



OHIO
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Board of Trustees

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

Board Meeting Minutes

August 21, 2018

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**Ohio University Board of Trustees
Meeting of the Board of Trustees
Tuesday, August 21, 2018
Dublin Integrated Education Center, Dublin OH**

Chair Dave Scholl called the August Meeting of the Ohio University Board of Trustees to order at 3:17pm.

Roll Call

Board Secretary David Moore called roll.

Present: Chair Dave Scholl, Vice Chair Janelle Coleman; Trustees Steve Casciani, Cary Cooper, Victor Goodman, Dell Robinsin, Eileen Sheil, Diane Smullen, Peggy Viehweger; Student Trustees Austin McClain and Faith Voinovich, National Trustee Dave Pidwell; President Duane Nellis, and Board Secretary David Moore.

Approval of Agenda

Chair Scholl asked to approve the agenda for the 2018 August Meeting of the Board of Trustees. Trustee Goodman moved to approve the agenda; Trustee Robinson seconded; Chair Scholl called for a vote; with all in favor, the agenda was approved.

Approval of Agenda

Chair Scholl asked to approve the minutes of the August 2018 meetings of the Board of Trustees; Trustee Robinson moved to approve the minutes; Trustee Coleman seconded; Chair Scholl called for a vote; With all in favor, the minutes were approved.

Reports

Report from Chair

Chair Scholl reviewed the day's events and reminded the Trustees that there would be a Trustees' retreat the following day with regional higher education, liberal arts, and communications and marketing as topics for discussion.

Lastly, Chair Scholl reported that the Board's subcommittees met the previous day and this morning in preparation for this meeting.

President's Report

Chair Scholl asked President Nellis to present his Presidential Report.

President Nellis shared details regarding recent hires and changes to university leadership. President Nellis also summarized our recent progress in advancing the institution's strategic pathways and priorities.

Specifically, President Nellis highlighted:

- Aerospace Business Matchmaker: Doing Business with NASA
- Association of Public and Land Grant Universities (APLU) Meeting
- Ph.D. Students Visiting from Ghana
- SUSI Scholars
- Fulbright Scholars
- Lancaster Festival
- Summer Law & Trial Institute
- OHIO Summer Showcase
- Regional Campus Business Roundtables
- Ohio University named one of the most LGBTQ-friendly online colleges in the Nation and #2 most affordable LGBTQ-friendly online college in America
- New OHIO Honors Program will launch with 50 students in the 2018-19 academic year
- Ohio University funded new College Bound Program through the Gladys W. and David H. Patton College of Education

President Nellis asked members of the Voinovich School (Mark Weinberg, Dean of the Voinovich School; Cindy Money, Lean Coordinator and Training Manager, Ohio Environmental Protection Agency; Jay Johnson, Director of the Voinovich Academy; Robin Myers, Talent Development and Training Manager, City of Dublin) to participate in a panel for the Presidential Spotlight presentation. The Presidential Spotlight presentation highlighted the George V. Voinovich Academy for Excellence in Public Service Academy. This is still a relatively new endeavor in Dublin, having launched in early 2018, that has already seen early success with word spreading quickly of the program throughout Central Ohio. To date, the Academy has provided continuing education to employees with the City of Dublin, City of Hilliard, ODOT, Ohio EPA and other government agencies.

Chair Scholl thanked President Nellis for his report.

Intercollegiate Athletics Discussion

Chair Scholl asked Athletic Director (AD), Jim Schaus, to come forward and lead global and wholistic discussion on intercollegiate athletics issues that are not only germane to Ohio University but relevant to the national scene of athletics.

AD Schaus reviewed six topics including Academics, Health, Arms Race, Commission on College Basketball Report, and Gambling, that were chosen to provide the Trustees a broad understanding of the athletics landscape. Trustees asked follow-up questions on topics such as, the possibility of student athletes returning to their studies after their athletic careers, the adherence of Athletic Department to advice providing by the Association of Governing Boards (AGB), and the effects of rest on student-athlete health and the need to do a study to determine those effects, the credentials of strength coaches, Chair Scholl and Trustee Goodman recommended that Jeff Davis, Chief Executive Auditor, consider an annual audit to confirm the university's alignment to AGB's principles on athletics. Trustee Robinson suggested that occasionally as national issues arise that the Board be presented with a case study to review the issue and OHIO's

associated risk (if any). Trustee Coleman asked about supplemental funding for student athletes. AD Schaus mentioned that there was cost-of-attendance payments for full scholarship student athletes. Trustee Goodman asked about the idea that strength coaches not report to coaches; AD Schaus confirmed that OHIO's strength coaches reported to administrators in the athletic department. Chair Scholl asked about how OHIO ranks in the MAC as far as financial resources provided to athletics. AD Schaus responded that while he is always concerned about keeping pace with resource allocations, but he feels that IAC is supported well by university administration. AD Schaus reiterated that he appreciated the comments and suggestions and would continue to strive to meet the expectations of the Board and President. President Nellis applauded AD Schaus for running a clean and competent athletic program that focuses on student-athlete success and for his role in maintaining quality programs for them. Chair Scholl thanked AD Schaus for the information and discussion.

Committee Reports and Information Items

Academics and Student Success Committee

Chair Scholl asked Committee Chair Cooper to give the Academics and Student Committee Report. Committee Chair Cooper reported that the Academics and Student Success Committee received the University Dashboard, an update on enrollment, and an accreditation update.

There were no resolutions or consent agenda items to bring forward.

Committee Chair Cooper reported that detailed minutes of the committee's discussions will be made available on the Board of Trustees website.

Audit and Risk Management Committee

Chair Scholl asked Committee Chair Smullen to give the Audit and Risk Management Committee Report. Committee Chair Smullen stated that the Audit and Risk Management Committee received the Chief Audit Executive's Report from Jeff Davis. We also received a report on Enterprise Risk Management and an update from Plante Moran, our external auditor

Committee Chair Smullen stated that the committee is moving forward a Resolution on the Audit and Risk Management Committee Charter, located on Tab 2 of the August Board Agenda. Committee Chair Smullen stated that the Board recognizes the benefit of maintaining a charter that addresses the Committee's role, authority, responsibility, scope, and accountability.

Committee Chair Smullen motioned to approve the Audit and Risk Managements Committee Charter Resolution.

AUDIT COMMITTEE CHARTER

RESOLUTION 2019 - 3718

WHEREAS, the Bylaws of the Board of Trustees require the standing appointment of the Audit and Risk Management Committee, (“the Committee”); and

WHEREAS, the Board recognizes the benefit of maintaining a charter that addresses the Committee’s role, authority, responsibility, scope, and accountability; and

WHEREAS, the most recent revision of the Committee’s charter was approved by the Board in October 2016 (Resolution No. 2016-3589); and

WHEREAS, the Board has reviewed a proposed revision to the Audit and Risk Management Committee Charter;

NOW, THEREFORE, BE IT RESOLVED that the Ohio University Board of Trustees approves the revised Audit and Risk Management Committee Charter attached hereto as Exhibit A.

Trustee Casciani seconded the motion. Chair Scholl called for a vote. With all in favor the resolution passed.

OHIO UNIVERSITY BOARD OF TRUSTEES
AUDIT AND RISK MANAGEMENT COMMITTEE CHARTER

I. PURPOSE

The Audit and Risk Management Committee (herein "Committee") is appointed by the Board of Trustees to consider and make recommendations for action by the board related to the audit Committee's oversight responsibilities. The audit Committee will oversee: the university's process for the recommendation to the board for the appointment of the external audit firm; external audits of financial operations, including the receipt of related reports; the internal audit function, including receipt of its reports; the effectiveness of the university's internal control and risk management system and its process for monitoring compliance with laws and regulations; and the university's whistleblower reporting mechanism. The Committee will take all actions it deems appropriate to set the university's overall tone for sound financial and risk practices, and ethical behavior.

II. COMPOSITION

- a. The Board of Trustees chairperson (chairperson) will annually appoint no fewer than three (3) audit Committee members.
- b. At least one member of the audit Committee should have expertise in understanding financial statements, internal controls, and audit Committee functions. These qualifications shall be determined by the chairperson through a review of the Committee member's resume or through an interview with the member.

III. RESPONSIBILITIES

With regards to each topic, the audit Committee will:

- a. External Audit
 - Recommend appointment of the external auditor to the board as authorized by the Ohio Auditor of State for the annual audit of the university. A five-year contract with the external auditor is expected and can be extended, based on the standards of and approval by the Auditor of State. The audit Committee will review the university's scoring of the external audit proposals, the results of which will be forwarded to the state for final approval.
 - Review the external audit engagement letter that will be signed by the chairperson. Discuss with the external auditors the proposed audit scope and approach, including coordination of audit effort with internal audit, as part of the annual entrance conference.
 - Evaluate annually, the external auditor's qualifications and performance, taking into account the opinions of management and the Chief Audit Executive (CAE), and report conclusions to the board.
 - Following the completion of the annual audit, the audit Committee shall review the university's draft audited financial statements, reports on internal controls,

OHIO UNIVERSITY BOARD OF TRUSTEES
AUDIT AND RISK MANAGEMENT COMMITTEE CHARTER

compliance and federal programs along with management's response to any weaknesses or deficiencies identified in the report, as part of the annual exit conference.

- Review any disagreements between the external auditor and management concerning matters that could be significant to the university's financial statement or the auditor's report.
- The audit committee shall also review work performed by the external auditors.
- At least annually, the Committee shall meet with the external auditors to discuss any matters that the audit committee or the external auditors believe should be discussed privately.

b. Internal Audit

- Review and authorize any proposed changes to the internal audit charter, which has been established by board resolution.
- Review all decisions regarding the budget of the internal audit function and the evaluation, compensation, appointment, or removal of the CAE.
- Make appropriate inquiries of management and the CAE to determine whether scope or budgetary limitations impede the ability of the internal audit function to execute its responsibilities.
- Review the internal audit risk assessment process and approve the related annual audit plan at the last full board meeting each fiscal year.
- Review annually at the first full board meeting of each fiscal year, the work plan performance, activity, budget, and staffing of the internal audit function.
- Regularly receive internal audit reports including management's response as to corrective action taken for internal audit recommendations.
- As needed, receive presentations by management, related to corrective action taken for any follow-up internal audit report given an audit opinion rating of "Improvement Needed" or "Major Improvement Needed".
- On a regular basis, meet with the CAE to discuss matters that the audit committee or the CAE deem appropriate.

c. Internal Controls

- Evaluate regularly, through review of external and internal audit reports and communications by management, whether management is establishing the appropriate "control culture".
- Evaluate regularly, through consideration of internal and external audit recommendations, the overall effectiveness of the university's internal control framework. Review, through internal and external audit reports, whether significant findings and recommendations made by the internal and external auditors have been implemented by management.

OHIO UNIVERSITY BOARD OF TRUSTEES
AUDIT AND RISK MANAGEMENT COMMITTEE CHARTER

d. Compliance

- At least annually, obtain updates from management and, as appropriate, from university legal counsel regarding compliance matters that may have a material impact on the university's financial statements or compliance policies.
- Annually review the process for communicating the code of conduct to university personnel, and for monitoring compliance with it.
- Ensure that there are effective procedures for anonymous receipt and treatment of complaints regarding the university's accounting, internal controls and audit matters. Annually, review a summary of complaints that have been received.

Resolution 2016 – 3589 (Internal Audit Charter) was approved by the Ohio University Board of Trustees October 2016

e. Risk Management

- The Committee shall meet on a regular basis with members of management to review business risk management processes, which include the identification, assessment, mitigation and monitoring of risks on a University-wide basis.
- The Committee shall coordinate its oversight of business risk management processes with other committees of the Board having primary oversight responsibility for specific risks and annually review for the Board which committees maintain such oversight responsibilities and the overall effectiveness of business risk management processes.

Resolution 2016 – 3589 (Internal Audit Charter) was approved by the Ohio University Board of Trustees October 2016

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Committee Chair Smullen reported that there were no consent agenda items and no further resolutions from the Audit and Risk Management Committee and that detailed minutes of the committee's discussion will be made available on the Board of Trustees website.

Chair Scholl thanked the Committee.

Chair Scholl asked Committee Chair Goodman to give the Governance and Compensation Committee Report.

Governance and Compensation Committee

Committee Chair Goodman reported that the Governance and Compensation Committee had no pending issues and so did not meet to conserve time.

Chair Scholl thanked the Committee.

Resources, Facilities and Affordability Committee

Chair Scholl asked Committee Chair Viehweger to give the Resources, Finances, and Affordability Committee Report. Committee Chair Viehweger reported that the committee received an update on the Endowment and reports on Affordability and Efficiency, Facilities, Operations, and Sustainability, as well as Facility Project and Planning updates.

Committee Chair Viehweger reported that the committee approved the following resolutions to remain on the consent resolution agenda.

- Consent Agenda Item: Capital Projects – Design through Construction
This resolution authorizes the University to undertake the following projects as described in Tab 6 of the August Board Agenda.

Design & Construction Requests:

Chilled Water Plant 3-Plant and Utility Distribution
Konneker Research Ridges 25HVAC & Boiler System Upgrade
Weld, Armbruster, Atkinson and Smith Demolition
Campus Steam System Repairs
Ridges Circle Roadway Repair
Convocation Center Concrete Repair
Lancaster Campus Brasee Hall Roof Replacement

Additionally, the committee considered the following Consent Agenda Item

- Consent Agenda Item: Investment policies

This resolution adopts the General Endowment Fund Investment Policy and the Century Bond and Deferred Maintenance Program Investment Policy as adopted by the Foundation board on June 9, 2018, as it applies to the University endowment funds and long-term century bond funds. Details of this resolution are described in Tab 5 of the Board Agenda.

Committee Chair Viehweger stated that there were no resolutions or further consent agenda items to bring forward and that detailed minutes of the committee's discussions will be made available on the Board of Trustees website.

Chair Scholl thanked the Committee.

Executive Committee

Chair Scholl reported that on Thursday, the Executive Committee went into Executive Session to discuss threatened or pending litigation and that the Executive Committee also met earlier this morning and went into Executive Session to discuss the Compensation of a University Employee.

Chair Scholl stated that no additional issues were discussed in Executive Committee.

Consent Agenda

Chair Scholl stated that the Board had an intact Consent Agenda.

Trustee Smullen moved to approve the consent agenda; Trustee Casciani seconded; with all in favor, the consent agenda was approved as follows:

**CENTURY BOND, ENDOWMENT, AND NON-ENDOWMENT
INVESTMENT POLICIES
RESOLUTION 2018 - 3718**

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, Facilities and Affordability Committee of the Board of Trustees has reviewed and recommended formal adoption of the General Endowment Fund Investment Policy as adopted by the Foundation board on June 9, 2018, 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 Resources, Facilities and Affordability Committee of the Board of Trustees has reviewed and recommended formal adoption of the Century Bond and Deferred Maintenance Program Investment Policy as adopted by the Foundation board on June 9, 2018, as it applies to long-term investments associated with the University's Century Bond and Deferred Maintenance Program, and

WHEREAS, The Board of Trustees has previously adopted 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 General Endowment Fund Investment Policy and the Century Bond and Deferred Maintenance Program Investment Policy as adopted by the Foundation board on June 9, 2018, as it applies to the University endowment funds and long-term century bond funds.

BE IT FURTHER RESOLVED, that the performance of the endowment and century bond investments, as well as any future modifications to the General Endowment Fund

Investment Policy and the Century Bond and Deferred Maintenance Program Investment Policy, will be presented to the Resources, Facilities and Affordability Committee for their review as necessitated by changes to the policies.

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 policies.

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

**CAPITAL PROJECTS
APPROVAL TO PROCEED WITH DESIGN AND CONSTRUCTION**

RESOLUTION 2018 - 3719

WHEREAS, construction and renovation projects with a total project budget of \$500,000 or more require Board approval; and

WHEREAS, projects presented and recommended for Board approval have been subject to a multi-step planning process culminating in executive leadership review and approval by the Capital Funding and Priorities Committee (CF&PC); and

WHEREAS, the following projects are presented for Board approval:

Design & Construction Requests:

Capital Project Budget & Authorized Expenditures	
Project	Current
Konneker Research Ridges 25 HVAC and Boiler System Upgrade 2018	\$5,000,000
Weld, Armbruster, Atkinson and Smith Demolition 2018	\$3,000,000
Campus Steam System Repair 2019	\$1,500,000
Ridges Circle Roadway Repair 2018	\$702,000
Convocation Center Concrete Repair 2018	\$600,000
Lancaster Campus Brasee Hall Roof Replacement 2018	\$575,000
Total	\$11,377,000

Modification of Design & Construction Requests:

Capital Project Budget & Authorized Expenditures			
Project	Previous	Current	Total
Chilled Water Plant 3-Plant and Utility Distribution	\$3,600,000	\$27,250,000	\$30,850,000
Total	\$3,600,000	\$27,250,000	\$30,850,000

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

Secretary Moore announced that the next meeting of the Ohio University Board of Trustees would be on October 18th and 19th on the Athens OH campus.

The August 2018 Meeting of the Ohio University Board of Trustees adjourned at 4:35 pm.

Subcommittee Minutes



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Ohio University Board of Trustees
Executive Committee
Tuesday August 21, 2018
Ohio University, Dublin Integrated Education Center

Chair Scholl called the meeting to order at 7:49am

Present: Chair David Scholl; Vice Chair Coleman; Trustees Steve Casciani, Cary Cooper, Victor Goodman, Eileen Sheil, Diane Smullen, Dell Robinson, and Peggy Viehweger; National Trustee David Pidwell; Student Trustees Faith Voinovich and Austin McClain; Secretary David Moore; President M. Duane Nellis.

Chair Scholl asked for a motion to go into Executive Session to discuss threatened or pending litigation and to discuss the compensation of an employee.

Trustee Goodman made the motion; Trustee Coleman seconded; Chair Scholl called for a roll call vote. The motion passed unanimously at 7:52am.

At 10:40am Chair Scholl asked for a motion to go out of executive session.

Trustee Coleman made the motion; Trustee Viehweger seconded; Chair Scholl called for a roll call vote. The motion passed unanimously.

Chair Scholl adjourned the meeting at 10:16am.



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Ohio University Board of Trustees
Audit and Risk Management Committee Meeting
Tuesday, August 21, 2018
Ohio University–Dublin Integrated Education Center, Room 246

Committee members present included Committee Chair Diane Smullen; Trustees Steve Casciani and Peggy Viehweger; National Trustee Dave Pidwell; Student Trustee Faith Voinovich; Other Trustees in attendance included Board Chair Dave Scholl Board Vice Chair Janelle Coleman, Trustees Cary Cooper, Victor Goodman, Dell Robinson, Eileen Sheil; Student Trustees Austin McClain, along with President Duane Nellis and Board Secretary David Moore.

Audit and Risk Management Committee Chair Smullen called the meeting to order at 10:40 a.m.

FY 2018 External Audit Update

Danny Sklenicka from Plante Moran provided the committee with an update on the status of the FY18 audit. There were no audit findings to report as a result of their audit work to date. Mr. Sklenicka reminded the trustees of the exit conference scheduled for October 4th at 10:00 a.m. There were no questions or comments.

FY19 Audit Plan Status

Jeff Davis, Chief Audit Executive (CAE) discussed the FY19 audit plan. Mr. Davis mentioned that an audit of the Office of Diversity and Inclusion has been added to the FY19 audit plan. Mr. Davis also stated that three FY18 audits were recently completed with final reports being issued for two of those audits. There were no questions or comments.

Audit and Risk Management Committee Charter

CAE Davis discussed proposed changes to the committee charter. The proposed changes are to rename the charter the Audit and Risk Management Committee charter to reflect the current name of the committee and to add an additional section to the charter to address the risk management responsibility of the committee. A resolution to approve the changes was motioned by Trustee Viehweger; Trustee Casciani provided a second; Committee Chair Smullen called for a vote; the motion was unanimously passed. There were no questions or comments.

Enterprise Risk Management

Deborah Shaffer, Vice-President for Finance and Administration (VPFA), presented on the University's approach to enterprise risk management (ERM). The University has engaged Gallagher to assist Ohio University with the implementation of a holistic, proactive approach to managing organizational risks with a strategic plan to ensure the program's ongoing success. VPFA Shaffer discussed the methodology, key activities, timeline, and the proposed ERM Charter Framework. Trustee Casciani asked when the last ERM effort was completed. VPFA Shaffer talked about the history of ERM at Ohio University and the changes that will be implemented for the current approach. Board Chair Scholl mentioned a presentation regarding ERM at an Association of Governing Boards conference. Board Chair Scholl also mentioned the Ohio University Foundation's ERM efforts. Trustee Cooper asked about affiliated entities and whether or not these entities would be included in ERM. VPFA Shaffer stated that the risks associated with affiliated entities would be included.

There was no unfinished business. Committee Chair Smullen adjourned the meeting at 11:05 a.m.



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Ohio University Board of Trustees
Academics and Student Success Committee Meeting
Tuesday, August 21, 2018
Ohio University–Dublin Integrated Education Center, Room 246

Committee Chair Cary Cooper called the meeting to order at 1:58pm. Committee members present included Trustees Victor Goodman, Dell Robinson, Eileen Sheil; Student Trustee Austin McClain; Faculty Representative Sara Helfrich. Other board members present included Chair Dave Scholl, Vice Chair Janelle Coleman, Trustees Steve Casciani, Diane Smullen, Peggy Viehweger; Student Trustee Faith Voinovich, along with President Duane Nellis and Board Secretary David Moore.

Executive Vice President and Provost (EVPP) Djalali expressed his appreciation for the warm welcome he has received into the Ohio University community.

University Dashboard

EVPP Djalali introduced Barbara Wharton, Associate Provost (AP), Institutional Research & Effectiveness, to present the University dashboard (*refer to Tab 10 of the August 2018 agenda*).

Trustee Goodman asked whether, when the dashboard is revamped to align with the Strategic Priorities, it will include data on athletes' retention, grades, courses, etc. He requested that the full Board of Trustees include such information in its dashboard change recommendations. AP Wharton remarked that measures like these are tracked and could be added, although some metrics use slightly different definitions may need to be clarified to ensure consistent interpretation of data.

President Nellis mentioned that through the new Association of Public and Land-grant Universities (APLU) Cluster Initiative, OHIO is partnering with other national and regional universities, including the University of Virginia, to look at and share best practices on retention and completion, with the potential for further improving our own performance on these metrics.

Trustee Casciani asked what incentives exist to focus on graduating students *in four years*. President Nellis responded that graduation rates factor into OHIO's State Share of Instruction (SSI) allocations. AP Wharton explained that because SSI pays by the degree, OHIO has an incentive to move students through promptly and bring in additional students; however, she acknowledged that the choice of when to graduate is often up to the student; some who might otherwise graduate early due to participation in College Credit Plus and other dual-credit programs prefer instead to take advantage of the OHIO Guarantee to pursue double majors, study abroad or participate in cocurricular activities.

President Nellis added that students may use their time in other ways as well, such as moving early into graduate programs, or pursuing additional coursework to improve their credentials and competitiveness. EVPP Djalali said the revised dashboard should track those students earning three-year degrees to see what they do next, as there is a national trend toward students pursuing additional credentials.

Committee Chair Cooper inquired about the interpretation of the “Student/Faculty Interaction” data on the dashboard. AP Wharton responded that the data are derived from student responses to a cluster of questions on the National Survey of Student Engagement (NSSE) that ask about how often, and in what ways, faculty and students interact. She added that the dashboard shows OHIO’s summed responses across the cluster of questions, but that the dashboard could be revamped to break out individual questions. Committee Chair Cooper asked what a “good” score would be, and how an institution would go about improving it. AP Wharton said OHIO is doing well but is not in the top 5-10% in the nation. She added that to improve scores would require designed interventions to make sure students have maximum opportunities for interaction with faculty. Committee Chair Cooper also inquired about the survey response rates. AP Wharton responded that NSSE survey rates are typically low—as low as 10 percent—but that this is not unusual across institutions. She noted that OHIO achieved a 28-percent response rate with a different, internally administered student survey this spring, but this was largely because students received free things for filling it out. She added that it helps when a survey is obviously University-sanctioned; but because NSSE sends its annual surveys directly to students, it can be hard to get students to recognize it as a university-related solicitation, which negatively impacts response rates.

Chair Scholl noted that on the slide showing student/faculty interaction data, the metrics in the bottom section appear to cluster around environmental factors, while the metrics in the top section essentially measure what the student “pays for.” AP Wharton said that the questions in the lower part of the slide have more to do with students’ personal learning strategies, e.g., whether they typically review their notes after class. Trustee Scholl asked how OHIO’s performance compares with other institutions. AP Wharton replied that OHIO’s results are typical, and that the highest numbers might be around 20 percent. She said that NSSE generally does not release the scores to the public because it does not want its data used in institutional rankings.

President Nellis said that the Higher Learning Commission’s accreditation standards include an expectation of assessment that enables a comparison of freshman- to senior-year responses; he added that, since so many institutions participate in NSSE, it also enables OHIO to compare itself with similar institutions’ performance. Chair Scholl noted that if the first slide shows data from an incoming class and later slides show seniors, comparing the two shows faculty interaction skyrocketing, an indication that OHIO’s educational efforts are working. President Nellis stated that OHIO is above its peer institution in seniors’ faculty-interaction scores.

EVPP Djalali pointed out slide 6 of the presentation, which included the number of OHIO students taking no online courses at all. He said that some institutions are now requiring that their students take at least one online class, the rationale being to teach them how to learn efficiently in that environment because they will need to do online

learning later in their lifetimes. He suggested that OHIO consider doing the same. AP Wharton said that OHIO already has the most hybrid courses in the state, so we are well on our way.

Enrollment Update

Craig Cornell, Senior Vice Provost (SVP) for Strategic Enrollment Management, provided an update on summer enrollments (*refer to Tab 11 of the August 2018 agenda*).

He noted that the freshmen count is down 45 students (-1.1%) from mid-August last year, at 3,955. Given this year's late Bobcat Student Orientation registration dates, however, he expected this number to increase by fall start, to about 50-75 students below last year's class of 4,405. He also said transfers are currently at 358, which is down by 23 from last year, but with the late BSO registration dates he expects this number to end up flat with last year.

SVP Cornell reported that the number of returning undergraduate students is currently 12,443, which is down 546 (-4.4%) from last year. Undergraduate online enrollments are currently 4,747, which is down 394 (-7.6%). However, he added that there will be some variability in this number because different online programs have different start dates, and we still have months ahead to recruit for the second and third online sessions.

He stated that retention is currently 81.1%, which is up by 1.1%; he noted that this increase, if it holds, would offset some of the slight downturn in the freshman count. He added that the increased retention rate also speaks well to the effectiveness of OHIO's student-success initiatives.

SVP Cornell said that the number of graduate students is currently 1,284, down 47 (-16%). However, he added that we generally pick up an additional 1,000 or so between this time of year and the final fall count. He said that graduate online enrollments stand at 2,180, which is up by 55 (2.5%), and he anticipates this number will climb a bit further due to the nature of online enrollments. He reported that Dublin's graduate enrollment is currently 83, which is down by 8 (-9.6%), and RHE is down by 432 (-7.3%) to 5,500. Meanwhile, he said HCOM's enrollment stood at 971, which is up by 58 (-6.4%).

SVP Cornell said that overall, enrollment is 31,699 which is down 1,657 (-4.9%) from this point last year. He then showed historical and projected enrollment and revenue data, which are used in developing the University's annual budget. A decline in net undergraduate tuition and fees is being offset this year by an increase in net graduate tuition and fees, but the overall trend in enrollments suggests that they peaked in FY17 and will gradually decline. This projected trend should shape future budget processes.

Trustee Sheil asked whether e-learning enrollments spike during certain times of the year, such as when students go home for the summer. SVP Cornell responded that the biggest enrollments usually occur during the fall, and that we strongly promote fall starts. He said Nursing has three start times, and that the enrollments drop off for each subsequent one. The College of Arts & Sciences is now encouraging students to fulfill their requirements online so they can get them out of way while living at home. He added that OHIO is the largest online provider among the state's public institutions.

Chair Scholl asked whether there is any mechanism to contact online students who drop out and ask them why they left, and if so, whether we renegotiate financial packages if we learn that finances are the reason? SVP Cornell responded that throughout the year we have ongoing mechanisms to follow up with students who aren't returning to find out why; when we know it's a financial issue, he added, we put them in touch with Financial Aid to look for a solution. He said that OHIO has a pool of institutional dollars that can be used to help. Elizabeth Sayrs, Dean of University College and Senior Vice Provost for Undergraduate Education and Student Success, said that student success advisors reach out systematically to follow up with those who want to come back and help them address the barriers they face. SVP Cornell further noted that even when students don't come back, that data feeds into our "Starfish" database and improves our ability to identify at-risk students before they leave. Chair Scholl remarked that it would be interesting to see data on how much institutional aid is going to students who leave, so that we might target future institutional investments in those who are more likely to stay. SVP Cornell said that they are looking at it, with a goal toward moving that number toward zero.

SVP Cornell reported that OHIO is working to strategically align enrollment and long-term budget forecasting through the establishment of the Strategic Enrollment Executive Committee (SEEC). Trustee Casciani asked whether the head of University Communications and Marketing (UCM) should be included in SEEC. President Nellis expressed appreciation for the recommendation. Trustee Sheil said that including the UCM director would be helpful, as it is important to see the marketing plan aligned as well. EVPP Djalali added that from a marketing perspective, it is important to look at what we're good at and let that be the driver of our value proposition, rather than just trying to play catch-up with what other institutions are doing.

Accreditation Update

AP Wharton updated the Committee on the Higher Learning Commission's phasing-out of the "Academic Quality Improvement Program (AQIP) Pathway" and conversion to the "Open Pathways" accreditation process over the next two years (*refer to Tab 12 of the August 2018 agenda*).

Vice Chair Coleman asked whether there is any other option now besides Open Pathways. AP Wharton said that with AQIP ending, all schools are automatically being moved to Open Pathways. She added that the only other option is specifically intended for new schools.

Committee Chair Cooper asked if the AQIP accreditation that OHIO passed is still good until 2023. AP Wharton affirmed that it is. She said site visits will still be part of the new process. President Nellis added that there will be a longer cycle between visits. AP Wharton also noted that there will be fewer Action Projects, and that overall the Open Pathways process will be less work; but she added that we will still need to have strategic initiatives as part of the process even though we will not be required to report them separately.

There being no further business, Committee Chair Cooper adjourned the meeting at 3pm.



OHIO
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Ohio University Board of Trustees

Resources, Facilities, and Affordability Committee Meeting
Tuesday, August 21, 2018

Ohio University–Dublin Integrated Education Center, Room 246

Committee Chair Peggy Viehweger called the meeting to order. Committee members present included Trustee Steve Casciani, Trustee Diane Smullen, Student Trustee Faith Voinovich, National Trustee David Pidwell, Faculty Representative Susan Williams, and President Nellis. Other board members present included Chair Dave Scholl, Vice Chair Janelle Coleman, Trustee Cary Cooper, Trustee N. Victor Goodman, Trustee Dell Robinson, Trustee Eileen Sheil, and Student Trustee Austin McClain.

● **Endowment Review**

Vice President for Finance and Administration (VPFA), Deb Shaffer, introduced the University's new Director of Investments, Dave Gaume. Mr. Gaume joined the University this summer and comes with extensive experience in the investment industry, most recently with Rensselaer Polytechnic Institute (RPI). His primary function will be coordination of the University's and Foundation's long-term investment portfolios, serving as liaison to Hirtle Callaghan (HC), the Foundation's outsourced Chief Investment Officer (CIO) since 2009 and primary senior staff to the Investment Committee of the Foundation Board.

Mr. Gaume and Candice Casto, AVP Foundation Finance and Administration, provided the Trustees with the annual Endowment Review and update. The University's Board has entrusted the Investment Committee of the Foundation Board with oversight of its long-term investment portfolio, in accordance with the approved investment policies. The assets under management in the long-term pool include the endowments of both entities as well as a portion of each entities working capital.

As of June 30, 2018 the total market value of long-term portfolio was \$710.8M and the FY18 portfolio return was 6.5%. The FY18 return lagged the prior year's 12.7% return, but positive performance in July 2018 resulted in a July 31 market valuation of \$724M. At June 30, 2018 the portion of the pool representing the endowment market value was at a record high \$567.6M, representing 80% of pooled investments. Mr. Gaume reviewed the current asset allocation of the pool, the 1-, 3-, 5-, and 10-year performance, and the investment performance versus peers. For the fiscal year ended June 30, 2018, investment returns lagged the 1-, 3-, and 5-year benchmarks with the HC inception-to-date return (since July, 2009) of 8.5% exceeding the policy diversified benchmark by 0.5%.

In order to maintain intergenerational equity as well as support the Board approved spending policy of 6% (4% designated/restricted use plus 2% administrative fee) the long-term pool needs to achieve a total return of 8.4% (HEPI) or 7.8% (CPI) which preserves the value of the portfolio against inflation (currently 2.4% HEPI or 1.8% CPI). The current 5.5% current expected return lags this required return. Trustee Casciani asked about the process for review of the spending rate and fees charged to endowments, specifically the sustainability of the 2% administrative fee. Committee Chair Viehweger shared that the Investment Committee meets six times per year with discussions regarding risk tolerance, projected and required returns, the spending rate and the 2% fee rate at each meeting.

Mr. Gaume is a senior member of the financial leadership team and his role will bring a new level of internal expertise to the investment function. His focus during over his first year will include an in-depth review of the investment portfolio through meetings with leadership and trustees, review of the investment policies approved by the Boards, and working collaboratively with HC to understand their investment strategy. The review will include independent analyses of asset allocations, selected asset classes, and the portfolio performance to peers with the ultimate goal of attaining the highest returns for the university and the foundation.

Trustee Casciani requested that presentations include information on CY returns as well as FY returns.

- **Consent Resolution, Investment Policies**

Ms. Casto advised the Trustees that both the General Endowment Fund Investment Policy and the Century Bond and Deferred Maintenance Program Investment Policy used to guide the investments of the long-term portfolios of the University and Foundation and the Century Bond program, respectively are presented for approval of minor revisions. The Foundation Board approved policy updates at their June, 2018 meeting related to benchmarks and changing the name and recognizing the Investment Committee as a stand-alone committee of the Foundation board rather than a sub-committee of the Finance Committee. There were no substantive changes to the investment objectives, responsibilities, governance or asset allocation guidance.

Trustee Smullen made a motion to recommend the Investment Policies resolution be retained on the Consent Agenda; Trustee Casciani provided a second; Committee Chair Viehweger called for a vote; the motion was unanimously approved.

Trustee Viehweger asked for a future amendment to the policy to require that the University Board of Trustees be updated annually on the investment program and policies. These annual updates are already occurring in practice but are not a formal policy requirement at this time. The amendment will be brought to the Board at the January meeting.

- **Affordability & Efficiency – FY18 Reporting**

VPFA Shaffer and Senior Vice Provost (SVP) Elizabeth Sayrs updated the committee on the FY18 progress toward realizing savings, cost avoidance and net revenue against the 5-year Board approved goals in the FY16 Affordability and Efficiency Implementation Plan. The information shared in this presentation will be the basis for the FY18 report due to the Chancellor's office September 23, 2018.

The FY18 updates to the original FY16 \$60M goal currently project \$178M in initiative savings, cost avoidance and/or revenue enhancements, up from the FY17 report of \$150M. VPFA Shaffer assured Trustees that the \$178M is supported by verifiable data and computations. Administrative efficiencies included in the report highlight

- Procurement actions including 1) continued collaborative and proactive negotiation of vendor contracts for volume purchase savings, 2) completion of the roll-out of internal mandates for on-contract purchasing which are now fully operationalized and projected to yield significant, measurable savings, and 3) implementation of a waiver process for off-contract purchasing,
- Asset monetization actions through sales, leasing or the repurposing of non-core assets,
- Operations reviews and efficiency improvements resulting from the budget reduction targets levied on all units, with the exceptions of Diversity and Inclusion (D&I), a Presidential priority for investment, and Information Technology (IT), currently restructuring and reinvesting contract savings back into the division to strengthen service to campus and provide secure operations,
- Continued oversight of the benefit plan designs by the Benefits Advisory Council (BAC) with annual phased plan changes to contain escalating cost increases; VPFA Shaffer added that healthcare enhancements have resulted in positive, measurable improvements in the health experience for our covered lives and that representatives from HCOM, CHSP and HR Benefits are working on initiatives for greater healthcare improvements, and
- Energy cost containment through the continued proactive management of consumption and contract costs.

Academic initiatives include enhancements to offerings, creative course material options, and tools to maximize accessibility and affordability. Highlights include:

- Two course material initiatives being enthusiastically adopted by faculty and for which the University is recognized as a leader and receiving national attention:
 - Open Educational Resources (OER) partnership with TopHat, now approaching \$1M in savings on course materials being made available, and
 - Inclusive Access for specific courses for which deeply discounted costs of materials are charged to a student's account with student 'opt out' feature, projected to save approximately \$1M in FY19 for impacted students,
- The growth in online course offerings providing students additional opportunities and alternatives,
- The focused, efficient deployment of instruction across campuses impacting savings and offering accessibility and affordability, and

- OHIO having the highest number of articulation agreements in the state, offering a variety of opportunities to students for transfer and movement toward a bachelor's degree.

OHIO's FY18 Efficiency report also includes information on

- OU Zanesville and Zane State College, as co-located campuses, cooperating and annually reviewing program offerings and administrative operations for sharing opportunities,
- Southeast Compact agreement between higher education institutions in this region to meet at least annually and work with government, agency and corporate partners on access to an education, workforce development, and other issues of mutual interest, and
- Ohio Revised Code requirements for 1) the reporting of information gathered through a Textbook Cost Study and 2) creation of a Textbook Selection Policy – these efforts are still in progress.

Trustees discussed the report and noted several topics for which they would like further updates:

- Online offerings including the marginal costs, types of students taking advantage of the offerings, how does OHIO compare to peers, and the opportunity for growth and net profits considering the initial high costs of working with content consultants and providers of programs,
- The 'double major impact' that is being attributed to College Credit Plus (CC+). It was initially anticipated that CC+ would result in students using the credits to move through to early graduation, but instead there is evidence that students are 'doubling down' and graduating with multiple degrees, and
- Correlating the projected \$178M in saved/avoided costs and new net revenues to resultant offsets to tuition increases.

Chair Scholl restated a request for an outcomes analysis of financial aid programs and their return on investment to gain an understanding of the programs' success in attracting students and impact on retention.

Trustee Goodwin asked about the previous discussions surrounding food insecurity and whether there is an opportunity for directing forms of financial aid to those impacted students. Vice President for Student Affairs (VPSA), Jason Pina discussed the 'Basic Needs Initiative' on campus which looks at ways to address the issues of food insecurity and students' other basic needs which are unmet. VPSA Pina discussed other active campus programs including Culinary's allowance for the use of food stamps and an exchange program for meal plan 'food swipes'.

VPFA Shaffer reported that the FY18 Efficiency Reports from the other IUC schools will be collected and made available to Trustees again this year, noting the difficulty in trying

to compare savings calculations with other institutions. She reinforced that there is a verifiable computation of savings for all items included in the University's reporting.

- **Consent Resolution, Capital Projects**

Senior Associate Vice President (SAVP) and Chief Facilities Officer, Steve Wood, and Associate Vice President (AVP) of University Planning, Shawna Bolin, provided an update on the establishment of the Architectural Design Advisory Council (ADAC). The Council membership is being finalized and a first meeting was held to discuss the design for the Chilled Water Plant #3, the first project for Board approval.

The Chilled Water Plant #3 was identified as a need in the Utility Master Plan (UMP) and came to the Board previously for approval of \$3.6M for design. Design aspects involved consideration for the flood plain and containing the building's height to fit the within surrounding community. The ADAC reviewed and discussed the design and requested to view external materials that might be considered for the structure. Trustee Casciani serves on ADAC and noted that there may be an opportunity, with the design for the plant's exterior, to establish an architectural standard consistent with other campus areas, thereby influencing how this end of campus and the surrounding community evolve. This action includes a request to increase the approved budget by \$4.65M and approve spending authority for up to the project total of \$30.85M. The budget increase will provide \$1.65M to reroute the chilled water connection to provide additional connectivity for Residential Housing facilities and \$3M to address upgrades to the electrical distribution systems consistent with the UMP recommendations.

SAVP Wood provided details for another six projects for which design and construction approval is being requested

- Konneker Research HVAC and Boiler System Upgrades-the oldest systems on campus
- Demolition of 3 South Green Halls,
- Campus Steam System Repairs,
- Ridges Circle Roadway Repairs,
- Convocation Center Concrete Repair, and
- Lancaster Campus Brasee Hall Roof Replacement.

Trustee Smullen made a motion to recommend the Capital Projects resolution be retained on the Consent Agenda; Trustee Casciani provided a second; Committee Chair Viehweger called for a vote; the motion was unanimously approved.

- **Facilities, Operations and Sustainability Report**

SAVP Wood discussed the Facilities annual report highlighting progress made in efficiencies and cost effectiveness. In the area of utilities consumption, factors affecting

energy costs include campus gross square footage (gsf), commodity pricing, weather / degree days and building efficiency. Athens campus energy use, measured in MMBTU, has gone down since FY12 while square footage has increased from 8.07M gsf to 8.37M gsf. Fluctuations have been experienced in sources of energy, moving from coal (zero usage) to gas in FY16, and commodity cost through negotiated contracts. Energy intensity reduction of 11.7% was achieved for FY18 over FY17, far surpassing the 5% goal. SAVP Wood explained that sustainability initiatives, including those that are energy related, are analyzed as to their economic and societal benefits as well as their impact on the environment.

Maintenance metrics were shared which showed improvement for FY18 in customer service satisfaction and work order backlog aging. Maintenance metrics demonstrating progress in the move to more preventative versus reactionary maintenance trended favorably. Metrics related to safety showed ‘recordable’ injuries down in all areas of Facilities – custodial, grounds and operations. The University has participated in the Association of Physical Plant Administrators (APPA) survey since FY16 and OHIO performed at lower costs than peers in many categories in total or on a per student FTE or per gsf basis with two exceptions – custodial and grounds. Custodial and grounds costs could be higher due a more involved level of service performed and/or higher costs of labor and benefits.

SAVP Wood introduced Elaine Goetz, Sustainability Specialist, to participate in the sustainability update. A number of the University’s FY18 sustainability recognitions were noted. The University’s STARS rating remained at the Silver level, increasing by nearly 9 points to 63.29; Gold is attained at 65 points. The plan to update the University’s 2012 Sustainability Report has been delayed due to the focus on Sustainability in accordance with President Nellis’ Presidential Priorities. Ms. Goetz explained the change in sustainability governance moving from a ‘top down’ to ‘ground up’ type of information gathering and ownership of sustainability initiatives to a more engaged “Hub” structure of governance. The unit’s existing budget will fund the restructuring and include support for faculty to lead three new Sustainability Hubs. Success of the restructured initiative will be based on measurable, quantitative goals within the new plan. President Nellis feels the opportunity for engagement of all of campus is now much more possible as we aspire to achieve the Gold and on to Platinum STARS levels.

● **Information Items:**

- Facility Project & Planning Updates – the information reports for Facility and Planning Projects were shared.

The meeting was adjourned.