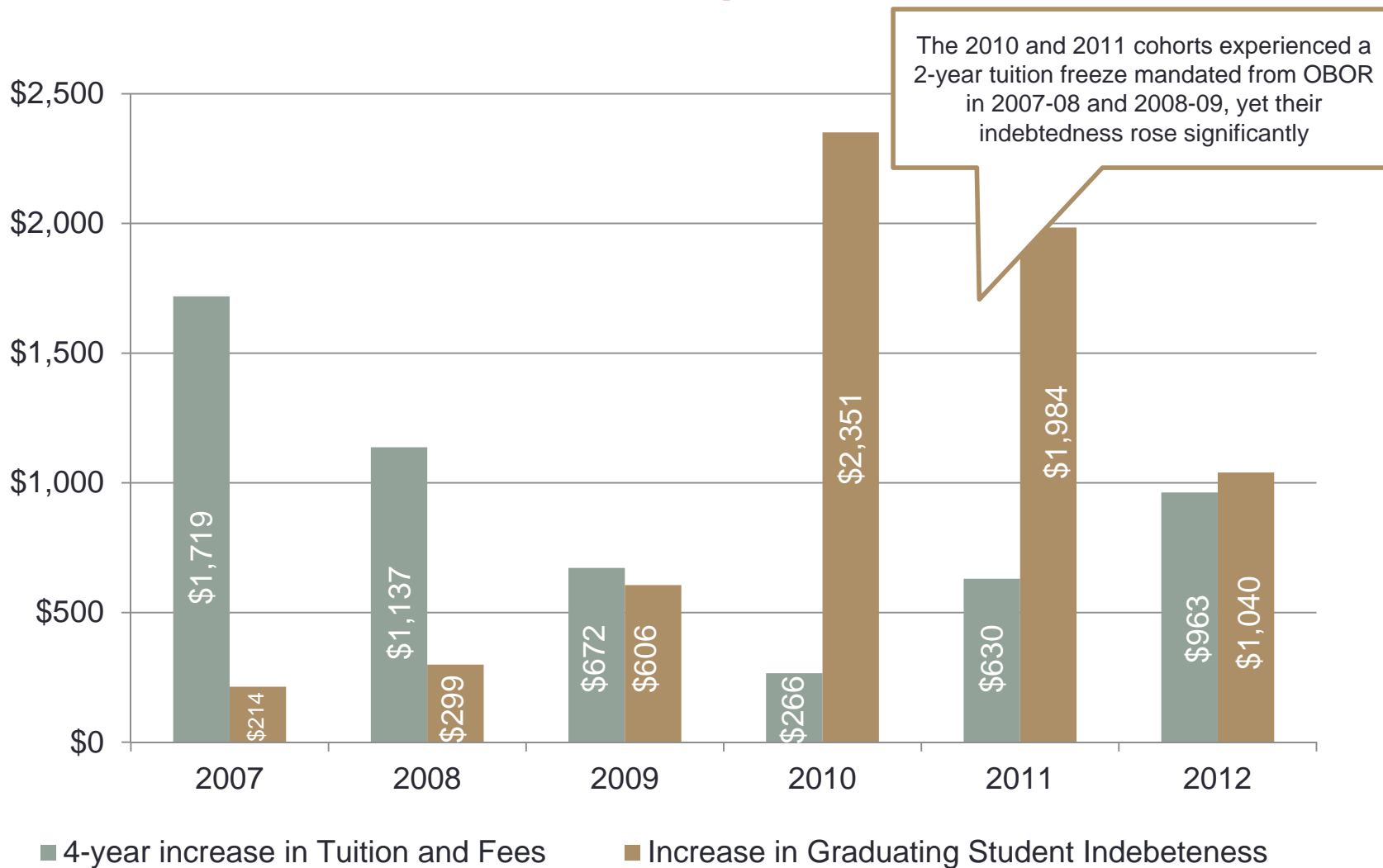
## Ohio Guarantee Model Approaches

- Could apply to in-state Tuition and fees, Room and Board and/or instructional fees
- Non-resident fee flat for number of years so guarantee already in effect
- Smooth for four year graduation rates
- Ohio's historical variable tuition increases of 3.5% equals a 9% tuition guarantee
- Model provides for variability depending on policy objectives and actual experience

# Student Debt

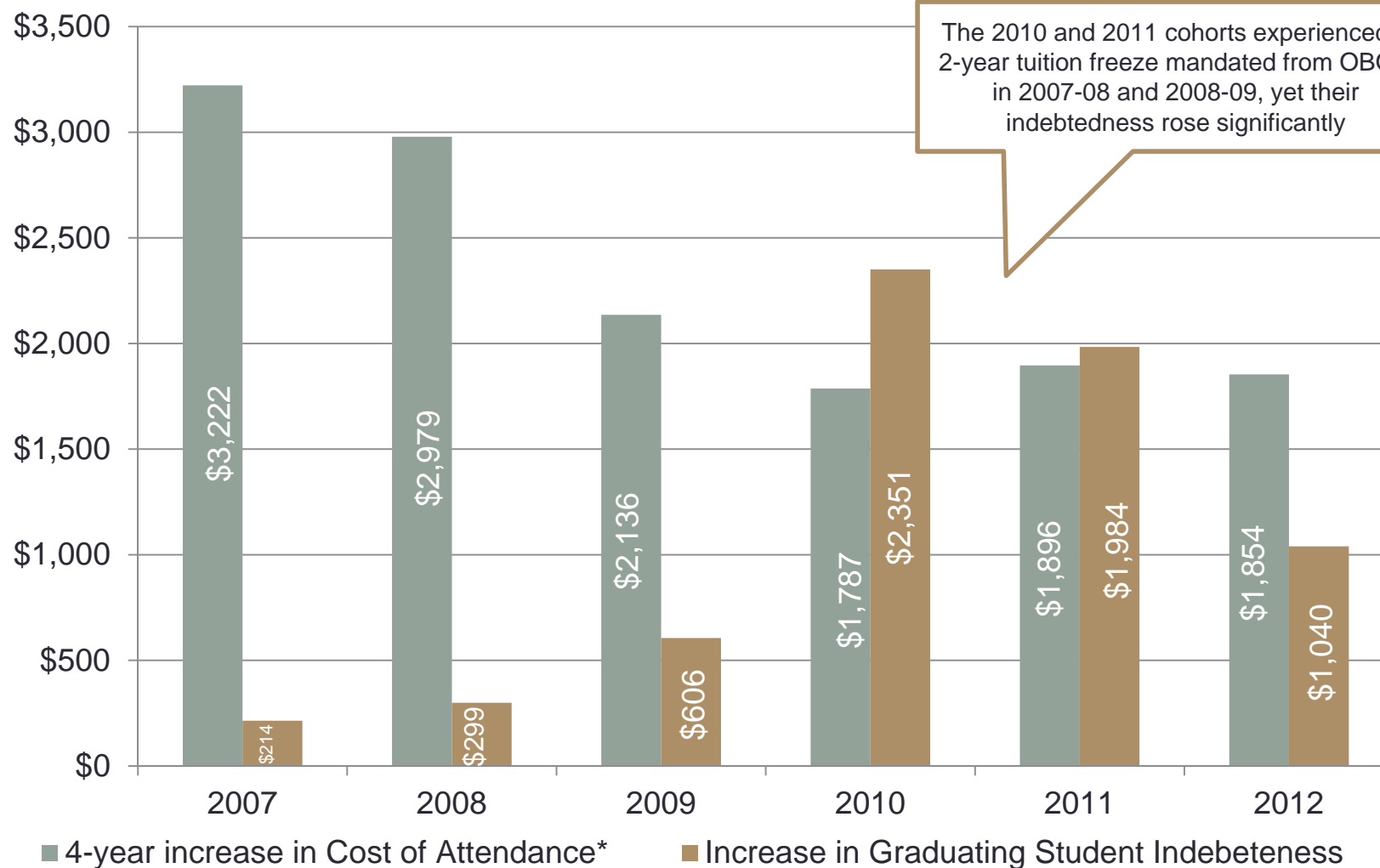
- The following two charts show student indebtedness
  - The charts include the standard subsidized and unsubsidized student direct loans and Perkins Loans (loan for needy students)
  - Do NOT include – Parent Loans or Alternative Loans
- The charts show that the cost of a student's education – tuition, room and board may not be the only reasons a student's indebtedness increases
- Anecdotal information has suggested that even families that can afford the cost of their child's education will take out student loans rather than spend down their own balances

## 4-Year Cohort Increase in Tuition and Fees vs. Increase in Their Indebtedness Upon Graduation





## 4-Year Cohort Increase in Total Cost of Attendance\* vs. Increase in Their Indebtedness Upon Graduation



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\*Cost of Attendance includes Tuition and Fees, Room and Board, Books, Transportation, and Personal Expenses

# Models

- Higher Education's pricing models historically driven by state appropriations, prior year's tuition increases, institutional mission, tuition charged by peer institutions, financial aid, cost of instruction
- Guaranteed Tuition models can be constructed with different goals such as lowering student debt or benchmarked to historical inflation increases:
  - Model 1 – Continuing students pay the historical 3.5% annual increases and new freshman pay the higher guaranteed rate adjusted for inflation
  - Model 2 – Continuing students have no tuition increases and only new freshmen pay the higher guaranteed rate with onetime catch-up and then adjusted for inflation going forward

# Guarantee Tuition Concept Model 1

Tuition Guarantee Calculation		Existing Students at Historical 3.5% Freshmen at 5.9% tied to inflation									
<u>Assumptions</u>											
Just covers guarantee of instructional fee - non-resident fee and general fee excluded from revenue calculation											
Four years of 3.5% annual increase results in a 10.87% compounded increase											
Assumes continuing students equally distributed across ranks - Soph to Senior - today seniors are larger but assume incentive to graduate shrinks that											
		Rest	3.50%	3.50%	3.50%						
		Freshmen	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%
Annual Tuition		8960	9274	9821	10400	11014	11664	12352	13080	13852	14670
Throughput	FY	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
4,400		39,424,000									
4,200		37,632,000	38,949,120								
4,200		37,632,000	38,949,120	40,312,339							
4,200		37,632,000	38,949,120	40,312,339	41,723,271						
			41,750,016	43,211,267	45,760,731	48,460,614	51,319,791	54,347,658	57,554,170	60,949,866	64,545,908
				41,750,016	43,211,267	45,760,731	48,460,614	51,319,791	54,347,658	57,554,170	60,949,866
					41,750,016	43,211,267	45,760,731	48,460,614	51,319,791	54,347,658	57,554,170
						41,750,016	43,211,267	45,760,731	48,460,614	51,319,791	54,347,658
Max Revenue		152,320,000	158,597,376	165,585,961	172,445,285	179,182,628	188,752,403	199,888,795	211,682,234	224,171,485	237,397,603
Full time Equivalence*	96.00%	146,227,200	152,253,481	158,962,523	165,547,474	172,015,323	181,202,307	191,893,243	203,214,944	215,204,626	227,901,699
New Revenue		6,026,281	6,709,042	6,584,951	6,467,850	9,186,984	10,690,936	11,321,701	11,989,682	12,697,073	
*Not all students are enrolled full-time - Max revenue assumes everyone pays full tuition - equivalence is 96% of the max											

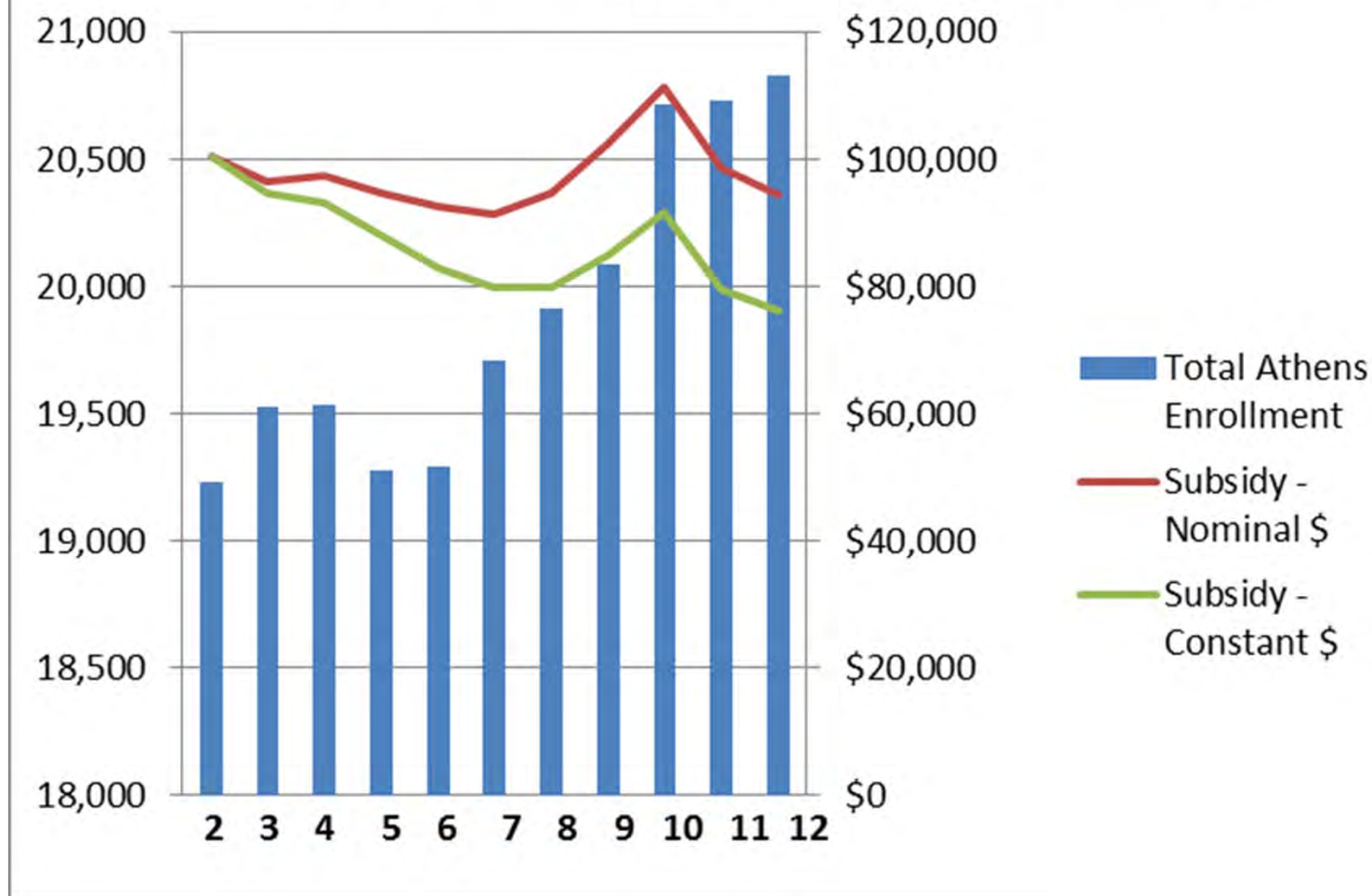


# OU's SSI and Tuition Buying Power

	Subsidy Per Student – Constant \$	Tuition Per Student – Constant \$	Total Per Student – Constant \$	Inflation – Constant \$
Fiscal Year 2001	\$5,551	\$6,194	<b>\$12,793</b>	
Fiscal Year 2002	\$5,140	\$6,608	<b>\$12,904</b>	0.87%
Fiscal Year 2003	\$4,765	\$7,346	<b>\$13,144</b>	1.86%
Fiscal Year 2004	\$4,673	\$8,062	<b>\$14,004</b>	6.54%
Fiscal Year 2005	\$4,458	\$8,401	<b>\$14,152</b>	1.06%
Fiscal Year 2006	\$4,222	\$8,469	<b>\$14,030</b>	-0.86%
Fiscal Year 2007	\$3,964	\$8,809	<b>\$14,214</b>	1.31%
Fiscal Year 2008	\$3,916	\$8,560	<b>\$13,831</b>	-2.70%
Fiscal Year 2009	\$4,221	\$8,883	<b>\$14,032</b>	1.45%
Fiscal Year 2010	\$4,374	\$8,581	<b>\$13,824</b>	-1.48%
Fiscal Year 2011	\$3,755	\$8,717	<b>\$13,367</b>	-3.30%
Fiscal Year 2012	\$3,465	\$8,736	<b>\$12,795</b>	-4.28%
<b>Total Change</b>	<b><u>(\$2,086)</u></b>	<b><u>\$2,542</u></b>	<b><u>\$2</u></b>	<b>0.00%</b>



## Subsidy Revenue vs. Enrollment



# Guarantee Tuition Concept Model 2

Tuition Guarantee Calculation			2014 Increase applied to Freshman only Continuing Students at 0% increase								
<u>Assumptions</u>											
Just covers guarantee of instructional fee - non-resident fee and general fee excluded from revenue calculation											
Four years of 3.5% annual increase results in a 10.87% compounded increase											
Assumes continuing students equally distributed across ranks - Soph to Senior - today seniors are larger but assume incentive to graduate shrinks that											
			7.40%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%
Annual Tuition	8960	9623	10191	10792	11429	12103	12817	13573	14374	15222	
Throughput	FY	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
4,400		39,424,000									
4,200		37,632,000	39,424,000								
4,200		37,632,000	37,632,000	39,424,000							
4,200		37,632,000	37,632,000	37,632,000	39,424,000						
			42,341,376	44,839,517	47,485,049	50,286,667	53,253,580	56,395,541	59,722,878	63,246,528	66,978,073
				42,341,376	44,839,517	47,485,049	50,286,667	53,253,580	56,395,541	59,722,878	63,246,528
					42,341,376	44,839,517	47,485,049	50,286,667	53,253,580	56,395,541	59,722,878
						42,341,376	44,839,517	47,485,049	50,286,667	53,253,580	56,395,541
Max Revenue	152,320,000	157,029,376	164,236,893	174,089,942	184,952,608	195,864,812	207,420,836	219,658,666	232,618,527	246,343,020	
Full time Equivalence*	96.00%	146,227,200	150,748,201	157,667,417	167,126,344	177,554,504	188,030,220	199,124,003	210,872,319	223,313,786	236,489,299
New Revenue		4,521,001	6,919,216	9,458,927	10,428,160	10,475,716	11,093,783	11,748,316	12,441,467	13,175,513	
*Not all students are enrolled full-time - Max revenue assumes everyone pays full tuition - equivalence is 96% of the max											

\*Not all students are enrolled full-time - Max revenue assumes everyone pays full tuition - equivalence is 96% of the max



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# Tuition Caps vs Guarantee Tuition Sensitivity Analysis

- A tuition guarantee model that caps a cohort increase at 9% will cost a student no more than what they would have paid with legislatively approved historical 3.5% increases
- Anything less than a 9% cohort increase would reduce the need for student indebtedness based on tuition for all students and even less for students with need
- A tuition guarantee program could also be pegged to inflation and include Tuition, Room and Board

# Tuition Caps vs Guarantee Tuition Sensitivity Analysis

		<u>FY13 Start</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>Total Paid</u>		
Cap	2.0%	8,960.00	9,139.20	9,321.98	9,508.42	9,698.59	37,668.20	6.12%	
Guarantee	5.0%	8,960.00	9,408.00	9,408.00	9,408.00	9,408.00	37,632.00	36.20	Debt Avoidance
Cap	2.5%	8,960.00	9,184.00	9,413.60	9,648.94	9,890.16	38,136.70	7.69%	
Guarantee	6.3%	8,960.00	9,524.48	9,524.48	9,524.48	9,524.48	38,097.92	38.78	Debt Avoidance
Cap	3.0%	8,960.00	9,228.80	9,505.66	9,790.83	10,084.56	38,609.86	9.27%	
Guarantee	7.6%	8,960.00	9,640.96	9,640.96	9,640.96	9,640.96	38,563.84	46.02	Debt Avoidance
Cap	3.5%	8,960.00	9,273.60	9,598.18	9,934.11	10,281.81	39,087.69	10.87%	
Guarantee	9.0%	8,960.00	9,766.40	9,766.40	9,766.40	9,766.40	39,065.60	22.09	Debt Avoidance





# Affordability

## Modeling Sensitivity Analysis

- Inflation Model - shows what the student will pay for tuition, room and board if inflation continues at the average rate
- Annual Increase Model - shows what we would be doing under a 3.5% cap environment with increases every year – basically \$1,290 over inflation trend for four years
- Guarantee Matching Annual Increase Model - shows that the 9% guarantee approach matches the annual increase model – students pay no more. Ohio University could choose to save all students something by setting a cohort tuition somewhere below the 9%
- Guarantee Matching Inflation Model - shows that an effective guarantee of 5.9% would put students even with inflation and overcomes the higher room increase and would put EVERY student at the inflation rate – even those without need
- Guarantee Match Inflation Need Based Model - shows that an effective guarantee of 7.4% would increase costs 50% of the increase related to inflation. The revenue change from 9% to 7.4% (approximately \$600,000) could be set aside as need based scholarships which could then be allocated to the 45% of students with need and effectively bring their increase down to a level equal to inflation while the remaining students would pay no more than the annual increase model.

# Affordability Modeling Sensitivity Analysis

Inflation Model		FY13 Base	FY14	FY15	FY16	FY17	Total Paid
Tuition	2.55%	10,216	10,477	10,744	11,018	11,299	43,536
Room	2.55%	5,648	5,792	5,940	6,091	6,247	24,069
Board	2.55%	5,400	5,538	5,679	5,824	5,972	23,013
							90,618
Annual Increase Model		FY13 Base	FY14	FY15	FY16	FY17	Total Paid
Tuition	3.50%	10,216	10,574	10,944	11,327	11,723	44,567
Room	3.50%	5,648	5,846	6,050	6,262	6,481	24,639
Board	2.00%	5,400	5,508	5,618	5,731	5,845	22,702
							91,908
							1,290 vs Inflation model
Guarantee Model		FY13 Base	FY14	FY15	FY16	FY17	Total Paid
Tuition	9.00%	10,216	11,135	11,135	11,135	11,135	44,542
Room	3.50%	5,648	5,846	6,050	6,262	6,481	24,639
Board	2.00%	5,400	5,508	5,618	5,731	5,845	22,702
							91,883
Guarantee Model		FY13 Base	FY14	FY15	FY16	FY17	Total Paid
Tuition	5.90%	10,216	10,819	10,819	10,819	10,819	43,275
Room	3.50%	5,648	5,846	6,050	6,262	6,481	24,639
Board	2.00%	5,400	5,508	5,618	5,731	5,845	22,702
							90,616
							(2) vs Inflation model
Guarantee Model		FY13 Base	FY14	FY15	FY16	FY17	Total Paid
Tuition	7.40%	10,216	10,972	10,972	10,972	10,972	43,888
Room	3.50%	5,648	5,846	6,050	6,262	6,481	24,639
Board	2.00%	5,400	5,508	5,618	5,731	5,845	22,702
							91,229
							611 vs Inflation model



# OHIO's Promise

- If enacted, the Ohio University Tuition Guarantee Program would assure students and their families that their educational costs for tuition and fees, as well as room and board, would not increase throughout their 4-year education at OHIO within the parameters outlined. This would allow for a degree of predictability and planning for the students and families and an overall 4-year college experience would be cheaper than under Ohio's historic year-to-year average increases.
- In addition, for those students who are identified as having need, OHIO's scholarship award programs would assist by assuring that their costs would not rise throughout their 4-year college education beyond OHIO's 2013-14 cost of education (tuition, room and board) after adjusting for inflation.

# Summary

## Identified Benefits

- Predictability
- Flexibility
- Increased Affordability and Accessibility
- Completion Incentives
- Reduced Debt Burden
- Student Recruitment
- Stability
- Enhanced University Business Model

## Other Considerations

- Start-up
- Requires Legislation
- Communication
- Potential for Lower Revenues
- Economic Volatility
- Evolving Political Environment
- Evolving Business Environment

# SCHOLARSHIPS AND FINANCIAL AID

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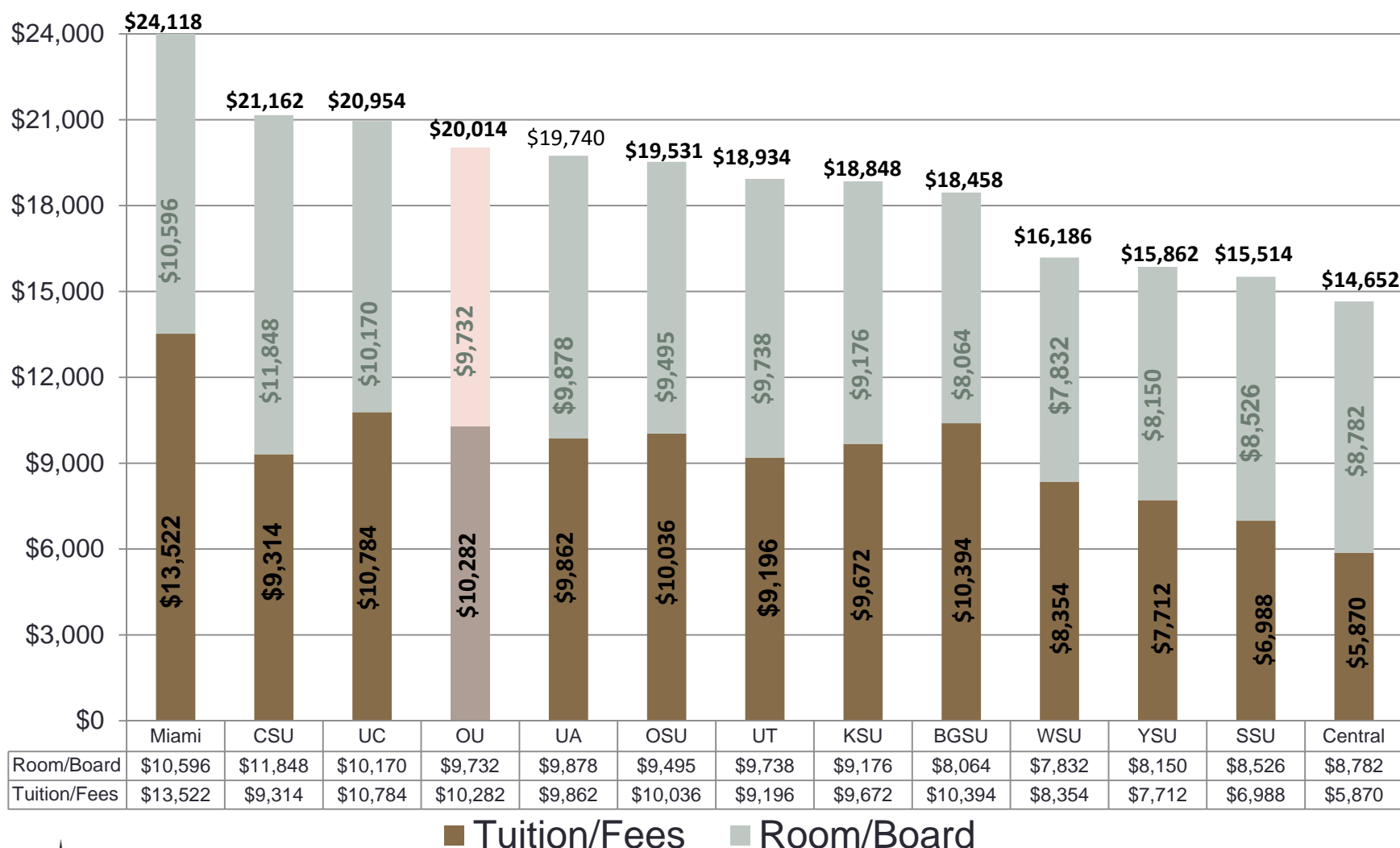
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# Academic Scholarship and Financial Aid Programs

- Total aid out to Ohio University students in the 2011-12 school year totaled \$408,093,925
- The FY2013 general fund academic scholarship budget of approximately \$19.5 million is used to leverage our costs and effectively create a discount rate for our students and families. These programs consist of the following categories:
  - **Gateway Programs- Excellence, Scholarship and Trustee - \$12 million annually**
  - Fine Arts Talent, Transfer, Upperclass Deans, Targeted Scholarships and various miscellaneous awards - \$7.5 million annually



## Ohio School Cost Comparison- Total Tuition/Fees + Room/Board Combined Rates – 2012-13



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\* [https://www.ohiohighered.org/files/uploads/financial/Fall\\_12\\_SurveyofCharges.pdf](https://www.ohiohighered.org/files/uploads/financial/Fall_12_SurveyofCharges.pdf)

# The Competitive Environment

	Scholarship Award Ranges	Required ACT	Required GPA
University of Akron	\$1000 - \$6000	<b>21+</b>	3.00
Bowling Green State University	\$1000 - \$8000	<b>20+</b>	3.00
University of Cincinnati	\$2000 - \$6000		
Cleveland State University	\$1000 - \$4500	<b>23+</b>	3.00
Kent State University	\$1000 - \$4500	<b>23+</b>	3.25
Miami University	\$2000 - \$13075	26+	3.70
Ohio State University	\$2000 - \$5000	28+	class rank
<b>Ohio University</b>	<b>\$500 - \$4000</b>	<b>25+</b>	<b>3.00</b>
University of Toledo	\$1500 - \$6500	<b>16+</b>	<b>2.75</b>
Wright State University	\$500 - \$18,500	<b>23+</b>	3.00
Youngstown State University	\$1500 - \$4500	<b>22+</b>	3.00



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# The Competitive Environment

Students doing on line searches can make comparisons with other schools.

ACT Score*	# of applications in applicant pool for the 2012 class	OU Gateway Program	BGSU on-line calculator	Difference
25	1285	\$500	\$1,000	(\$500)
26	1033	\$500	\$1,000	(\$500)
27	933	\$750	\$4,000	(\$3,250)
28	709	\$1,000	\$4,000	(\$3,000)
29	510	\$1,500	\$4,000	(\$2,500)
30	378	\$2,000	\$4,000	(\$2,000)
31	272	\$4,000	\$4,000	Even
32	269	In-State Tuition	\$4,000	Approx. \$6,000
33	147	In-State Tuition	\$4,000	Approx. \$6,000
34	67	In-State Tuition	\$6,000	Approx. \$4,000
35-36	19	In-State Tuition	\$6,000	Approx. \$4,000



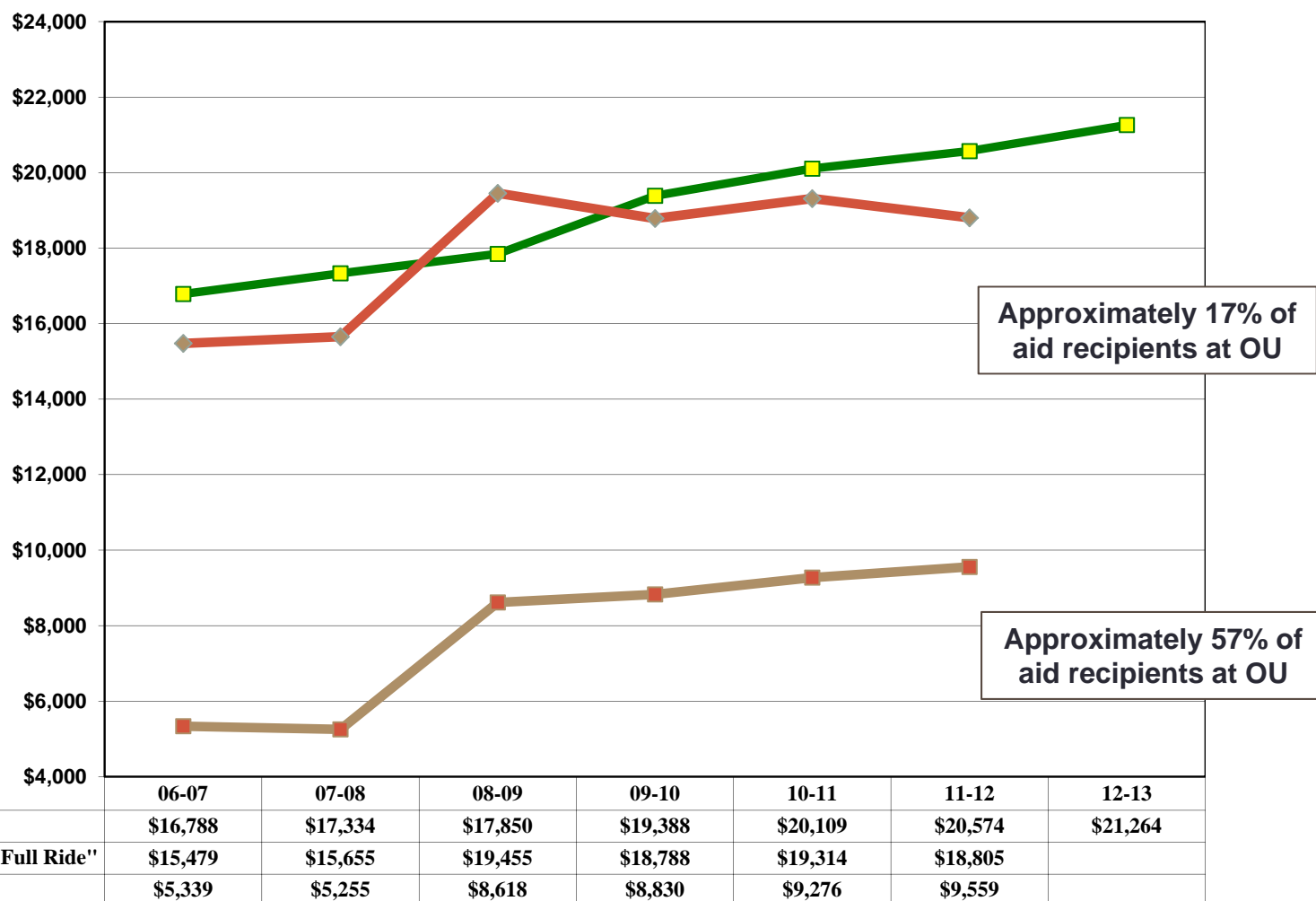
## “Gap Analysis”

The good news is that we continue to commit unrestricted institutional dollars to discount our tuition:

NACUBO and College Board Definition of Discount Rate:			
Total Discount Rate =		$\frac{\text{Total Institutional Grant Aid}}{\text{Total Gross Tuition and required fee revenue}}$	
<a href="http://www.collegeboard.com/prod_downloads/press/tuition-discounting.pdf">http://www.collegeboard.com/prod_downloads/press/tuition-discounting.pdf</a>			
DATA SHARED WITH BOARD OF TRUSTEES IN THE DASHBOARD - provided by Finance and Administration:*			
Year	Total Undergraduate Gross Tuition and Required Fee Revenue*	Total Institutional Scholarship and Grant Aid for Undergraduate Students**	Discount Rate for Undergraduate Athens Students
2006-7	\$ 240,990,636	\$ 39,543,722	16.4%
2007-8	\$ 257,254,813	\$ 39,514,236	15.4%
2008-9	\$ 262,264,797	\$ 46,280,584	17.6%
2009-10	\$ 277,553,921	\$ 47,959,272	17.3%
2010-11	\$ 303,352,545	\$ 57,466,229	18.9%
2011-12	\$ 331,064,132	\$ 63,729,790	19.2%
* Ohio University Consolidated Statement of Activities; Includes all tuition and fees and what is called "scholarship allowance"			



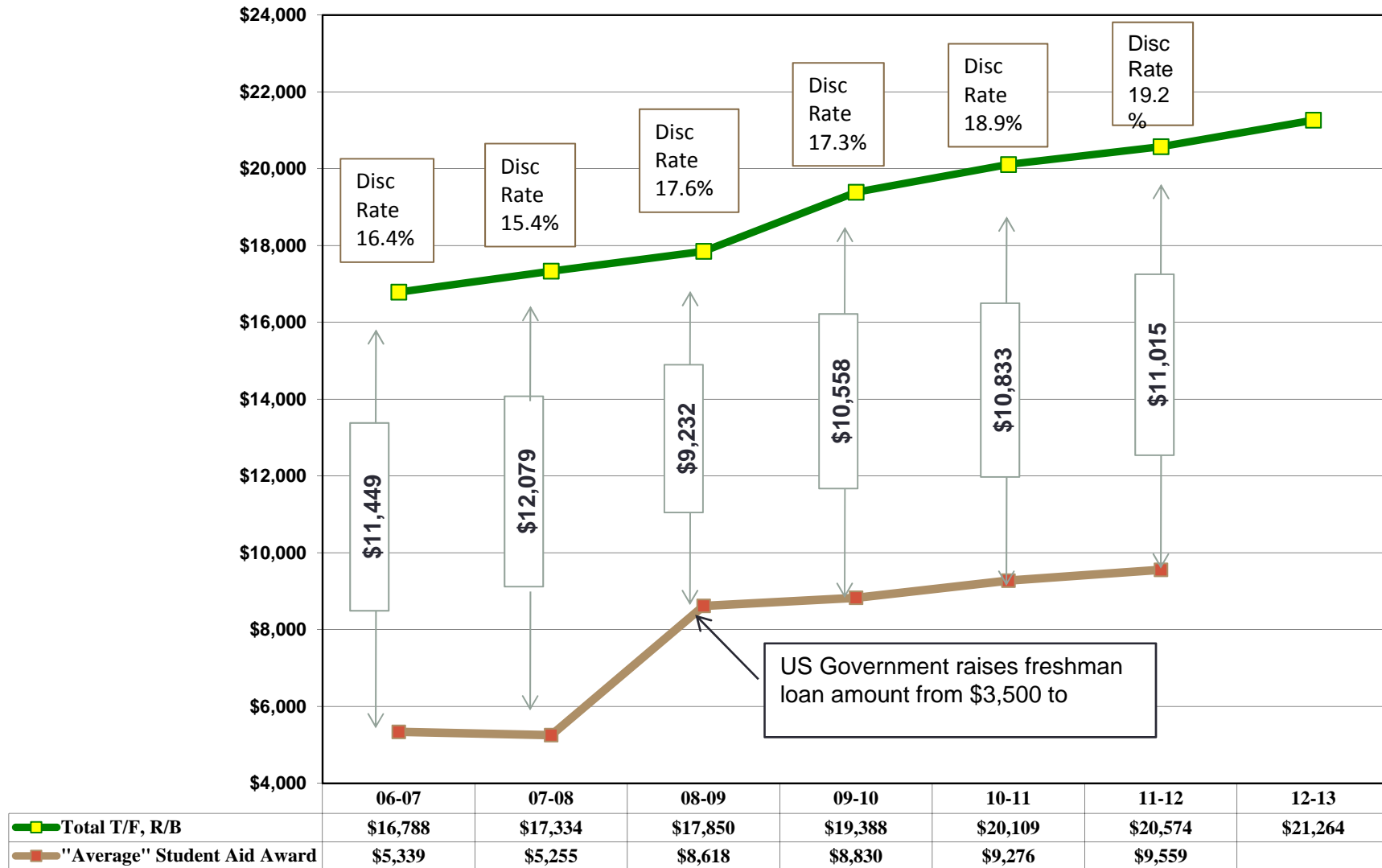
## Undergraduate Tuition, Room, and Board Expenses Comparison Freshman Highest Need Student with a “Full Ride” vs. “Average” Student with Standard Student Loan and OU Discount Rate



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Source: Student Financial Aid Office \*06-07 and 07-08 figures represent maximum OCOG vs. OIG awards

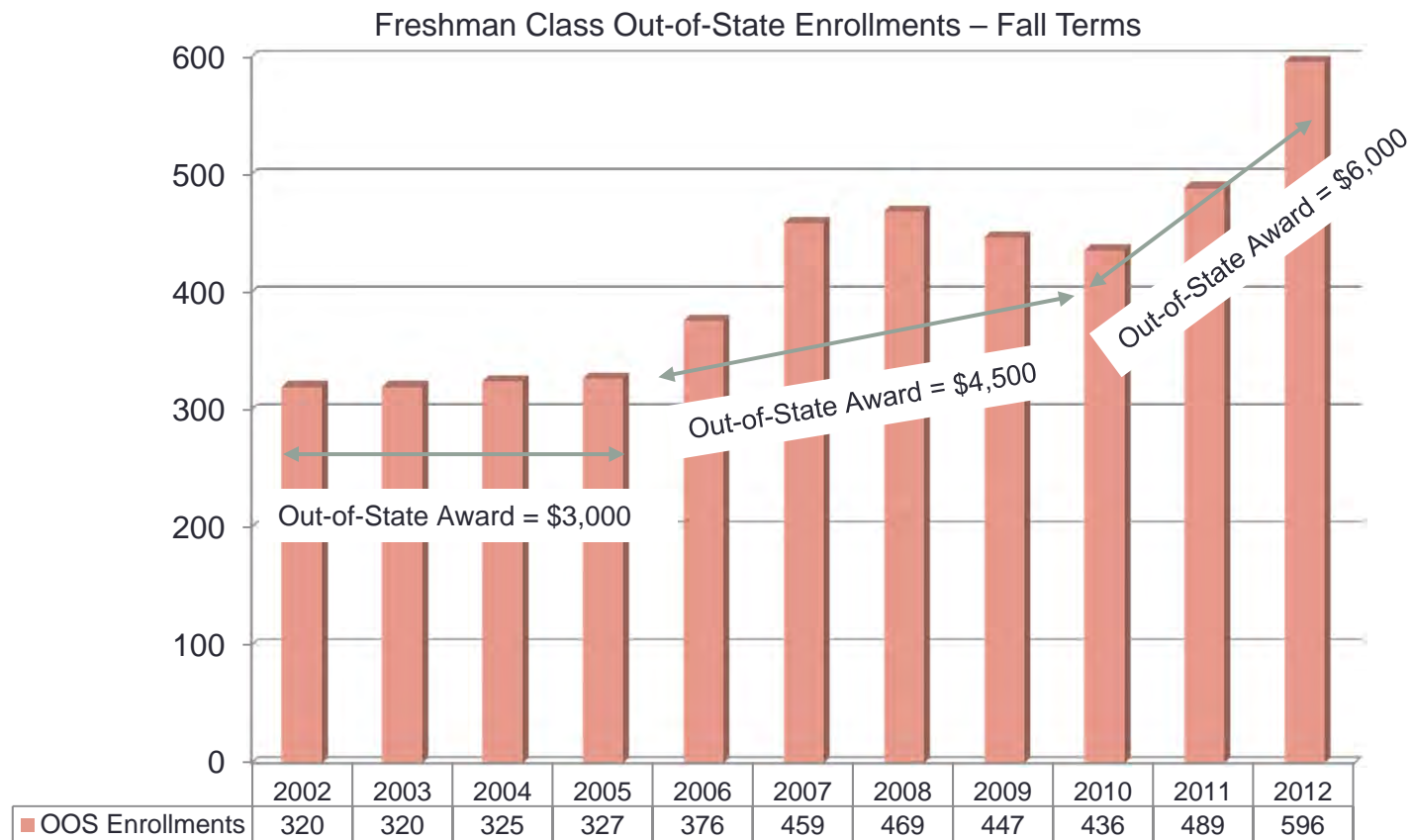
## Undergraduate Tuition, Room, and Board Expenses Comparison Average Student Aid Award (Freshman Loan and Average Discount Rate)



# Future Program and Needs

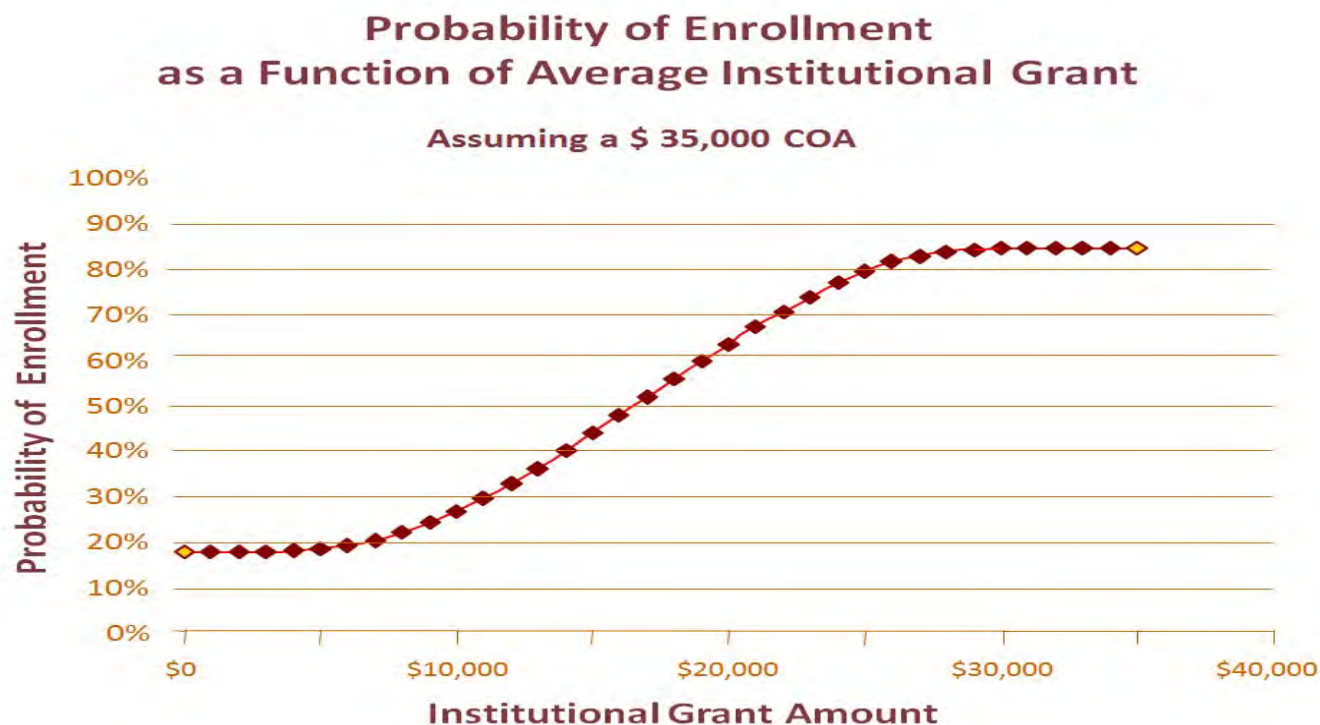
When we have made strategic changes, in alignment with our SEMP to our scholarship programs, we have seen success:

- Raised Gateway Trustee (Out-of-State Surcharge) Awards over the years



# Future Program and Needs

The Student Scholarship Task Force will be making recommendations in the development of a more sophisticated and strategic scholarship program that will allow us to maintain our commitments to affordability, maximize net tuition and remain competitive.



# Future Program and Needs

Our new scholarship model will allow us to look at various student populations and determine the student enrollment behavior based on aid received

Student Population #1	Yield=24.8% Avg Grant: (E)=\$5,402 (N)=\$3,424	Yield- Admitted to Enrolled Percentage  (E)- Average institutional aid for those that enrolled (N)- Average institutional aid for those that did not enroll
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Note: Not OU Data

This model will inform us where our aid programs are effective by showing many different data elements. It will inform us the best ways to leverage our costs and meet our enrollment goal for various cohorts taking price sensitivity into consideration.



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## Future Program and Needs

Preliminary analysis is showing us some encouraging things:

- Students are price sensitive but we do very well considering that and in comparison to other schools due to the strong academic reputation of OU.
- Competitive pressures and a locked scholarship model do not allow us to be flexible enough to meet students on a student-by-student basis and make individual adjustments to meet enrollment goals
- Students may be opting out of even applying to OU for fear that there is not enough financial aid when looking at our current awarding structure
- Targeted scholarship enhancements ranging from \$1,000 - \$3,500 above current scholarship awards can make a large difference in our student yields for many of the populations





# Access: Scholarships

- Scholarships are a major priority in the Campaign
- Matching Scholarship Program: \$100 million investment
- \$25.4 million in matching funds for scholarships over 7 years
- Largest investment in the \$100 million investment
- \$50.8 million in scholarship funds
  - Increases accessibility
  - Increases academic quality
  - Improves our ability to retain and recruit students
  - Leverages external fundraising revenues through fundraising opportunities
  - Improves financial strength by growing the endowment
- Program design in development



# Discussion



## **Interoffice Communication**

**Date:** January 18, 2013

**To:** The President and Board of Trustees

**From:** Stephen T. Golding, Vice President for Finance and Administration, CFO and Treasurer

**Re:** **Ohio University Capital Plan Update**

The attached presentation was prepared at the request of Trustee Campbell to address a series of questions he proposed to try to better understand the University's capital planning processes, the University's current Twenty Year Capital Plan, and the impact of that plan on the institutional balance sheet and student costs.

Specifically, the questions Trustee Campbell posed are as follows:

- What was the genesis of the Twenty Year Capital Plan?
- How was the Twenty Year Capital Plan developed?
- What are the components of the Twenty Year Capital Plan?
- Can the University afford the debt associated with the capital plan?
- How will the University pay for the Twenty Year Plan?
- What is the impact of the Twenty Year Plan on student costs?
- What are the consequences of not moving forward with the Twenty Year Plan?

The materials provided are a compilation of presentations that have been made to the Board over the past eighteen months. Some have been updated and there are several new slides prepared to directly address a specific question posed. The goal of the presentation is to insure that the trustees have a similar orientation as to what the Twenty Year Plan is and is not, to provide the trustees with a better understanding as to how university leadership uses the plan as a tool for enhanced planning and establishing institutional priorities, and finally an appreciation that no major facilities capital project can be initiated without multiple trustee approvals and reviews.

The presentation is not intended to suggest that there is no room for further improvements and refinements to OHIO's capital planning processes, but hopefully demonstrates that much work has been accomplished in the last two years to provide greater transparency and understanding regarding the physical needs of the campus and the consequences of not addressing them.

# Ohio University Capital Planning

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Board of Trustees

February 7, 2013 Lunch Discussion



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# 20 Year CIP Presentation Outline

(Critical questions to be addressed)

- What was the genesis of the Twenty Year Capital Plan?
- How was the Twenty Year Capital Plan Developed?
- What are the components of the Twenty Year Capital Plan?
- Can the University afford the debt associated with the Twenty Year Capital Plan?
- How will the University pay for the Twenty Year Plan?
- What is the impact of the Twenty Year Plan on student costs?
- What are the consequences for not moving forward with the Twenty Year CIP?



# 20 Year Capital Improvement Plan Overview

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# 20 Year Capital Improvement Plan Overview

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- Number and size of Academic Programs have expanded over the past several years.
- Increase in demand for research and collaboration spaces.
- Today's academic teaching models require more space than the standard classroom model.
- Lack of move-in ready space for immediate program expansion needs.
- Problem solving applications-Team project work spaces for students.



# 20 Year Capital Improvement Plan Overview

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- Between FY 2009 and FY 2012 the University faced difficult challenges with regard to its facilities:
  - The state skipped the FY2011-FY2012 cycle for biennial state capital appropriations
  - Important planned projects were delayed
  - Deferred Maintenance continued to grow effecting the University's competitive advantage
  - Housing stock was deteriorating faster than it could be rehabilitated and did not offer options students wanted
  - The coal fired heating plant was nearing the end of its useful life and regulatory restrictions are likely to increase





# 20 Year Capital Improvement Plan Overview

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- Comprehensive 20 Year Capital Improvement Plan (CIP) prepared to address academic capital investments accepted by Board in Fall 2011
  - Most current 6 Year CIP approved by Board once per biennium
  - Annual CIP is Board approved each June for the fiscal year beginning July 1
- Comprehensive Residential Housing Study
  - 10 Year Housing Master Plan approved in February, 2011 and integrated into the 20 Year CIP; funding from Housing Auxiliary reserves and debt
- Deferred Maintenance Study in conjunction with State of Ohio
- Capital Funding policy decision to utilize state capital appropriations to address deferred maintenance
  - Leverage gifts from donors and debt to fund academic capital investments



# 20 Year Capital Improvement Plan Overview

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- University determined it needed to undertake a Debt Affordability Study in FY2010
- Actions taken in order to prepare for the use of debt:
  - Retained PFM to assist with a comprehensive debt affordability study in support of funding a 20 Year CIP which incorporates the Residential Housing study
    - Debt capacity analyses were performed for several scenarios considering current outstanding debt, projected new debt, additional debt service and the effect on operating expenses, impact on balance sheet and key ratios, and peer comparisons
- Actions following completion of the Debt Affordability Study
  - Debt capacity and limits were presented to Board of Trustees along with a Debt Policy and approved in CY2011
  - Rating Agency meetings fall 2011 and Winter 2012



# 20 Year Plan

(Addressing the Deferred Maintenance Backlog)

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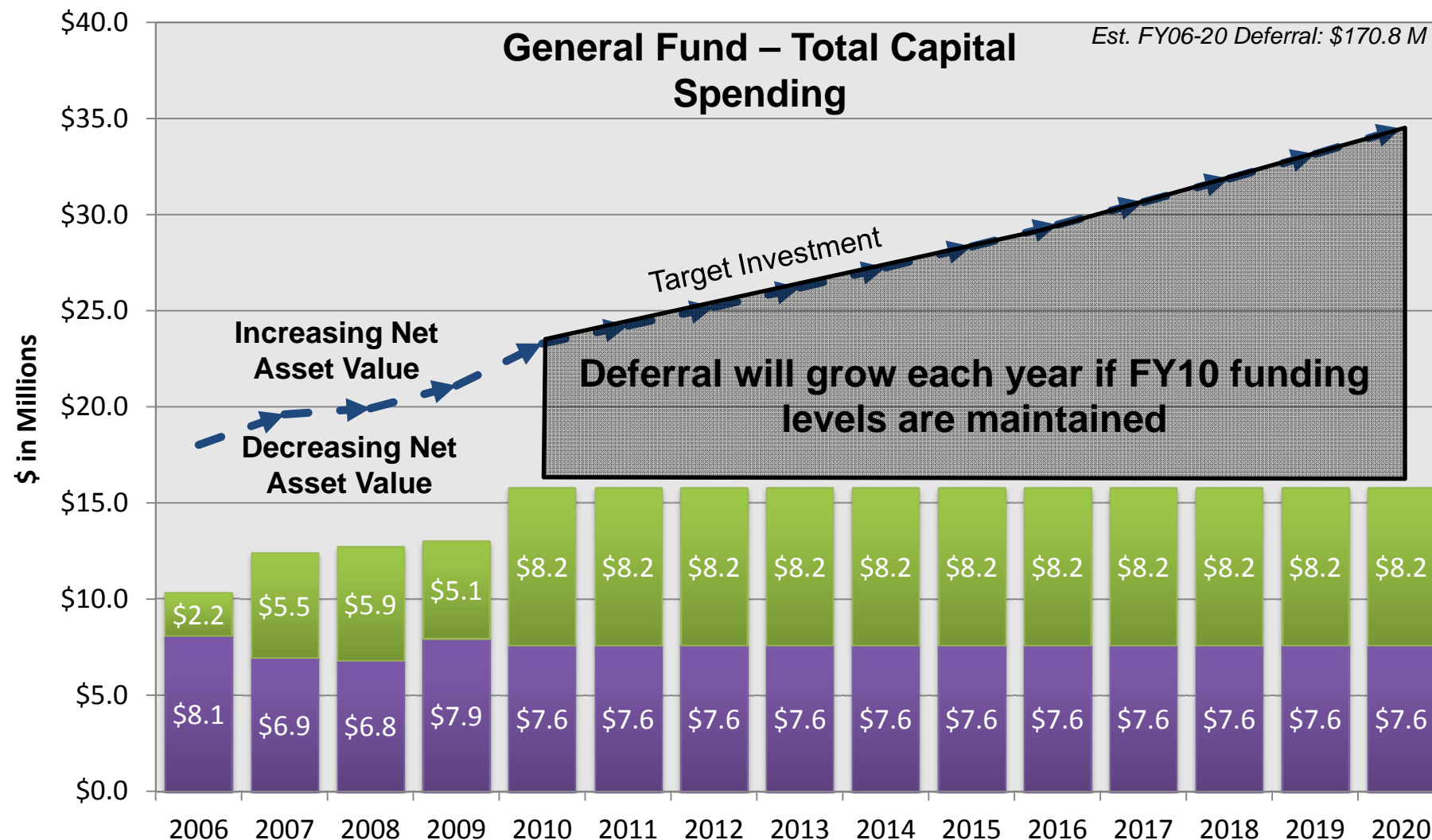
# Ohio University Capital Planning 20 Year Capital Improvement Plan

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- A different approach to capital planning was required and led to the formulation of a new 20 Year Capital Plan (CIP)
- The plan uses future state appropriations to **'catch up'** deferred maintenance and **'keep up'** buildings
- **Debt issuance, public/private partnerships, gifts and grants** are considered as funding sources for **major rehabilitation projects and infrastructure replacement**
- A subset of the overall 20 year plan, the **Six Year Capital Plan**, is approved by the Board of Trustees annually and its cash flows and debt service requirements inform both operating and capital budgeting



- At current funding levels, backlog will grow by \$130 M by 2020
- Gap between funding and target will increase from \$8 to \$18 M



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■ Annual Stewardship

■ One-Time Capital

# 20 Year CIP

## New Facilities and Smart Growth

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### New Facilities

- Violet Patton Arts & Education
- Aviation Training Hangar
- Lausche Heating Plant
- Multi-Purpose Center
- Clippinger Replacement
- Botanical Research Greenhouse
- OUHCOM Diabetes
- Softball Stadium
- OUHCOM OMNI
- \$209 M of \$2.6B Program (8%)

### New and Expanding Programs

- Residential MBA
- Physician's Assistant
- Center for Sport's Medicine
- Executive Programs
- Internationally focused-Ohio Program of Intensive English
- Nursing
- Leadership Center (Voinovich)
- Student help and career development centers



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# Ohio University- 6 Year Capital Improvement Plan (CIP)-20 Year Context

November 03, 2011 (Dollars in millions)



## Summary of Totals By Project Type

Project Types:	6 Year Total	10 Year Total	20 Year Total
General Fund Athens: Complete Building Renovations	192.7	226.9	321.7
General Fund Athens: New Facilities	209.9	209.9	209.9
General Fund Athens: Construction Swing Space	17.0	17.0	17.0
General Fund Athens: Major Building Systems Upgrade	69.1	171.5	485.9
General Fund Athens: Basic Deferred Maintenance Projects	146.4	236.0	540.4
General Fund Athens: Safety Projects	9.7	15.1	33.5
General Fund Athens: Infrastructure	26.3	41.30	74.9
General Fund: Regional Campuses	45.8	69.60	149.3
Housing	205.0	413.0	660.7
Culinary Services	55.6	61.0	78.90
<b>Total</b>	<b>977.5</b>	<b>1,461.3</b>	<b>2,572.2</b>

### Inflation:

All totals include increasing inflation rates per year from FY 2011 beginning with 3% in the beginning of the plan and ending with 5% towards the end.



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# Ohio University- 6 Year Capital Improvement Plan (CIP)-20 Year Context

November 03, 2011 (Dollars in millions)



All totals include increasing inflation rates per year from FY 2011 beginning with 3% in the beginning of the plan and ending with 5% towards the end.

## Totals Summary:

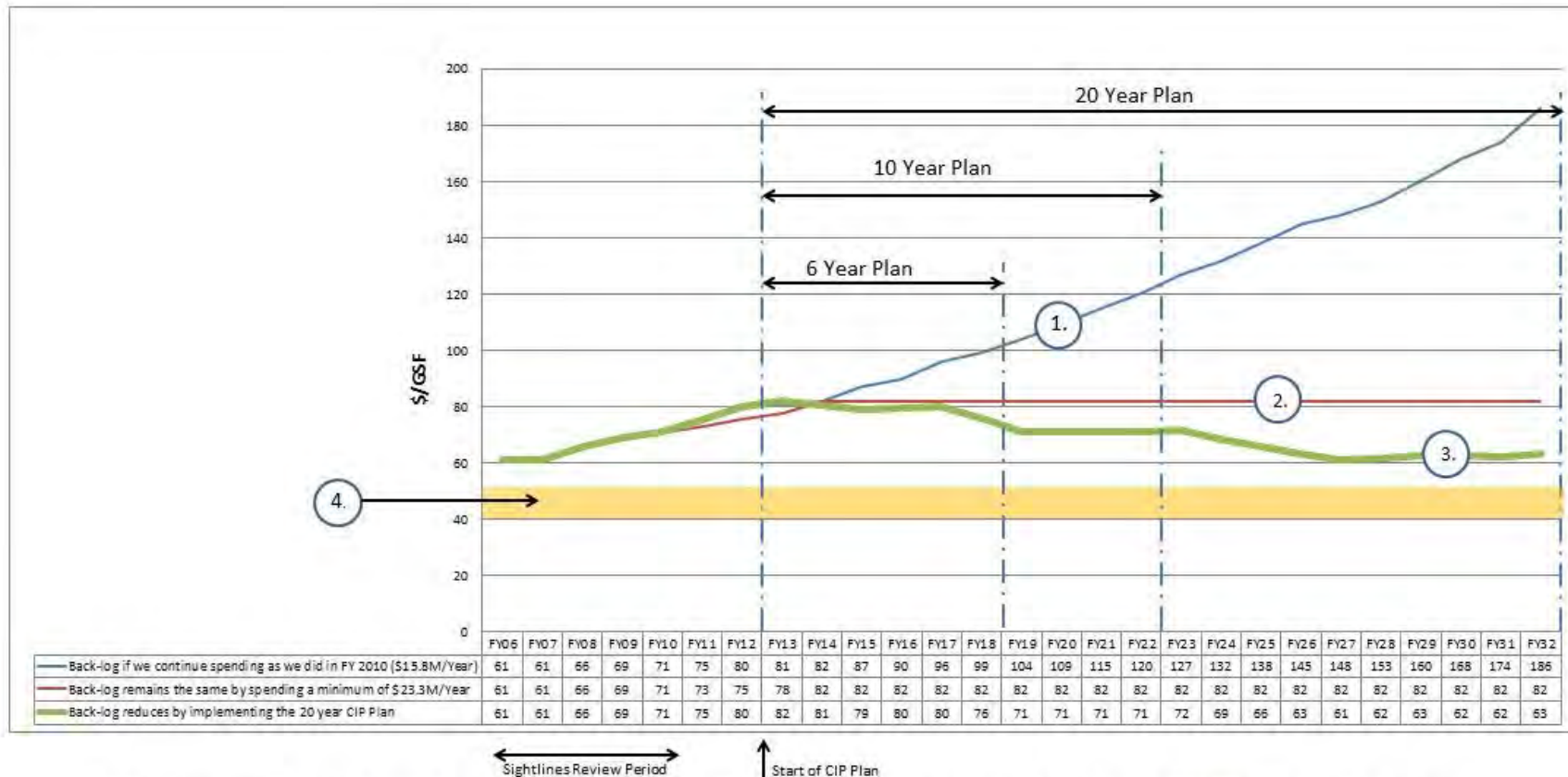
Biennium:	Estimated Budget- Includes Inflation	Funding Sources					Athens General Fund Deferred Maint. Reduction
		Debt	State Capital	O & M	Public Private	Gifts Grants	
Ohio University Deferred Maintenance Back-Log at the beginning of FY 2013							436.0
Capital Improvement Totals: General Fund, Housing, Regional Campuses, Culinary Services							
Fiscal Years 2013-2014	485.6	194.6	32.1	91.7	133.0	36.2	17.9
Fiscal Years 2015-2016	256.4	189.0	30.3	28.1	-	9.0	(7.1)
Fiscal Years 2017-2018	235.5	183.9	33.5	18.1	-	-	47.2
Subtotal of 6 Year Plan-2013-2018	977.5	567.5	95.9	137.9	133.0	45.2	57.9
Fiscal Years 2019-2020	328.6	178.5	35.9	109.2	-	5.0	1.0
Fiscal Years 2021-2022	155.2	77.1	38.6	39.5	-	-	(1.5)
Subtotal of 10 Year Plan-2013-2022	1,461.3	823.1	170.4	286.6	133.0	50.2	57.4
Fiscal Years 2023-2024	196.6	103.3	41.9	51.4	-	-	29.4
Fiscal Years 2025-2026	288.5	187.6	45.4	55.5	-	-	26.3
Fiscal Years 2027-2028	177.9	66.6	49.5	61.8	-	-	(10.2)
Fiscal Years 2029-2030	231.4	108.3	54.2	68.9	-	-	3.8
Fiscal Years 2031-2032	216.5	76.4	60.8	79.3	-	-	(9.5)
Total of 20 Year Plan-2013-2032	2,572.2	1,365.3	422.2	603.5	133.0	50.2	97.1
Ohio University Deferred Maintenance Back-Log at the end of 2032							338.9



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## Capital Improvement Plan - 20 Year Plan Athens General Fund Deferred Maintenance Backlog Progress



1. If we continue to spend at the same level we have been (Approx. \$15.8M/Year) we will reach over \$1 billion dollars in deferred maintenance backlog in 20 years.
2. If we spend approximately \$23.3M/Year, we will maintain our backlog (no increase or decrease).
3. If we invest at the level we have shown in the CIP Spreadsheets, by FY32 we will be able to reduce our backlog by 22%.
4. A backlog in the range of \$40-\$50/S.F. is an acceptable amount of backlog to have for most campuses.



# CIP Impact on Facilities Management

As Planned			
	<u>Six Year CIP</u>	<u>Ten Year CIP</u>	<u>Twenty Year CIP</u>
<u>Building Age</u>			
≤ 25 Years	48%	42%	25%
≥ 26-50 Years	17%	22%	38%
> 50 Years	35%	36%	37%
Deferred Maintenance Backlog (\$436M)	\$378M	\$379M	\$339M
No Action			
≤ 25 Years	34%	21%	1%
≥ 26-50 Years	22%	30%	43%
> 50 Years	44%	49%	56%
Deferred Maintenance Backlog (\$436M)	\$562M	\$686M	\$1B



# Annual Capital Planning Approval Process

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# Managing the Capital Planning Process

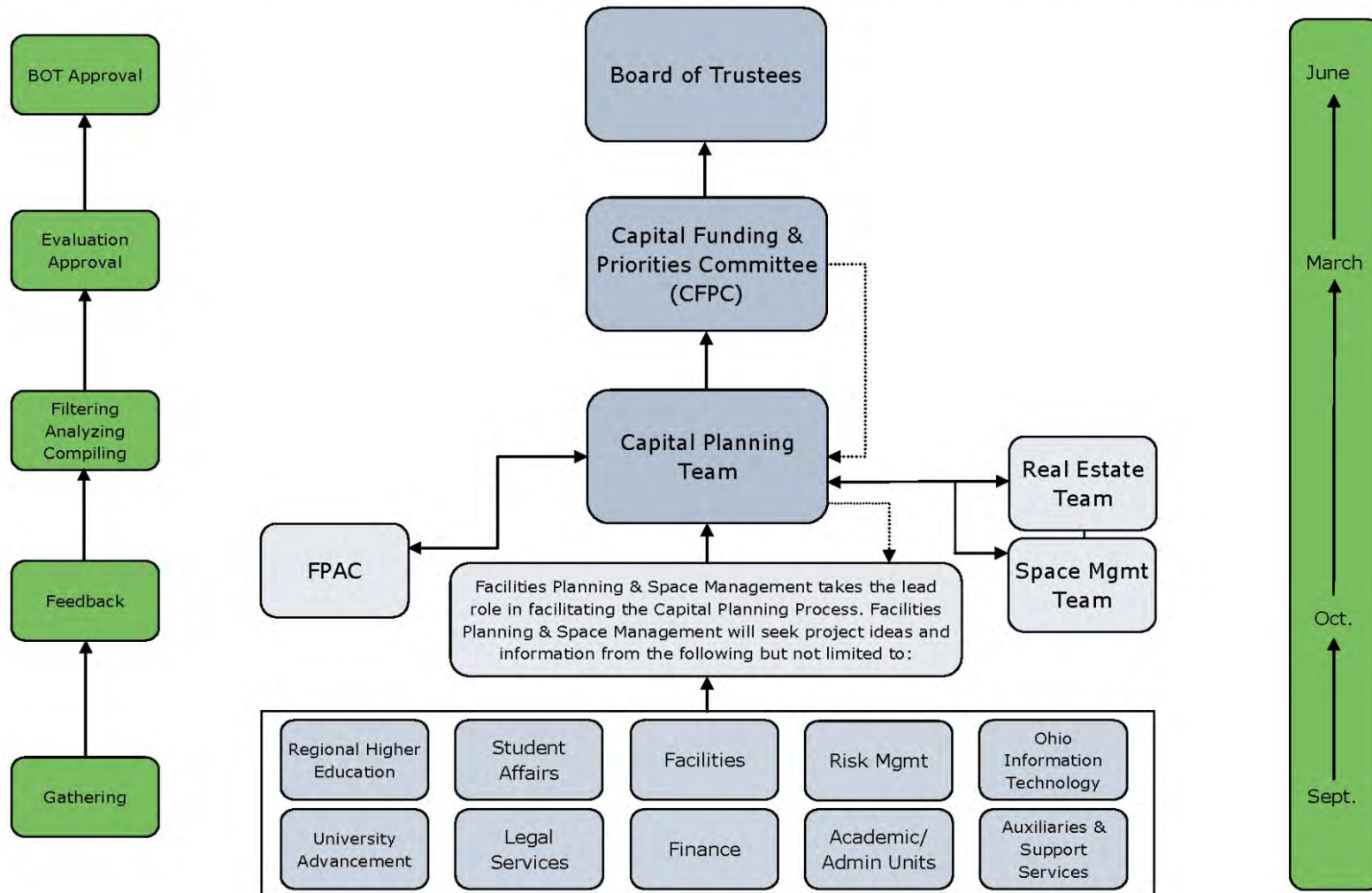
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- The 20 year Capital Plan will be refreshed biannually
- Biannual Board approval of the Six Year Capital Plan
- Annual approval of the annual CIP
- Individual Board approvals requested for projects of \$500,000 or greater before let
- Project status reporting being developed to continually update the Board on construction and funding progress to plan
- Board approval required for all bond issuances
- Continuous review of University debt capacity based on updated Sources and Uses and evolving economic and state realities
- Enhanced Annual Capital Planning Approval Process



# Annual Capital Planning Approval Process

*Review and update of the 6-year Capital Plan (CIP)*



# Enhanced Capital Planning and Approval Processes

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## ■ Plan Development:

- Process facilitated by Facilities Planning and Space Management
- Deans and Vice Presidents prioritized needs
- University focused teams
  - Real Estate, Space Management, Sustainability, Project Teams
- Focused consultant studies
  - Housing, Deferred Maintenance, Debt Capacity
- Facilities Planning Advisory Council endorsement
  - Cross Organizational Faculty, Staff, Students
- Deans and Vice Presidents endorsement
- Approval of Capital Funding and Priorities Committee
- Revamped plan development, annual plan update, and project approval process



# Debt Affordability

(Updated for FY 2012 Actuals)

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# Debt Capacity Analysis

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- Debt capacity is a measure of how much debt an institution can issue at a particular rating level; it serves as a measure of the capital markets' assessment of an institution's financial strength.
- The University's credit rating is relevant – it directly impacts the cost of funding: the higher the credit rating, the lower the cost of borrowing (i.e., the yield the University pays on its bonds) and vice versa.
- It is important to note that in assessing an institution's credit strength, rating agencies take into account both qualitative and quantitative factors; OU's internal analysis focuses on the quantitative financial ratios.
- However, the strategic goals in issuing additional debt will also be an important component of the rating agency's review, as well as the type of capital project being financed.
  - For example, a new housing project would be expected to have an associated revenue stream.
  - Similarly, an academic building may be critical to the University's mission.
- The rating agencies will take into account how the impacted debt will serve the University's overall mission and strategic goals, and this will be an important qualitative component to their review.





# Methodology and Key Assumptions

- The credit rating agencies and capital markets tend to focus on a few key ratios in assessing an institution's financial strength.
  - These ratios include *Total Resources to Debt*, *Expendable Resources to Debt* and *Debt Service to Operations*.
- The debt capacity analysis measures the impact of additional pro-forma debt on these ratios
- For these purposes, we have assumed the following financing scenarios:
  - Scenario One: Base case, no new debt
  - Scenario Two: Debt issued as outlined in University's Current Capital Improvement Plan
  - Scenario Three: A more aggressive scenario, in which the University issues \$125mm of general receipts/housing debt annually through FY18.

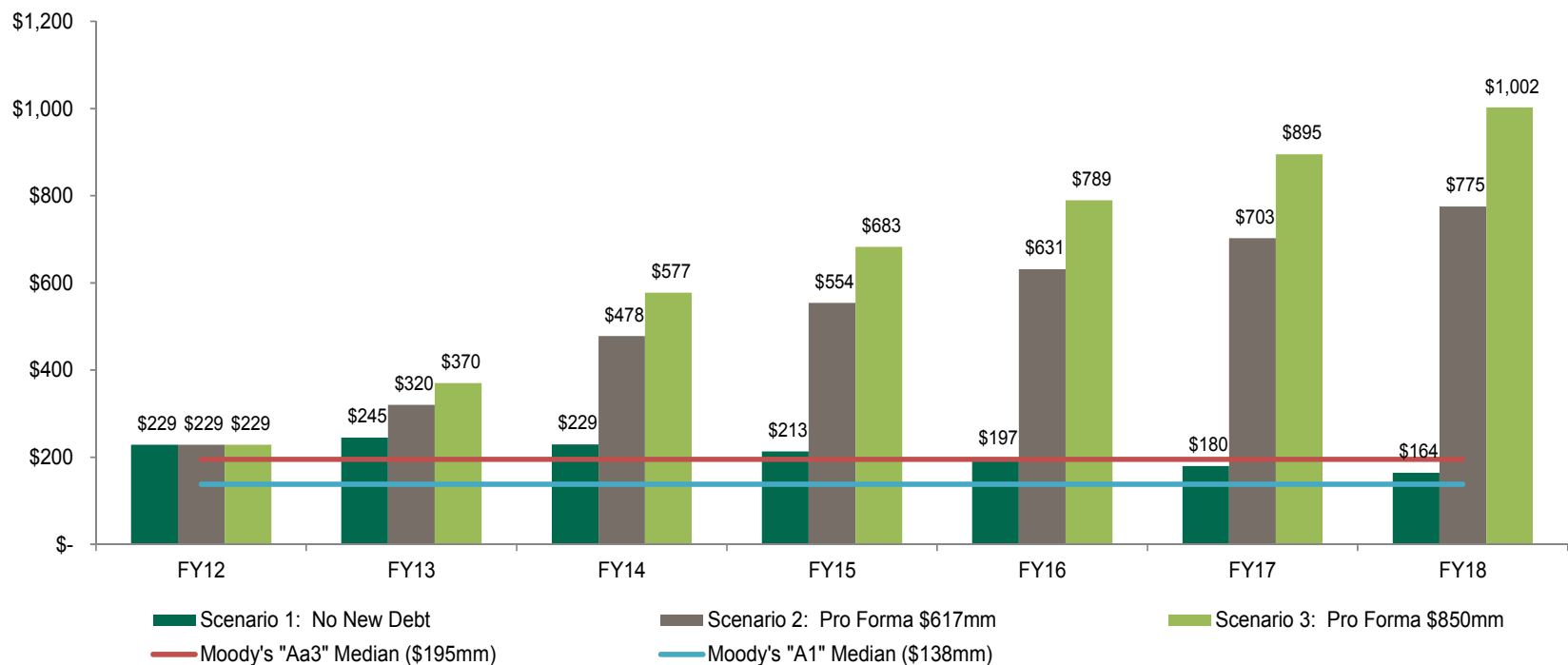
	FY13	FY14	FY15	FY16	FY17	FY18	Total
Scenario One:	--	--	--	--	--	--	N/A
Scenario Two-a (Excluding Lausche):	\$72 mm	\$75 mm	\$95 mm	\$95 mm	\$90 mm	\$90 mm	<b>\$517 mm*</b>
Scenario Two-b (Including Lausche):	\$72 mm	\$175 mm	\$95 mm	\$95 mm	\$90 mm	\$90 mm	<b>\$617 mm*</b>
Scenario Three-a (Excluding Lausche):	\$125 mm	\$125 mm	\$125 mm	\$125 mm	\$125 mm	\$125 mm	<b>\$750 mm*</b>
Scenario Three-b (Including Lausche):	\$125 mm	\$225 mm	\$125 mm	\$125 mm	\$125 mm	\$125 mm	<b>\$850 mm*</b>

- The scenarios assume the University issues debt that amortizes on a level debt service basis over the next thirty years.
- In order to calculate the pro-forma ratios, we have assumed the University's annual resources grow by 4% a year and its annual revenues/operations growth by 3% a year.

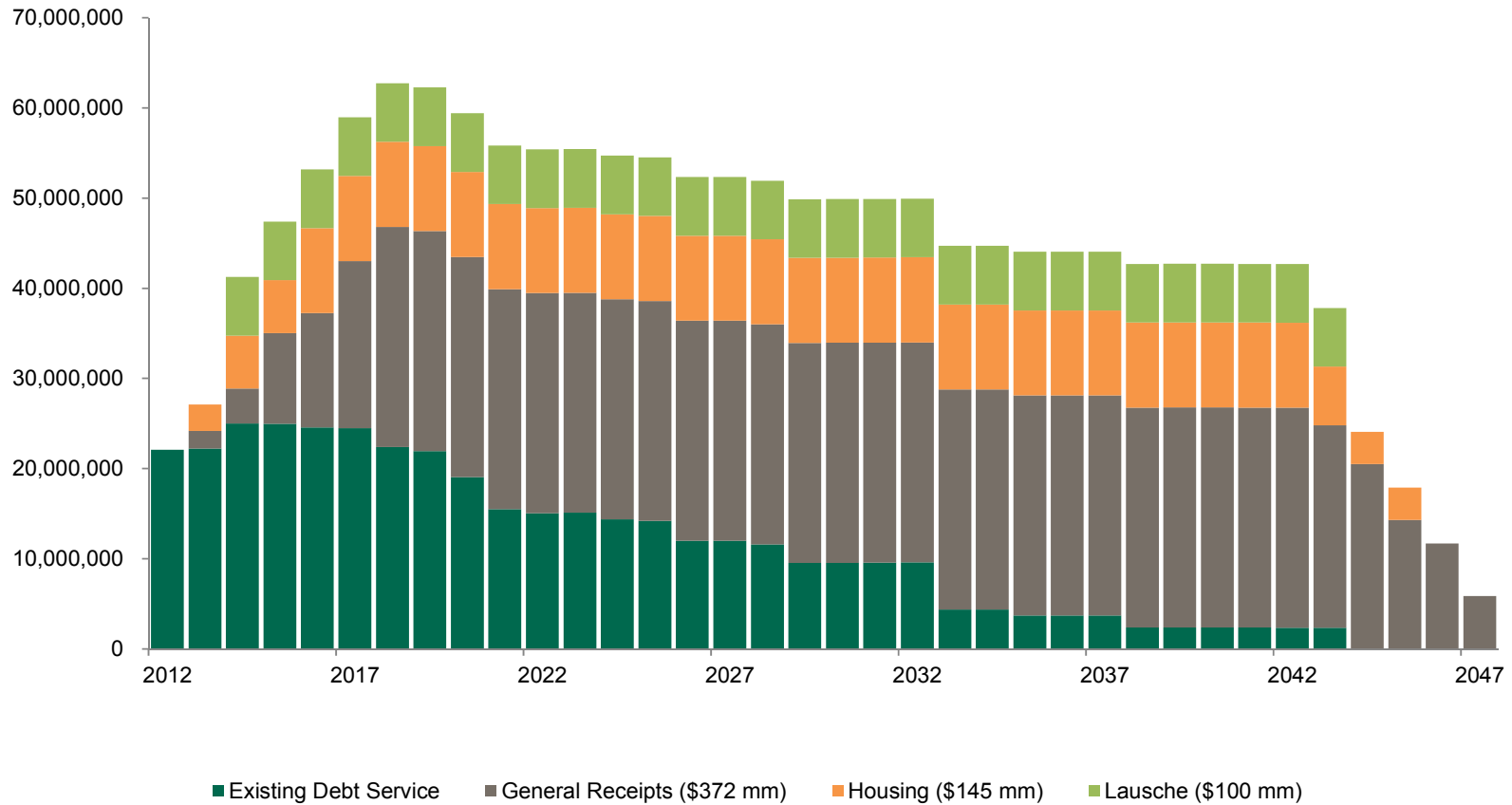


# Annual Pro-Forma Debt – Including Lausche

## Outstanding Debt By Year, in Millions (Including Lausche)



# Projected Annual Debt Service – Scenario Two Only



# Debt Capacity Conclusions and Recommendations

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- As part of its Capital Improvement Plan, Ohio University has approximately \$1.4 billion of debt needs over the next 20 years; approximately 40% of this debt, or \$567 mm, is planned for Phase I, which concludes in FY18. OU issued the first \$50 mm in FY12, leaving \$517 to be issued over the next 6 years.
    - While the University's immediate 6-year borrowing needs will strain its debt service to operations ratio in comparison to Moody's medians for the "Aa3" and "A1" rating levels, the rating agencies tend to respond favorably to institutions that issue significant debt for needs that are critical to its mission.
    - However, should the University issue the full \$567 mm of debt through FY18, its projected debt service to operations ratio will be at 8% by FY18, which is considered high by the rating agencies.
  - It is important that the University create a sustainable debt plan that will give OU the flexibility for regular access to the debt markets beyond FY18 as well as allow the University to maintain credit ratings at the "A" level or higher.
  - OU expects the rating agencies will be accepting of the University's plan to borrow for its planned \$567 mm over the next six years in light of the fact that OU has a sound, strategic need for the debt.
  - However, after FY18 OU will most likely not be in a position to undertake any additional significant borrowing for a couple of years, which is in line with its current CIP.
  - It is recommended that the University prioritize its capital projects and aggregate borrowing needs by utilizing the following parameters:
    - Maintaining a projected near term debt service to operations ratio of under 8% (excluding Lausche), with a goal to eventually maintain in the 6-7% range.
    - Prioritizing capital projects that are the *most* critical to the institution's mission; as well as
    - Prioritizing capital projects that are ultimately intended to produce revenues that will be self-supporting (i.e., housing).
    - Reassess debt capacity every year based on updated financial projections.
- 



# New Debt Service & Student Fees

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## ■ Athens Campus

- \$19M of new debt service by FY'18
- Additional funding will come from multiple sources
  - Net revenue from program expansion
  - Net revenue from tuition increases
  - Internal reallocations
- Illustration: Impact of funding 50% of \$19M through tuition increases
  - Target: \$9.5M
  - Rate increase required over 5 years: 5.1%

## ■ Residential Housing

- \$15M of new debt service – Phases I, II, & III
- Rate increase required over 7 years to maintain financial position: 4.4%
- Trade-off of new debt service: Proposed 3.5% annual increases over this period will decrease net resources available on an annual basis



# Project Status Update

(Projects approved in previous Capital Improvement Plans)

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# Capital Improvement Plan: Project Status

As of 1.18.13

#	Capital Projects	Planning Estimate in CIP	Most Recent Project Approval	Board Approval for:	Current Budget Needs & Allocations (Dollars in Millions)					Project Status
					Debt Issued	Unissued Debt	Other Sources	Total Budget Estimate	Funding Threshold Approved	
FY12 CIP Projects (Still in progress and used FY12 Bond Series Debt)										
	College of Communication Phase 1	19.0	Apr-12	Construction	17.65	0.45	4.40	22.50	22.50	Construction
	Safety Project: Galbreath Chapel Rehabilitation	1.00	Nov-12	Construction	1.00	-	0.25	1.25	1.25	Design
	OU-HCOM Columbus (Dublin)	24.0	Feb-13	Approval Request	11.9	9.8	3.0	24.70	11.92	Design
	OIT Infrastructure	7.0			7.5	-	-	7.50	7.50	Various
	Chilled Water Expansion	6.0	Jan-12	Construction	6.0	-	-	6.00	6.00	Construction
FY12 Sub-Total		57.0			44.1	10.3	7.7	62.0	49.2	
FY13 Annual CIP Projects										
1	Lausche Heating Plant Replacement	100.0	Jan-12	Feasibility	-	-	100.0	100.00		Planning
2	Performance Contract	33.0	Jun-12	Construction	28.3	-	-	28.32	28.32	Construction
3	Indoor Multi-Purpose Facility	12.5			-	10.5	2.0	12.50		Design
4	Violet L. Patton Center For Arts Education	8.0			-	-	8.0	8.00		Planning
5	Athena Classroom Renovation-Phase 2	0.5			-	0.5	-	0.50		Design
6	Clippinger Hall-Mechanical Renovation	5.5			-	5.5	-	5.50		Hold
7a	Bromley Hall Academic Relocations	2.5	Jun-12	Construction	1.9	-	-	1.90	2.50	Complete
7b	Lease Space Up fits for Academic Relocations (31 S. Court St.)	5.5	Jun-12	Construction	3.7	-	-	3.70	4.20	Complete
7c	West Union Street Office Center Relocations	0.18	Jun-12	Construction	0.28	-	-	0.28	0.28	Complete
7d	Tupper Hall Up fit	7.0			-	7.0	-	7.00		Design
7e	Lindley Hall Up fit	1.75			-	1.75	1.5	3.25		Design
8	Planning Funds for upcoming FY2014 projects	4.8			0.03	-	0.2	0.20	0.20	Planning
9	Athens Campus Deferred Maintenance "Keep-Up"	18.6			-	-	18.6	18.60		Various
10	Softball Lighting	0.25			-	-	0.32	0.32	0.32	Construction
11	Peden Turf Replacement	0.80	Feb-13	Approval Request	-	-	0.8	0.80		Design
12	FY 13 Safety Projects	1.0			-	-	1.0	1.00	1.00	Various
13	Regional Campuses: Deferred Maintenance "Keep-Up"	6.8			-	-	4.0	4.00		Various





# Capital Improvement Plan: Project Status

As of 1.18.13

#	Capital Projects	Planning Estimate in CIP	Most Recent Project Approval	Board Approval for:	Current Budget Needs & Allocations (Dollars in Millions)					Project Status
					Debt Issued	Unissued Debt	Other Sources	Total Budget Estimate	Funding Threshold Approved	
14	High Visibility Grounds Project, Athens Campus	2.0			-	-	2.0	2.00		Various
15a	Housing Development Plan: Phase I	82.4	Feb-13	Approval Request	-	82.4	-	82.40		Planning
15b	Wolfe Street Demolition	1.1	Jun-12	Construction	-	-	0.8	0.80	0.80	Complete
15c	Housing: South Green Parking Replacements	0.75	Jun-12	Construction	-	-	0.8	0.80	0.80	Design
15d	Housing: South Green Utility Infrastructure	1.1			-	-	1.1	1.10		Planning
15e	Bush Hall Rehabilitation	12.0	Nov-12	Construction	-	-	11.5	11.50	11.50	Design
15f	Housing Minor Capital Deferred Maintenance "Keep-up"	4.50			-	-	4.5	4.50		Various
15g	Jefferson Hall Renovation (Planning)	3.00			-	-	3.0	3.00		Hold
15h	Bromley Hall Renovations	6.0	Nov-12	Construction	-	-	6.0	6.00	6.00	Design
16a	Nelson Commons-Dining Hall Renovation- Phase 2&3	6.5	Jun-12	Construction	-	-	6.5	6.50	6.50	Construction
16b	Culinary Minor Capital Deferred Maintenance "Keep-Up"	1.0			-	-	1.0	1.00		Various
	FY2013 Central Food Renovations	-	Nov-12	Construction	-	-	2.5	2.50	2.50	Various
<b>FY13 Sub-Total</b>		<b>329.1</b>			<b>34.2</b>	<b>107.7</b>	<b>176.1</b>	<b>318.0</b>	<b>64.9</b>	
<b>Future projects currently under design or planning</b>										
	College of Communication Phase 2	17.4			-	12.0	5.4	17.40	1.00	Hold
	OU-HCOM Cleveland Design	1.0			-	-	2.0	1.00	1.00	Planning
	McCracken Hall Renovation and Addition	26.3			-	17.6	8.7	26.30	2.60	Planning
<b>Sub-Total</b>		<b>44.7</b>			<b>-</b>	<b>29.6</b>	<b>16.1</b>	<b>44.7</b>	<b>4.6</b>	
<b>Totals</b>		<b>430.8</b>			<b>78.3</b>	<b>147.5</b>	<b>199.9</b>	<b>424.6</b>	<b>181.01</b>	





# Discussion

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# Appendix

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# **Campus Deferred Maintenance Backlog**

## **(Aging Analysis)**

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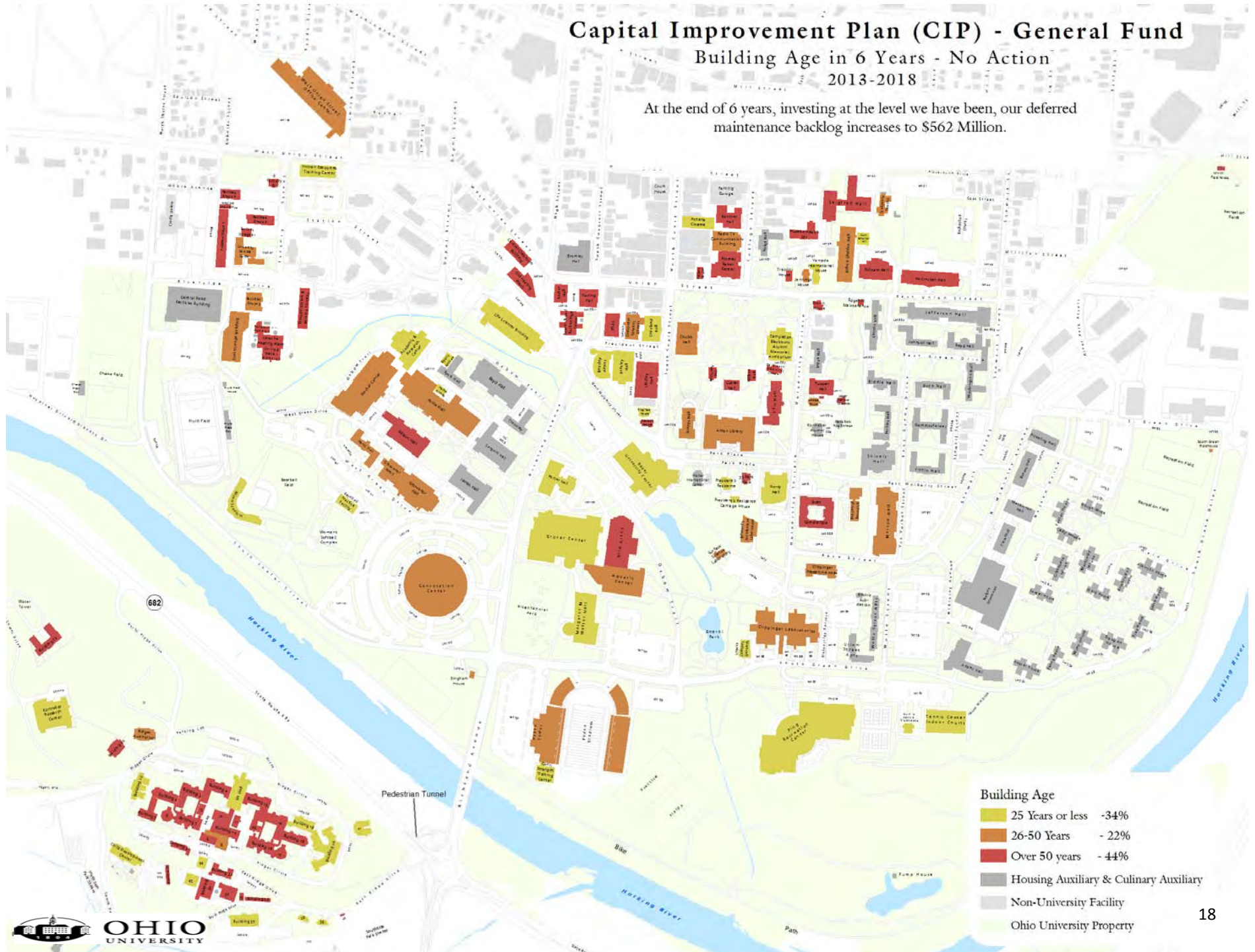


# Capital Improvement Plan (CIP) - General Fund

Building Age in 6 Years - No Action

2013-2018

At the end of 6 years, investing at the level we have been, our deferred maintenance backlog increases to \$562 Million.



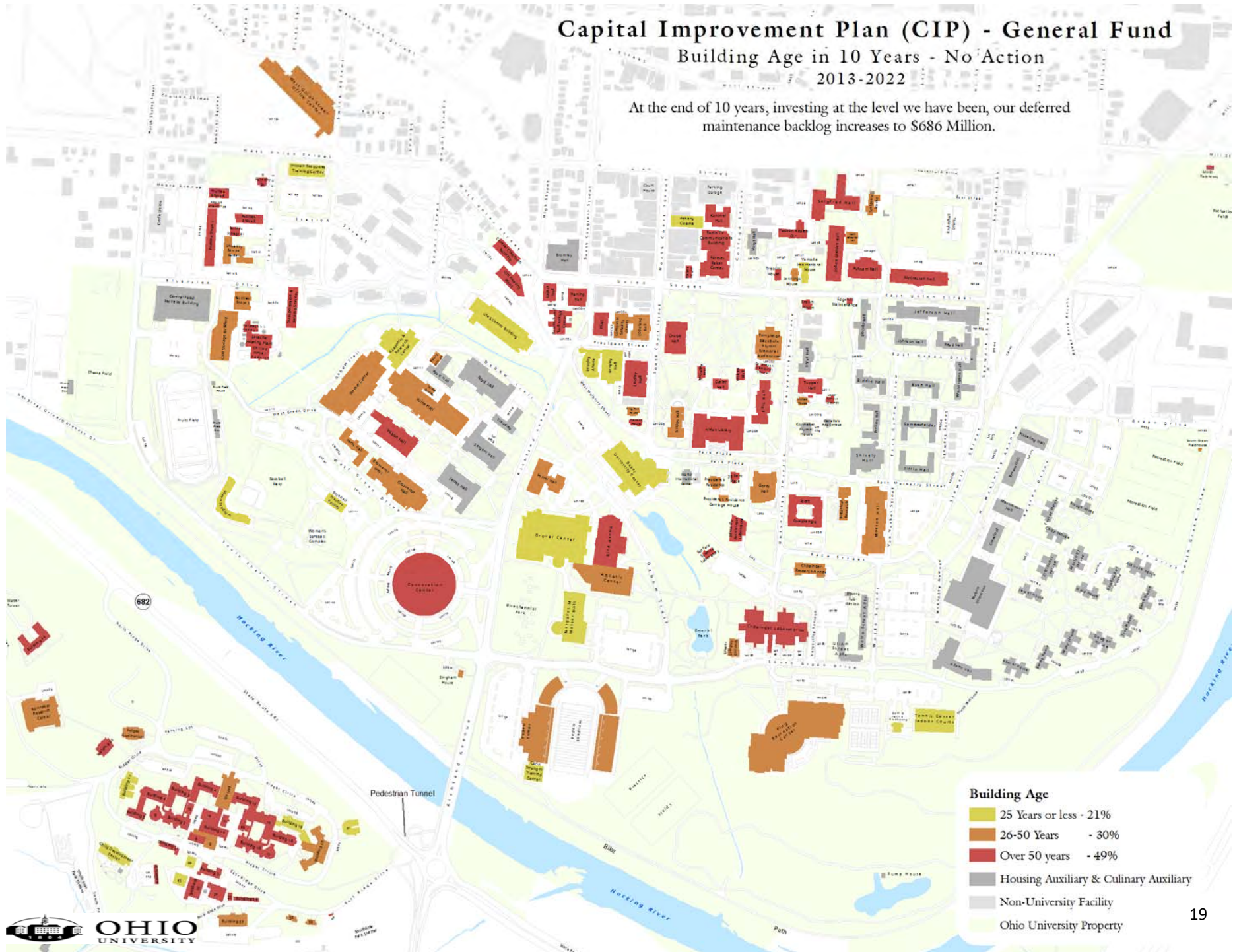


# Capital Improvement Plan (CIP) - General Fund

Building Age in 10 Years - No Action

2013-2022

At the end of 10 years, investing at the level we have been, our deferred maintenance backlog increases to \$686 Million.



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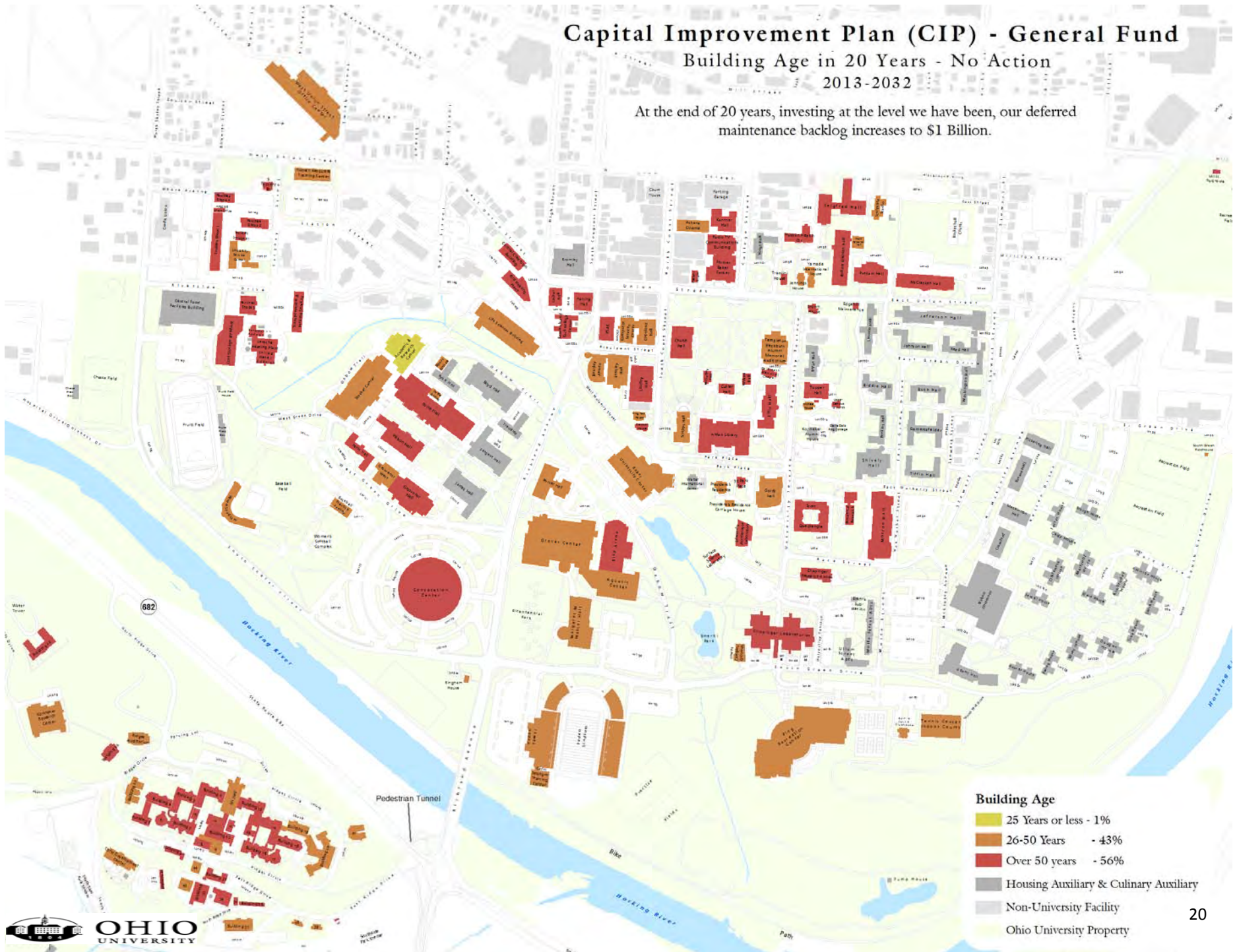


# Capital Improvement Plan (CIP) - General Fund

Building Age in 20 Years - No Action

2013-2032

At the end of 20 years, investing at the level we have been, our deferred maintenance backlog increases to \$1 Billion.



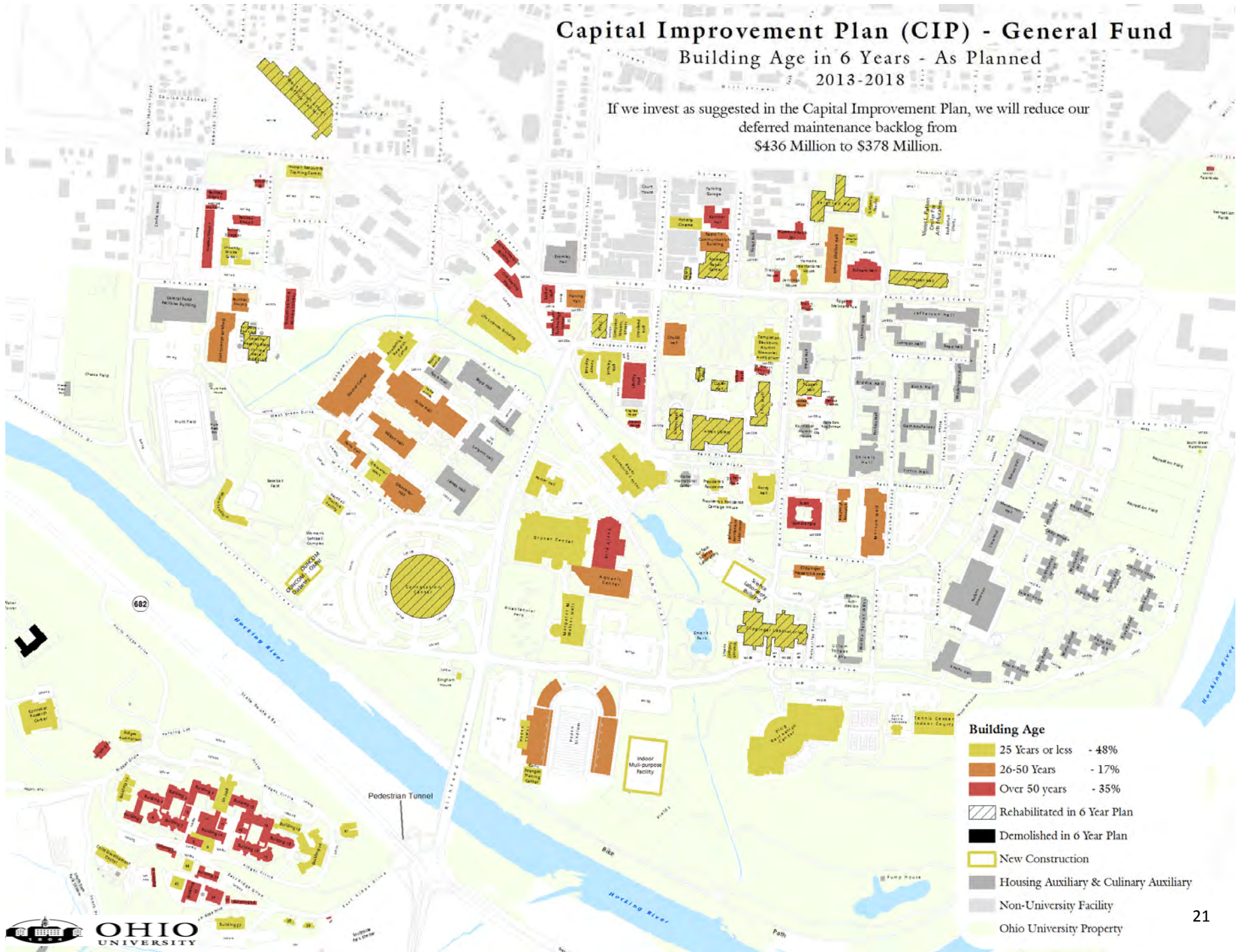


# Capital Improvement Plan (CIP) - General Fund

Building Age in 6 Years - As Planned

2013-2018

If we invest as suggested in the Capital Improvement Plan, we will reduce our deferred maintenance backlog from \$436 Million to \$378 Million.



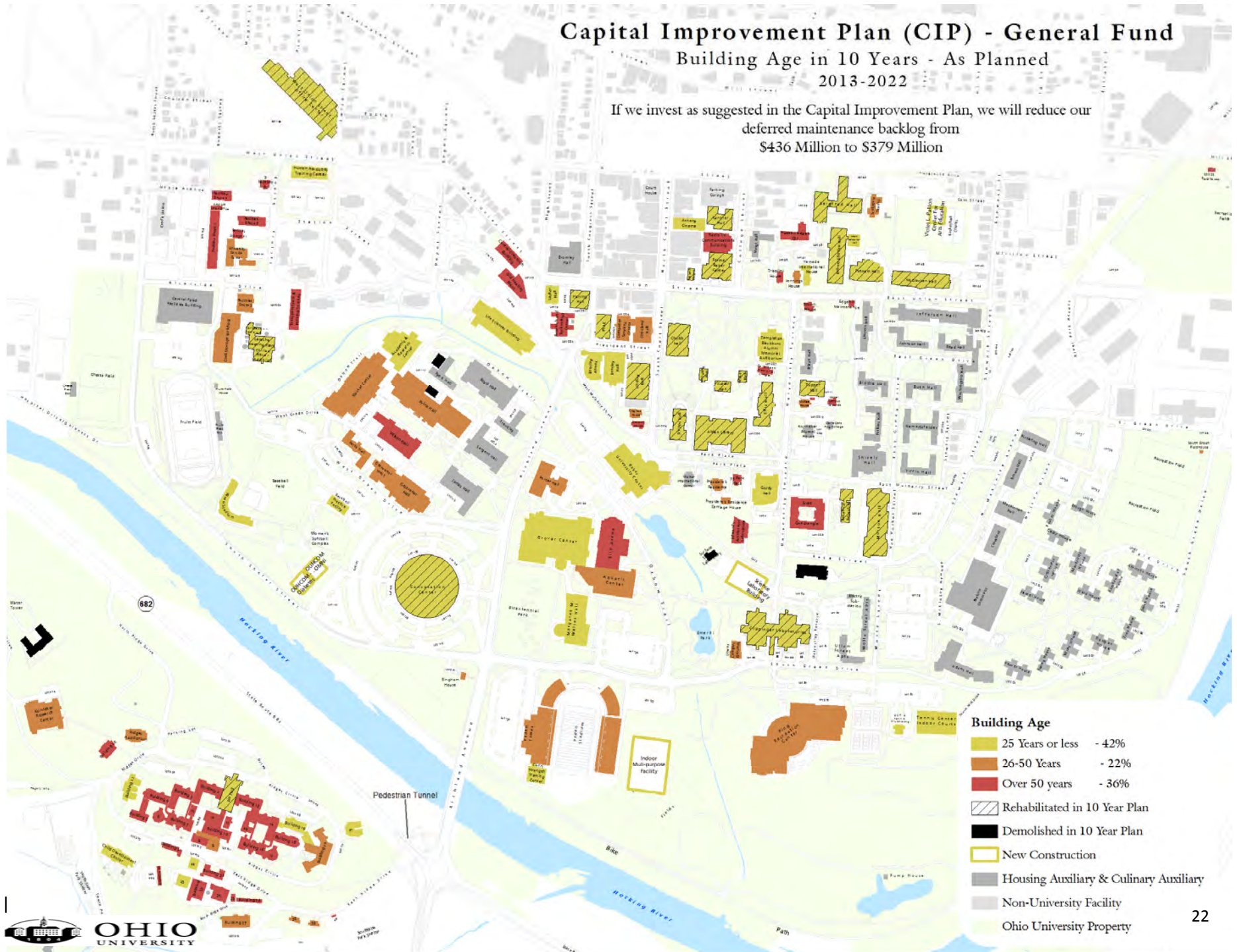


# Capital Improvement Plan (CIP) - General Fund

Building Age in 10 Years - As Planned

2013-2022

If we invest as suggested in the Capital Improvement Plan, we will reduce our deferred maintenance backlog from \$436 Million to \$379 Million





## 2013-2032

deferred maintenance backlog from \$436 Million to \$339 Million.



# FY 2013 Capital Plan



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# DRAFT: FY 2013 Annual Capital Improvement Plan

June 5th, 2012 (Dollars in millions)



	Capital Projects	Estimated Budget	Debt	State Capital	O & M	Public Private	Gifts Grants	Deferred Maintenance Reduction
1	Lausche Heating Plant Replacement	100.0	-	-	-	100.0	-	2.1
2	Performance Contract	33.0	33.0	-	-	-	-	10.0
3	Indoor Multi-Purpose Facility	12.5	10.5	-	-	-	2.0	0.0
4	Violet L. Patton Center For Arts Education	8.0	-	-	-	-	8.0	0.0
5	Athena Classroom Renovation-Phase 2	0.5	0.5	-	-	-	-	0.0
6	Clippinger Hall-Mechanical Renovation	5.5	5.5	-	-	-	-	5.5
7	Swing Space Implementation \$16.9M	See Below:						
7a	Bromley Hall Academic Relocations	2.5	2.5	-	-	-	-	0.5
7b	Lease Space Up fits for Academic Relocations	5.5	5.5	-	-	-	-	0.0
7c	West Union Street Office Center Relocations	0.18	0.18	-	-	-	-	0.1
7d	Tupper Hall Up fit	7.0	7.0	-	-	-	-	3.5
7e	Lindley Hall Up fit (also see 9e below)	1.75	1.75	-	-	-	-	0.3
8	Planning Funds for FY2014 \$4.8M	See Below:	-	-	-	-	-	
8a	OU-HCOM Cleveland design	1.0	-	-	1.0	-	-	0.0
8b	Scripps College of Communication Phase 2, design	1.0	1.0	-	-	-	-	0.0
8c	McCracken Rehabilitation, design	2.6	2.6	-	-	-	-	0.0
8d	Ridges Master plan	0.2	0.2	-	-	-	-	0.0
9	Deferred Maintenance "Keep-Up" Projects: Athens \$18.6M	See Below:						
9a	West Green Roof Replacements	1.1	-	1.1	-	-	-	Keep-Up
9b	Alden Library Repairs	2.7	-	2.7	-	-	-	Keep-Up
9c	Clippinger/Accelerator Bldg. Roof Repairs	0.55	-	0.55	-	-	-	Keep-Up
9d	Convocation Center Roof/Ramp Repairs	1.3	-	1.3	-	-	-	Keep-Up
9e	Lindley Steam Piping Replacement	1.5	-	1.5	-	-	-	Keep-Up
9f	Memorial Auditorium Repairs	1.5	-	1.5	-	-	-	Keep-Up
9g	Exterior Painting/Woodwork Repair	0.75	-	0.75	-	-	-	Keep-Up
9h	Peden Concrete Restoration	0.75	-	0.75	-	-	-	Keep-Up
9i	Pruitt Field Turf Replacement	1.1	-	1.1	-	-	-	Keep-Up
9j	Campus Lighting Improvements	0.5	-	0.5	-	-	-	Keep-Up
9k	Cutler & Wilson Halls Waterproofing	0.52	-	0.52	-	-	-	Keep-Up
9l	Campus Roadway Improvements	0.75	-	0.75	-	-	-	Keep-Up
9m	Stocker Air Handling Unit Replacements	0.5	-	0.5	-	-	-	Keep-Up
9n	Other Deferred Maintenance Projects under \$500,000	5.1	-	5.1	-	-	-	Keep-Up



# DRAFT: FY 2013 Annual Capital Improvement Plan

June 5th, 2012 (Dollars in millions)



	Capital Projects	Estimated Budget	Debt	State Capital	O & M	Public Private	Gifts Grants	Deferred Maintenance Reduction
10	Softball Lighting	0.25	-	-	0.25	-	-	Keep-Up
11	Peden Turf Replacement	0.80	-	-	0.80	-	-	Keep-Up
12	General Fund Athens: Safety Projects	\$1M	See Below:	-	-	-	-	
12a	Elimination 15 Passenger Vans	0.275	-	-	0.275	-	-	0.0
12b	Other Safety Projects	0.725	-	-	0.725	-	-	0.5
13	Deferred Maintenance Projects: Regionals	6.8	-	3.8	3.0	-	-	
13a	Shoemaker Center Repairs, Chillicothe							Keep-Up
13b	Shannon Hall Renovations, Eastern							Keep-Up
13c	Herrold Hall Renovations, Lancaster							Keep-Up
13d	Deferred Maintenance "Keep-Up" projects							Keep-Up
14	High Visibility Grounds Project, Athens Campus	2.0	-	-	2.0	-	-	
14a	College Green Gateways, Sidewalks, Amphitheater Rehab							0.0
14b	Emeriti Park Lighting, Pond Dredging, and Irrigation							0.0
14c	Richland Avenue Sidewalks and Landscape							0.0
14d	Lindley Park Rehabilitation							0.0
15	Housing Development Plan	\$110.9M	See Below:					
15a	Residence Hall Construction, Phase 1	82.4	82.4	-	-	-	-	6.6
15b	Wolfe Street Demolition	1.1	-	-	1.1	-	-	2.3
15c	South Green Parking Replacements	0.75	-	-	0.75	-	-	0.0
15d	South Green Utility Infrastructure	1.1	-	-	1.1	-	-	0.0
15e	Bush Hall Rehabilitation	12.0	-	-	12.0	-	-	6.0
15f	Minor Capital Deferred Maintenance Projects	4.50	-	-	4.50	-	-	Keep-Up
15g	Jefferson Hall Renovation Planning	3.00	-	-	3.00	-	-	0.0
15h	Bromley Hall Renovations	6.0	-	-	6.0	-	-	3.0
16	Culinary Services Improvement Plan	\$7.5M	See Below:					
16a	Nelson Commons, Phase 2	6.5	-	-	6.5	-	-	3.25
16b	Minor Capital Deferred Maintenance Projects	1.0	-	-	1.0	-	-	Keep-Up
17	IDP Classroom Equipment: Athens and Regional	0.54	-	0.54	-	-	-	0.0
	<b>Total FY 2013 Capital Activity</b>	<b>\$ 329.1</b>	<b>\$ 152.6</b>	<b>\$ 23.0</b>	<b>\$ 44.0</b>	<b>\$ 100.0</b>	<b>\$ 10.0</b>	<b>43.6</b>

