

Ohio University Faculty Senate
Monday, November 5, 2012
Room 235, Margaret M. Walter Hall, 7:10 p.m.
Minutes

Senate Chair Elizabeth Sayrs called the meeting to order at 7:15 p.m.

In attendance:

College of Arts and Sciences: E. Ammarell, R. Boyd, C. Elster, S. Hays, K. Hicks, G. Holcomb, P. Jones, L. Lybarger, R. Palmer, B. Quitslund, L. Rice, A. Rouzie, H. Sherrow, K. Uhalde

College of Business: J.M. Geringer, K. Hartman, T. Stock

College of Fine Arts: C. Buchanan, V. Marchenkov, D. McDiarmid, E. Sayrs, D. Thomas

College of Health Sciences and Professions: T. Basta, D. Bolon, D. Ries

Group II: RA Althaus, D. Duvert

Heritage College of Osteopathic Medicine: J. Wolf

Patton College of Education: G. Brooks, D. Carr, B. Vanderveer

Regional Campus—Chillicothe: N. Kiersey, B. Trube

Regional Campus—Eastern: J. Casebolt

Regional Campus—Lancaster: S. Doty

Regional Campus—Southern: none present

Regional Campus—Zanesville: J. Farley, A. White

Russ College of Engineering: H. Pasic, B. Stuart

Scripps College of Communication: B. Bates, J. Lee, J. Slade

Voinovich School of Leadership and Public Affairs: A. Ruhil

Excused: D. Marinski

Absent: H. Akbar, B. Branham, B. Debatin, G. Negash, S. Patterson, M. Tomc

Overview of the Meeting:

- I.** Jeanne Gokcen, Alumni Association Board of Directors
- II.** President McDavis and Executive Vice President & Provost Benoit
- III.** Roll Call and Approval of the October 8th, 2012 Minutes
- IV.** Chair's Report
 - Updates and Announcements
 - Upcoming Senate Meeting: December 10th, 2012, 7:10 p.m., Walter
- V.** Promotion & Tenure Committee—Joe Slade
 - Resolution on Linking Tenure and Promotion – Second Reading and Vote
- VI.** Professional Relations Committee—Ben Bates
 - Sense of the Senate Resolution on Group II Evaluation—First Reading
- VII.** Educational Policy & Student Affairs Committee—Ruth Palmer
- VIII.** Finance & Facilities Committee—Judith Lee
- IX.** New Business
- X.** Adjournment

I. **Jeanne Gokcen, Alumni Association Board of Directors**

Dr. Gokcen attended the meeting to encourage interaction between faculty and the Alumni Association in a variety of ways. The home page for the Association is <http://www.ohioalumni.org/>.

- **Alumni Association Awards:** Because faculty have significant and often enduring relationships with former students, the Alumni Association wants to encourage faculty to consider nominating appropriate recipients for the Alumni Awards. There are five different award categories, including recent graduates and alumni who have gained distinction in their professional field. For information or nomination forms, please go to <http://www.ohioalumni.org/alumni-awards-nominations>. The nomination deadline is **December 1**.
- **Alumni Associate Board of Director Nominations:** Faculty may also nominate former students for the Alumni Board, onto which 4-5 member rotate every year. See <http://www.ohioalumni.org/alumni-board-nomination-form>.
- **Using Alumni Association resources for students:** The Association sponsors the Bobcat Mentoring Network, with hundreds of alumni signed up to provide mentoring in their professional fields but so far little student demand (<http://www.ohioalumni.org/mentor-network>). Faculty should not only steer students to this resource, but also feel free to contact the Alumni Association for other forms of help with student research, internships, or projects. Alumni may be willing to provide informal or formal grant funding for work that would otherwise be difficult or complicated to support.
- **Building bridges across campus:** The Alumni Association would like, in addition, to create closer connections between students, former students, and faculty in order to advance the University's mission and sense of community. The Board of Directors thus hopes that faculty will be open to meeting for coffee or lunch if contacted.

II. **President McDavis and Executive Vice President & Provost Benoit**

- **President McDavis** provided updates on two subjects.
 - **Complete College Ohio:** This task force, on which the President sits, has been meeting throughout the fall and is nearing the end of its work. The final report, due on 11/13, will include a menu of suggestions that two- and four-year institutions might implement in order to increase retention and graduation. After it is presented to the Trustees of all Ohio public institutions, each will develop a plan specific to the college or university, which may vary from the task force suggestions. **EVPP Benoit** will lead the planning for OU.
 - **Higher Education Funding Commission:** McDavis also sits on this commission, chaired by OSU President Gordon Gee and tasked with creating a new SSI funding formula by Thanksgiving. The guiding principles have now been agreed on, and the commission is now engaged in the difficult work of what to include in the final formula. For more information, please see <http://regents.ohio.gov/financial/hefc/index.php>.
- **EVPP Benoit**
 - **Update on Faculty Compensation Task Force:** This has been formed, and includes, in addition to the EVPP, Dean Hugh Sherman (Business), Assoc. Dean John Gilliom (Arts & Sciences), Gary Chleboun (Rehabilitation & Communication Sciences), Steve Ross

- (Film), Loren Lybarger (Classics & World Religions/Senate F&F), Nicholas Kiersey (Chillicothe/Senate F&F), Mark Barsamian (Group II), and one as-yet-unnamed Group I faculty member. The charge of the task force is to identify benchmarks for faculty compensation, break out the components of current OU compensation, and compare them to the benchmarks.
- STRS update: Sub. S.B. 342 involves a number of very significant changes for members, as well as increasing the individual contribution to Alternative Retirement Plans. Attached to the end of the summary is the information that the Provost distributed (but did not discuss) at the meeting. Attached is the information that the Provost distributed (but did not discuss) at the meeting. See also <https://www.strsoh.org/legislation/legislation.html>.
 - RCM update: Please see the attached email sent on 5 November by EVVP Benoit and VP for Finance Golding.
 - \$100 Million Strategic Investment Pool: The Provost acknowledged having heard faculty concerns about the uses of these funds, and is reconsidering the planning mechanisms. Due to unforeseen building issues and academic technology needs, the actual amount available may be smaller than \$100 million.
 - Presidential Peer Institutions: Pooling 128 Tier 1 and 2 public research institutions, Institutional Research looked at 72 different variables and settled on six academic criteria by which to sort out the ten universities most similar to Ohio University. Those criteria and the final list of schools are on the first table of the attached Peer Study. The Provost acknowledged that each OU college and discipline would, if independent, almost certainly choose a different set of peers, but that as an institution this is, according to academic criteria only, our best set of matches. She pointed out that most have significantly more resources than OU (see the third table), but that our students are nevertheless of similar quality.

Questions and Discussion:

Initial questions focused on the Presidential Peer institutions. In response to a question from **Amy White**, Benoit clarified that these peers are specifically for the Athens campus, because the data available for regional campuses at other institutions is not as robust as that for the main campuses. She indicated that **Mike Williford** would be better able to satisfy **Ken Hicks**'s curiosity about how the score given for each school on the first page of the charts was reached. Asked by **Rudy Pasic** whether it would be possible to compare not just faculty-to-student ratios but Group I-to-student ratios, Benoit suggested it would be difficult for other institutions, and **John Day** confirmed that the data we have is not broken out that way. **Steve Hays** and **Joe Slade** thought that this set of peers seemed more comparable to OU than the previous one; Benoit pointed out that two of the new set had been on the old list, but agreed that these represented a better match in terms of academics.

Other discussion centered on the retention and graduation goals of Complete College Ohio. The President responded to **James Casebolt**'s request for clarification by assuring the Senate that OU will develop a plan for the whole university, not just the Athens campus. When **Slade** asked how onerous the planning would be, McDavis pointed out that the university has already been working on improving retention to graduation, and that part of the job would be evaluating our steps so far, rather than starting something new. Similarly, when **Hays** expressed the concern that such a program might inadvertently exacerbate an already troubling trend to too much hand-holding and increased grade inflation, the President asked to reframe the question as "How does

OU get better?"; that question would take into account what we know works (e.g., Learning Communities) and extend our efforts, looking specifically at measures that are likely to be effective at a residential campus in a rural area. Assoc. Provost and University College Dean **David Descutner** added that we need to use our institutional research to know how to help students who might need different or additional resources to succeed at the level that we expect of all students. For example, about 20% of each incoming class is first-generation college students, and their retention rate is only about 73%. The task is to systematically figure out what helps and continue forward with those projects that show success. The First Year Council will be part of the review for such initiatives.

The longest conversation concerned the related issues of RCM and budgeting, academic quality, and increasing retention and graduation targets. When **Slade** worried that pressure for degree completion might conflict with RCM models, both McDavis and Benoit RCM and a focus on retention/graduation align: each graduate is an alum, and retention necessarily means more (and more predictable) Weighted Student Credit Hours. Benoit agreed that it is important not to dumb-down classes to raise completion rates, but that classes of successful students are both academically and budgetarily desirable. McDavis repeated that given our current graduation rates, we will be building on strengths, while Benoit noted that the better retention rates of some Presidential Peers indicate that we can in fact improve. **Hays** opined that when the incentives in the institution align to increase the percentage of graduates, it would take more discipline to retain quality, and suggested that the university track the kinds of grades given. The President agreed that maintaining quality is important and should be monitored, but also noted that the improving ACT and GPA of incoming students in recent years should result in better graduation rates without any changes in instructional standards. In response to **Charlotte Elster's** concern about how high the institution would try to push retention rates, both McDavis and Benoit repudiated the idea that retention should ever be at 100% (for both academic and judicial reasons); they pointed to the Peer Institutions as benchmarks to aim at over a reasonable period of time and with due understanding of external factors. Descutner noted that OU's highest retention rate had been about 86.4%, dropped below 80% a few years ago, began to climb again, but (distressingly) fell last year to 79%. **Judith Lee** recalled a discussion at a recent Budget Planning Council that had seemed to suggest that changes at OU (including fewer Group I instructors and increased class size) were factors. The Provost differed in her interpretation of that discussion, and pointed instead at the increased financial strain that college represented for many students in the down economy, as well as issues of fit between the students who come and the institution. She recommended visiting the Institutional Research website for more information about why students leave. [<http://www.ohio.edu/instres/retention/RetenAthens.pdf>]

The discussion continued more particularly on the relationship between failing courses and RCM incentives to units. Senators were concerned about the fact that students who do not complete courses with credit do not gain state subsidy, and **Albert Rouzie** that a department chair had encouraged faculty to be aware of that in giving Fs. The Provost was bemused by that conclusion, and noted that the number of failing students was unlikely to be a major financial consideration in the aggregate or at the level of individual classes. (**Linda Rice** said that her take-away from the same meeting was that Incompletes not resolved quickly represented lose revenue, and the Provost agreed that fewer and faster Incomplete grades is a legitimate goal.) There was general concern, voiced variously by **Gene Ammarell**, **Hogan Sherrow**, and **Rouzie**, both that RCM would disadvantage more rigorous programs and that the state had created what looks like an incentive give students passing grades. **John Day** pointed out that failing students

still pay tuition, and that courses repeated to replace failing grades represented additional tuition income. The President said that he would raise this issue with the Higher Education Funding Commission, but also stated categorically that if a student earns an F, the student should get an F. **Doug Bolon** agreed that it is the job of faculty to protect academic quality. **Duane McDiarmid** and **Lee** further noted, however, that the faculty as a whole is experiencing and has long experienced significant anxiety about the ways that budgeting will affect the academic mission. The Provost replied that her narrative would be one of determined protection of the core academic mission during a sustained period of cuts, but also argued that RCM would make budgeting and cross-college trade-offs more transparent.

III. Roll Call and Approval of the October 8th, 2012 Minutes

Jared Farley moved to approve the minutes, seconded by **James Casebolt**. The minutes were approved by a voice vote.

IV. Chair's Report

- Accreditation Report and Q2S: The recent AQIP report [to be posted soon on the Senate webpage] praised our Q2S transition. Kudos to Jeff Giesey and David Thomas, along with the many, many others who helped make Q2S as smooth as it has been.
- The Resolution on Educational Benefits for domestic partners passed last month has been signed, bringing the Handbook into alignment with Policies & Procedures as well as current practice.
- New anti-virus software has been designated by OIT, after approval by FTAG. This demonstrates welcome communication and consultation with faculty, and seems to be part of a shift in that direction.
- Ohio Faculty Council meeting: Nicholas Kiersey and Elizabeth Sayrs attended the last meeting, which included discussion with Bruce Johnson of the Inter-University Council. His update on state-level developments boiled down to uncertainty until after the election dust settles and then, probably, more uncertainty until early in the new year. While there is unallocated state revenue due to better than expected tax income, it is hardly to be counted on (and state agencies are still expected to submit budgets with various percentage cuts). In addition, OSU has signed with Corsera to create a MOOC in English composition; if that eventually leads to a credit-producing course included in the state's TAGs, it will have major implications for OU beyond the obvious compounding of acronyms.
- Consultation, consultants, and RCM: As part of the RCM transition process, Huron Consulting has been working with support units like Finance & Administration and HR to help them shift into more deliberately customer-friendly services; Sayrs and Judith Lee have been involved in some meetings. While the plan for this transformation is incomplete, it is so far very encouraging. As the Provost's email noted, the final draft of the RCM model will to the deans this week. Senate will have a presentation from John Day in December, after he has met with the Finance & Facilities Committee to figure out the most efficient and necessary information for us.
- The annual Senate Chair presentation to the Board of Trustees is coming up in the winter, and she will need to tell them What Faculty Have on Their Minds. Please let her know what this is (sayrs@ohio.edu). She is also considering asking a few faculty in different circumstances to track a week in order to present a snapshot of what faculty actually do.

- Committees: Thanks to all those who helped put together the college Ethics Committees. Requests for nominations for deans' Evaluation Committees will be forthcoming soon.
- Upcoming Senate Meeting: December 10th, 2012, 7:10 p.m., Walter Hall 235

V. **Promotion & Tenure Committee—Joe Slade**

- **Resolution on Linking Tenure and Promotion—Second Reading and Vote**

Slade has consulted with the deans, who are generally comfortable with the resolution. This resolution is prompted by the fact that it has been true for some time that faculty recommended for tenure but not promotion (from Assistant Professor) are unlikely to receive either. There have been a number of appeals, which have failed. Units have in the past chosen to recommend tenure without promotion either to avoid offending a well-liked faculty member or to retain a valued teacher whose research does not meet promotion criteria. Given that we now have Group II faculty with multi-year contracts, it is important to differentiate those faculty without service and research expectations from Group I. Tenure is not a reward for past research but an investment in the likelihood that the faculty member will continue to be a productive scholar as well as teacher. Asked about changes in wording from the first reading, Slade noted that the previous draft had said that tenure without promotion was “unlikely except in exceptional circumstances,” a phrase left out of this one because it seemed to open the door to more such circumstances than are likely to win approval. Another senator suggested that the resolution would also prevent schools from separating promotion and tenure as a regular practice.

The resolution passed by a voice vote.

- Appeals: One has been received, and another is expected next week.

VI. **Professional Relations Committee—Ben Bates**

- **Sense of the Senate Resolution on Group II Evaluation—First Reading**

The Committee has received reports that Group II evaluations in some units or departments is spotty, doesn't involve peer review, or includes no committee vote. The Handbook, however, promises annual reviews with these characteristics and general conformance to department procedure. Given the creation of multi-year contracts that depend on regular and meaningful evaluation, PRC is underlining this responsibility with a Sense of the Senate resolution reminding units of the Handbook's requirements and asking that these requirements be included in new Chair and Director training.

Discussion acknowledged that faculty are likely to receive the resolution as the imposition of new work, because, although mandated in the Handbook, it is too frequently not current practice. Senators also took the view it is an obligation nevertheless. A Group II senator spoke of the importance that professional evaluation has for those faculty, who depend on it for salary raises and negotiations and therefore for retirement benefits. Some but not all senators saw a need for evaluation of Group IV faculty, which is not currently stipulated in the Handbook.

Comments should go to batesb@ohio.edu.

VII. **Educational Policy & Student Affairs Committee—Ruth Palmer**

EPSA met with staff in Admissions in order to better understand Articulated Credit Transfer Agreements, transfer credits arranged by particular programs with outside

institutions (community colleges or secondary schools). These allow students who would otherwise have difficulty accessing college-level classes to go on to the college program.

VIII. Finance & Facilities Committee—Judith Lee

- Liaisons with Cutler Hall: The Chair and Committee have brought several matters to VP for Finance Steve Golding, beginning with the classroom rekeying issue. A result is that there will be a standing liason between the VP's office and the Committee, with the aim of keeping channels of communication open and reducing complications in the future. In addition, the Provost has heard and begun to respond to faculty concerns about the uses of the (perhaps) \$100 million strategic investment pool, a very welcome development.
- Compensation: Two members of the Committee are on the Task Force (**Nick Kiersey** and **Loren Lybarger**). In addition, a subcommittee of F&F is working on developing principles for appropriate compensation plans that the Committee may bring forward to the Senate before the Task Force completes its charge.
- RCM: As Sayrs noted, John Day will present to the Committee at the end of November. Any comments about what should be included in his December presentation to the Senate as a whole should go to leej@ohio.edu.
- Bobcat Buy is involved in a separate set of discussions, thanks to **Jackie Wolf**.

IX. New Business

There was none.

X. Adjournment

Casebolt moved to adjourn, seconded by **Sandy Doty**. The meeting adjourned at 8:53 p.m.

STRS Change Summary

Background

Prior to the 2008 investment market downturn, STRS Ohio's pension fund had a funding period of 41.2 years, exceeding state statute's 30-year maximum. Economic and demographic factors, such as members living longer, were causing a reduction in available funds to pay off accrued liabilities over time. The unprecedented decline in the global investment markets and the accompanying recession, along with the protracted economic recovery, significantly accelerated the need for STRS Ohio to make changes. If no changes were made, STRS Ohio would eventually be unable to pay benefits.

Overview

Provisions in Sub. Senate Bill 342 are projected to save \$11.6 billion in accrued liabilities and will allow STRS Ohio to maintain a 1% employer contribution to its health care fund. The bill increases age and service requirements for retirement; calculates pensions on a lower, fixed formula; increases the period for determining final average salary; increases member contributions to the system; reduces the cost-of-living adjustment (COLA); defers the COLA for future retirees; and calls for no COLA to be added in fiscal year 2014. Under these provisions, STRS Ohio is projected to meet the 30-year funding requirement by 2016, if all actuarial assumptions are met.

The General Assembly passed Sub. Senate Bill 342 on September 12, 2012. Governor Kasich signed the bill into law on September 26, 2012. The effective date of the bill is January 7, 2013, but most of the plan changes will take effect July 1, 2013, or later.

Changes to Pension Plan Components Contained in Sub. Senate Bill 342

Increase in Member Contributions Beginning July 1, 2013

Currently, STRS members contribute 10%. Member contributions will increase by a total of 4%, phased in 1% per year beginning July 1, 2013, through July 1, 2016. Members will contribute 14% of their salary to STRS Ohio beginning July 1, 2016.

- Compensation earned not later than June 30, 2013: 10%
- Compensation earned between July 1, 2013 and June 30, 2014: 11%
- Compensation earned between July 1, 2014 and June 30, 2015: 12%
- Compensation earned between July 1, 2015 and June 30, 2016: 13%
- Compensation earned on or after July 1, 2016: 14%

Cost-of-Living Adjustment (COLA), Effective in Fiscal Year 2013

- Members who retire anytime BEFORE July 1, 2013, will not receive a COLA during the 2014 fiscal year (July 1, 2013–June 30, 2014). For example, a member who retired on Aug. 1, 1997, would not receive a COLA on Aug. 1, 2013.
- Members who retire effective July 1, 2013, will not receive a COLA on July 1, 2014.
- After missing one COLA, retirees will resume COLAs at 2% per year.
- Members retiring AFTER July 1, 2013, will also receive a 2% COLA, but it will not begin until the fifth anniversary of retirement. For example, a member who retires Aug. 1, 2013, will receive his or her first COLA on Aug. 1, 2018, and that COLA will be 2%.

Change in Final Average Salary (FAS) Years Beginning Aug. 1, 2015

Currently, the FAS is the average of the three highest years of earnings. *The new FAS calculation is the average of the five highest years of earnings.* Pension benefits are determined by a member's age, years of service and FAS.

Change in Benefit Formula Beginning Aug. 1, 2015

New formula is 2.2% for all years of service

- The current 35-year enhanced benefit formula will be eliminated after July 1, 2015.
- STRS members retiring with 35 years of service as of Aug. 1, 2015, or later will receive 77% (35 x 2.2%) of their final average salary as a pension.
- Beginning Aug. 1, 2026, members will need to be age 60 to receive an unreduced benefit with 35 years of service.
- Members who are eligible to retire on July 1, 2015, will maintain retirement eligibility if they continue working, and the benefit will be the greater of:
 - (a) The benefit calculated upon retirement under the new benefit formula, or
 - (b) The benefit as of July 1, 2015, under the current formula.

Change in Eligibility for Retirement Beginning Aug. 1, 2015

Increases age and service requirements for retirement

Service credit requirements for retirement with an **unreduced benefit** will increase to 35 years of service by Aug. 1, 2023. A minimum age 60 requirement will be added beginning Aug. 1, 2026. This change will be phased in based on the timeline shown below. Members may also still retire at age 65 with a minimum of five years of qualifying service credit.

Unreduced Benefit for Retirement Between:	Minimum Age and Years of Service
Now–7/1/2015	Any Age and 30 yrs.; or age 65 and 5 yrs.
8/1/2015–7/1/2017	Any Age and 31 yrs.; or age 65 and 5 yrs.
8/1/2017–7/1/2019	Any Age and 32 yrs.; or age 65 and 5 yrs.
8/1/2019–7/1/2021	Any Age and 33 yrs.; or age 65 and 5 yrs.
8/1/2021–7/1/2023	Any Age and 34 yrs.; or age 65 and 5 yrs.
8/1/2023–7/1/2026	Any Age and 35 yrs.; or age 65 and 5 yrs.
8/1/2026	Age 60 and 35 yrs.; or age 65 and 5 yrs.

Board Authority to Make Adjustments in the Future

The new law provides the Retirement Board with authority to make future adjustments to the member contribution rate, retirement age and service requirements, and the COLA as the need or opportunity arises, depending on the retirement system's funding progress.

Additional Items Contained in Sub. Senate Bill 342

- **Elimination of purchased service subsidies — Effective Jan. 1, 2014**, members will pay the full projected liability created by the purchase of service. This could result in costs two-to-four times higher than under the current rates. For service credit certified with STRS Ohio by Dec. 31, 2013, members will have until June 30, 2014, to purchase the credit at current cost. *Members currently purchasing under a payroll deduction plan can continue to complete their payoff at their current rate.*
- **Reemployment at retirement — Effective July 1, 2014**
Members who hold more than one position with STRS Ohio, OPERS or SERS and who plan to retire from one employer while continuing to work in the secondary position with another employer may do so only if they have continuously held that position for at least 12 consecutive months immediately prior to retirement.
- **Elimination of retirement incentive credit — Effective July 1, 2014**
The provision that allows employers to establish a Retirement Incentive Plan will be eliminated for retirements after July 1, 2014. Current law permits an STRS employer to establish a retirement incentive plan for its employees who are participating in the STRS defined benefit plan. Under a retirement incentive plan, the employer purchases service credit for eligible members in return for an agreement to retire within 90 days of receiving the credit. To be eligible to participate in a plan, a member must be at least age 50 and be eligible to retire or be made eligible by the service credit purchased by the employer.
- **Interest paid for purchasing past leave of absence — Effective Feb. 1, 2013**
The cost to purchase a past leave of absence will include interest on both member and employer payments compounded annually beginning the first year following the year in which the absence or leave is terminated and ending the last day of the month in which the payment is made.
- **Changes for new members after July 1, 2013**
Educators who begin membership with STRS Ohio July 1, 2013, or later will have to work longer to be eligible for disability and survivor benefits.

Monday, 5 November 2012

Dear Colleagues,

During Fall Semester work on a variety of Responsibility Centered Management (RCM) projects has taken place. We want to update the university community on what has been accomplished, how it has been accomplished, and what can be expected through the end of this calendar year and into January 2013.

We also want to communicate that over the next four months outstanding operational concerns related to BobcatBUY, the Print Responsibly initiative (on which ComDoc was selected to be the university's partner), People Admin, and any related administrative processes will be documented, reviewed, and addressed. Additional information is provided later in the email.

Ohio University's RCM Project

The limitations of the current incremental budgeting system combined with the successful use of RCM at other institutions precipitated the decision, approved by the Ohio University Board of Trustees, to adopt a new approach to resource management.

This new approach should be understood first, foremost, and always as a means to help preserve and improve the academic mission of Ohio University. RCM does not make academic decisions. Through the provision of reliable, accessible data, RCM creates a way to understand the possibilities inherent in academic decisions. Those possibilities are then to be weighed by the leadership and faculty of a particular unit.

RCM invests authority for decision making with the deans of each college and campus. However, tied to that authority are responsibility and accountability. Each dean must work in the best interests of the entire institution within the framework of shared governance.

Over the course of the past academic year, a set of RCM guiding principles relating to responsibility and accountability were developed with input from across the university. These principles have been shared in a number of different venues but it is worth reviewing them. They need to be understood, supported, and implemented at all levels and by all members of the university community.

- Ensure the sustained strength of Ohio University by aligning resources with university priorities to support academic excellence.
- Support strong academic governance that promotes collaboration across units and builds on the strengths of the university.
- Present a holistic view of the university budget that provides a clear connection between performance and incentives.
- Empower unit-level decision making authority to promote academic excellence and institutional efficiency that is balanced by responsibility and accountability.
- Create a simple and transparent budget process driven by the goals of financial predictability, and stability.

Primary Initiatives of the RCM Project

The RCM Project has two primary initiatives: the development of a budget model and alignment of administrative services to support the model. Information about each initiative is provided below.

The Budget Model

The term "budget model" is used to describe the work that is being done to create an approximation of the underlying economics of our academic activity. The primary goals of the model are to provide incentives for growth and to fairly align resources with academic activity in ways that are as intuitive and transparent as possible.

The model consists of several elements including a series of spreadsheets that gather information on revenue and expenditures and allocate them across academic units according to a set of algorithms. Eventually those spreadsheets will be embedded in a narrative budget document that will outline their underlying assumptions and calculations. A detailed accounting of the development of the budget model and the components used in the spreadsheets (initially presented at the open budget forums last winter and spring) can be found at the Budget Planning Council website <http://www.ohio.edu/finance/bpa/mtgs.cfm>. Click on the link entitled "RCM Presentation" under the October 19, 2012 heading.

During AY 2011-2012 the deans, working with a Budget Planning and Analysis team led by Chad Mitchell and John Day, developed a set of draft spreadsheets. Chad and John then met individually over the summer and into the fall with deans and their budget unit managers. At each of these meetings, the goal was to review and refine the information in the spreadsheets. Chad and John also have incorporated financial data from the past fiscal year to reflect actual expenditures and have worked with Mike Williford in Institutional Research to capture updated information on issues such as enrollment and revenue derived from State Share of Instruction.

New versions of the spreadsheets will be discussed with the deans shortly. Following that discussion, deans will begin scheduling meetings in each of the colleges to provide faculty and staff the opportunity to go over the spreadsheets and discuss how the information contained therein would be used in college planning. Similar meetings will be held with constituent groups and academic support units. We anticipate that the meetings will begin in November and conclude in January.

The Service Alignment Initiative

One of the important lessons learned from other institutions that have implemented RCM is that robust and efficient administrative systems must be in place to support the work of the colleges, campuses, and other academic units. Controlling administrative costs while providing effective services is the challenge that all academic support units face under RCM.

In order to better understand how to align services with the needs of our academic units in an RCM environment, we engaged the Huron Consulting Group to conduct a review of the operations of Finance, Human Resources, and Information Technology. A similar

review of Facilities is currently underway. As part of its review of Finance, HR, and IT, Huron surveyed faculty and staff across the institution. Based on the results of its survey, Huron identified a set of issues to be addressed as part of a successful RCM implementation.

As a means of helping Finance, Human Resources, and Information Technology make progress on the issues identified by Huron, we authorized the development of a Service Alignment Initiative (SAI) and asked Julie Allison, who currently serves as the controller in Finance, to lead the project. During the 18 months that the project is expected to be in operation, an alternative approach to leadership in the controller role, including assistance from Huron, will be in place thereby allowing Julie to work full time on the SAI. Recognizing that recommendations based on the Huron surveys will necessitate changes in a number of administrative processes, we are constituting a group made up of faculty, deans, and representatives from different academic support units to act as an SAI advisory group to assist with implementation issues.

Administrative Operations Concerns

Before engaging in any other work, the SAI is to document and help address outstanding concerns about various administrative operations including those associated with BobcatBUY, the Print Responsibly initiative, and People Admin. We know that our ability to be successful with an RCM implementation necessitates providing efficient and useful service in these areas. The SAI will devote the next four months exclusively to this work.

Identification of Chief Administrative and Finance Officers in the Colleges

As part of the discussion surrounding the SAI project, each dean has been asked to identify an individual in his or her unit to serve as the main point of contact for RCM implementation. The request for an individual to function in the capacity of a chief administrative and finance officer reflects a desire to establish a group that can help prioritize and shape administrative efforts and policies. They also will serve as the point of contact for a college's faculty and staff on administrative issues. Chief administrative and finance officers will meet on a regular basis with the Vice President for Finance and Administration and his senior administrative leadership team. We will count on them to help us develop and implement efficient and cost effective approaches to administrative services.

Thank you for taking the time to read this email. Your interest and assistance are critical as we work to support our students, faculty, and staff in a higher education environment that is constantly changing.

Sincerely,

Pam Benoit
Executive Vice President and Provost

Stephen Golding
Vice President for Finance and Administration

**Ohio University Peer Study 2012
Matching Academic Criteria* Only**

	Normalized Score*	Six-Year Graduation Rate	ACT Estimated Median	Freshman Retention	Freshmen Top Ten Percent HS Class	Freshman Acceptance Rate	Undergraduate FTE	Graduate FTE
Ohio University-Main Campus	1.0	65%	23.5	80%	14%	85%	17,212	3,332
University of South Carolina-Columbia	1.5	68%	26.0	87%	28%	70%	19,485	5,988
Iowa State University	1.3	70%	25.0	85%	29%	81%	21,770	4,037
University of Missouri-Columbia	1.3	69%	25.5	85%	25%	84%	22,847	5,267
University of Utah	1.2	57%	24.0	83%	26%	83%	17,509	5,942
Colorado State University	1.2	64%	24.5	83%	23%	81%	20,696	4,194
University of New Hampshire-Main Campus	1.1	75%	24.5	88%	22%	73%	12,217	1,727
West Virginia University	1.1	59%	23.5	80%	19%	86%	20,747	5,485
Oklahoma State University-Main Campus	1.1	59%	25.0	79%	26%	81%	16,229	3,034
Oregon State University	1.1	60%	24.5	82%	22%	81%	16,164	3,058
University of Rhode Island	1.0	63%	22.5	80%	14%	78%	12,261	2,161
Average		64%	24.5	83%	23%	80%	17,992	4,089
Ohio University - Average Difference		1%	-1.0	-3%	-9%	5%	-781	-757

*Normalized average of graduation rate, ACT scores, retention, freshmen in top 10% of HS class, freshman acceptance rate, undergraduate FTE, and graduate FTE.

**Ohio University Peer Study 2012
Matching Academic Criteria* Only**

	Multicultural Enrollment	Freshmen Receiving Any Financial Aid	Freshmen Receiving Federal Aid	Freshmen Receiving Institutional Aid	Student Faculty Ratio (to 1)	In-State Undergraduate Tuition Rate	Out-of-State Undergraduate Tuition Rate
Ohio University-Main Campus	15%	81%	18%	51%	19	\$9,603	\$18,567
University of South Carolina-Columbia	20%	91%	14%	65%	19	\$9,786	\$25,362
Iowa State University	14%	88%	19%	69%	17	\$6,997	\$18,563
University of Missouri-Columbia	13%	80%	14%	60%	20	\$8,501	\$20,516
University of Utah	14%	55%	14%	35%	15	\$6,272	\$19,840
Colorado State University	17%	66%	16%	46%	18	\$6,985	\$23,095
University of New Hampshire-Main Campus	8%	75%	14%	51%	18	\$13,672	\$27,642
West Virginia University	10%	84%	21%	51%	23	\$5,406	\$17,002
Oklahoma State University-Main Campus	21%	84%	22%	31%	19	\$6,779	\$17,601
Oregon State University	21%	74%	27%	54%	19	\$7,115	\$20,435
University of Rhode Island	14%	89%	21%	64%	16	\$10,476	\$27,182
Average	15%	79%	18%	53%	18	\$8,199	\$21,724
Ohio University - Average Difference	0%	2%	0%	-2%	1	\$1,404	-\$3,157

*Normalized average of graduation rate, ACT scores, retention, freshmen in top 10% of HS class, freshman acceptance rate, undergraduate FTE, and graduate FTE.

**Ohio University Peer Study 2012
Matching Academic Criteria* Only**

	Institutional Total Revenues	Institutional Instructional Expenditures	Institutional E & G Expenditures	Instructional Expenditures per FTE	Research Expenditures	Endowment	Average Professor Compensation (Salary)	Average Associate Professor Compensation (Salary)	Average Assistant Professor Compensation (Salary)
Ohio University-Main Campus	\$520,957,089	\$184,182,199	\$498,346,521	\$8,965	\$33,458,052	\$253,259,000	\$133,800 (\$103,100)	\$102,800 (\$76,100)	\$90,000 (\$65,000)
University of South Carolina-Columbia	\$797,131,180	\$245,553,256	\$722,957,692	\$9,640	\$105,851,351	\$309,699,155	\$148,500 (\$116,900)	\$104,100 (\$80,600)	\$93,700 (\$72,100)
Iowa State University	\$961,338,862	\$209,555,886	\$919,059,347	\$8,120	\$159,741,670	\$433,379,141	\$146,900 (\$115,900)	\$109,500 (\$83,500)	\$99,700 (\$75,100)
University of Missouri-Columbia	\$1,652,679,074	\$277,045,292	\$1,641,980,498	\$9,854	\$171,907,552	\$469,885,193	\$139,600 (\$113,900)	\$95,900 (\$75,900)	\$77,800 (\$61,700)
University of Utah	\$2,662,587,000	\$289,396,000	\$2,485,491,000	\$12,341	\$244,757,000	\$444,021,000	\$156,900 (\$118,800)	\$111,500 (\$84,000)	\$100,300 (\$75,400)
Colorado State University	\$827,386,103	\$198,989,784	\$782,396,720	\$7,995	\$173,974,741	\$160,851,402	\$137,500 (\$108,900)	\$100,800 (\$79,800)	\$90,200 (\$71,300)
University of New Hampshire-Main Campus	\$461,251,492	\$142,919,927	\$471,918,514	\$10,249	\$106,569,998	\$180,868,828	N/A	N/A	N/A
West Virginia University	\$858,905,165	\$234,929,961	\$834,561,921	\$8,956	\$129,224,902	\$318,527,184	\$128,900 (\$107,400)	\$97,600 (\$79,700)	\$79,300 (\$64,400)
Oklahoma State University-Main Campus	\$723,978,919	\$167,935,600	\$684,681,298	\$8,718	\$116,712,377	\$239,754,087	\$132,500 (\$99,200)	\$99,800 (\$74,500)	\$88,000 (\$68,100)
Oregon State University	\$715,615,932	\$169,897,532	\$704,933,093	\$8,839	\$192,394,598	\$469,192,573	\$141,200 (\$99,900)	\$112,500 (\$77,800)	\$99,900 (\$71,600)
University of Rhode Island	\$461,874,031	\$94,337,934	\$409,366,840	\$6,541	\$65,013,694	\$71,346,161	\$143,900 (\$105,200)	\$111,600 (\$78,900)	\$93,100 (\$65,800)
Average	\$1,012,274,776	\$203,056,117	\$965,734,692	\$9,125	\$146,614,788	\$309,752,472	\$141,767 (\$109,567)	\$104,811 (\$79,411)	\$91,333 (\$69,500)
Ohio University - Average Difference	-\$491,317,687	-\$18,873,918	-\$467,388,171	-\$160	-\$113,156,736	-\$56,493,472	-\$7,967 (\$6,467)	-\$2,011 (\$-3,311)	-\$1,333 (\$-4,500)

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**Ohio University Peer Study 2012
Matching Academic Criteria* Only**

	Carnegie Classification	Carnegie--Undergraduate Program Classification	Carnegie--Graduate Program Classification
Ohio University-Main Campus	Research Universities (high research activity)	Professions plus arts & sciences- high graduate coexistence	Comprehensive doctoral with medical/veterinary
University of South Carolina-Columbia	Research Universities (very high research activity)	Professions plus arts & sciences- high graduate coexistence	Comprehensive doctoral with medical/veterinary
Iowa State University	Research Universities (very high research activity)	Professions plus arts & sciences- high graduate coexistence	Comprehensive doctoral with medical/veterinary
University of Missouri-Columbia	Research Universities (very high research activity)	Balanced arts & sciences/professions- high graduate coexistence	Comprehensive doctoral with medical/veterinary
University of Utah	Research Universities (very high research activity)	Balanced arts & sciences/professions- high graduate coexistence	Comprehensive doctoral with medical/veterinary
Colorado State University	Research Universities (very high research activity)	Balanced arts & sciences/professions- high graduate coexistence	STEM dominant
University of New Hampshire-Main Campus	Research Universities (high research activity)	Balanced arts & sciences/professions- high graduate coexistence	Comprehensive doctoral (no medical/veterinary)
West Virginia University	Research Universities (high research activity)	Balanced arts & sciences/professions- high graduate coexistence	Comprehensive doctoral with medical/veterinary
Oklahoma State University-Main Campus	Research Universities (high research activity)	Professions plus arts & sciences- high graduate coexistence	Comprehensive doctoral with medical/veterinary
Oregon State University	Research Universities (very high research activity)	Professions plus arts & sciences- high graduate coexistence	Comprehensive doctoral with medical/veterinary
University of Rhode Island	Research Universities (high research activity)	Balanced arts & sciences/professions- some graduate coexistence	Comprehensive doctoral (no medical/veterinary)

Average

Ohio University - Average Difference

*Normalized average of graduation rate, ACT scores, retention, freshmen in top 10% of HS class, freshman acceptance rate, undergraduate FTE, and graduate FTE.

**Ohio University Peer Study 2012
Matching Academic Criteria* Only**

	Carnegie--Undergraduate Profile	Carnegie--Enrollment Profile	Carnegie--Size & Setting Classification	Land Grant Status	Calendar	Medical School	US News Public Rank
Ohio University-Main Campus	Full-time four-year- selective- lower transfer-in	High undergraduate	Large four-year- primarily residential	No	Quarter	Yes	59
University of South Carolina-Columbia	Full-time four-year- more selective- higher transfer-in	High undergraduate	Large four-year- primarily residential	No	Semester	Yes	54
Iowa State University	Full-time four-year- more selective- higher transfer-in	High undergraduate	Large four-year- primarily residential	Yes	Semester	Yes	44
University of Missouri-Columbia	Full-time four-year- more selective- higher transfer-in	High undergraduate	Large four-year- primarily residential	Yes	Semester	Yes	39
University of Utah	Medium full-time four-year- selective- higher transfer-in	Majority undergraduate	Large four-year- primarily nonresidential	No	Semester	Yes	59
Colorado State University	Full-time four-year- selective- higher transfer-in	High undergraduate	Large four-year- primarily residential	Yes	Semester	Yes	63
University of New Hampshire-Main Campus	Full-time four-year- more selective- lower transfer-in	High undergraduate	Large four-year- highly residential	Yes	Semester		46
West Virginia University	Full-time four-year- selective- lower transfer-in	High undergraduate	Large four-year- primarily residential	Yes	Semester	Yes	89
Oklahoma State University-Main Campus	Full-time four-year- selective- higher transfer-in	High undergraduate	Large four-year- primarily residential	Yes	Semester	Yes	65
Oregon State University	Full-time four-year- selective- higher transfer-in	High undergraduate	Large four-year- primarily nonresidential	Yes	Quarter	Yes	69
University of Rhode Island	Full-time four-year- selective- higher transfer-in	High undergraduate	Large four-year- primarily residential	Yes	Semester		85

Average

Ohio University - Average Difference

*Normalized average of graduation rate, ACT scores, retention, freshmen in top 10% of HS class, freshman acceptance rate, undergraduate FTE, and graduate FTE.