



BOARD OF TRUSTEES
ROUDEBUSH HALL ROOM 212
OXFORD, OHIO 45056
(513) 529-6225 MAIN
(513) 529-3911 FAX
WWW.MIAMIOH.EDU

BOARD OF TRUSTEES
MIAMI UNIVERSITY
Minutes of the Finance and Audit Committee Meeting
February 18, 2016
104 Roudebush Hall

The Finance and Audit Committee of the Miami University Board of Trustees met on February 18, 2016 in Roudebush Hall, Room 104, on the Oxford campus. The meeting was called to order by Committee Chair Mark Ridenour at 1:00 p.m., with a majority of the members present, constituting a quorum. Attending were Chair Ridenour, and Committee members John Altman, Jagdish Bhati, David Budig, Robert Coletti, C. Michael Gooden, and Stephen Wilson, along with Trustees Sharon Mitchell and Robert Shroder, and National Trustees Terry Hershey and Diane Perlmutter.

In addition to the Trustees, David Creamer, Senior Vice President for Finance and Business Services, and Treasurer; Phyllis Callahan, Provost and Executive Vice President; Jayne Brownell, Vice President for Student Affairs; Tom Herbert, Vice President for Advancement; Michael Kabbaz, Vice President for Enrollment Management and Student Success. Also present were; Robin Parker, General Counsel; Deedie Dowdle, Associate Vice President for Communications and Marketing; David Ellis, Associate Vice President for Budgeting and Analysis; Bruce Guiot, Chief Investment Officer; Kim Kinsel, Associate Vice President for Auxiliaries; Cody Powell, Associate Vice President for Facilities, Planning and Operations; Alan Ferrenberg, Associate Vice President for IT, and Deputy CIO; Sarah Persinger, Controller; Dawn Fahner, interim Associate Vice President of Human Resources; Joe Bazeley, Assistant Vice President for IT, and Information Security Officer; Dr. Amit Shukla, Chair, Fiscal Priorities and Budget Planning Committee; John Seibert, Director, Planning, Architecture and Engineering; Barbara Jena, Director of Internal Audit and Consulting; Lindsay Carpenter, Manager, Academic Affairs Budgets; Claire Wagner, Director of University News and Communications; and Ted Pickerill, Secretary to the Board of Trustees.

Executive Session

On a motion duly made by Trustee Wilson, seconded by Trustee Bhati, and unanimously approved by the Committee, the Finance and Audit Committee adjourned to Executive Session in accordance with the Ohio Open Meetings Act, Revised Code Section 121.22 to consult with counsel, to discuss personnel matters, the hiring of a public employee, and the sale of property. Following adjournment of the Executive Session, the Committee convened into the Public Business Session.

Public Business Session

Chair Mark Ridenour opened the public session and welcomed everyone to the meeting.

Approval of the Minutes

On a motion duly made, seconded and unanimously approved by the Committee, the Finance and Audit Committee minutes from the previous meeting were approved.

Report on Facilities, Construction and Real Estate

Capital Projects

Associate Vice President Cody Powell, updated the Committee on capital project construction. He stated that the Gunlock Family Athletic Performance Center's source for heating and cooling the facility will be geothermal energy system. He also discussed the renovations to the Shriver Center which will accommodate new programming to include an admissions auditorium, Disability Services, the Rinella Learning Center, and a consolidated catering kitchen on the second floor. He also stated that parking for the Shriver Center was still being explored with the possibility of reserving adjacent surface lots for visitors during event days.

Residence Hall Planning.

Associate Vice President Powell also updated the Committee on residence hall construction and renovation. He stated that they have found neither the expansion of Clawson nor the renovation of Swing Hall to be financially desirable; the negative impact will be the loss of approximately 300 fewer.

For Clawson Hall, the cost per bed was too expensive and the space too difficult to renovate. The cost per bed for Swing Hall was also too high. In each case, new construction is significantly less expensive than renovating either Clawson or Swing, due to structural issues, such as the existing steel supports, and low ceiling heights. A more limited renovation of Clawson Hall, with no new addition, provides a more reasonable cost per bed. Rather than renovating Swing Hall, new construction on the site of Withrow Hall, might be preferable, and the topic will be revisited at the May or June meeting.

Mr. Powell was asked about fire safety, and he explained that fire suppression is being added to older buildings not yet being renovated; there is a plan to add fire suppression to all residence halls but some buildings are difficult to retrofit and cannot be accomplished until the building is taken off line to be renovated.

Associate Vice President Powell also discussed the geothermal heating/cooling project on the Western Campus. The committee then discussed the benefits and costs of geothermal. He then informed the Committee that Mary Lyon Hall would not be

renovated, but would be removed to make way for the infrastructure improvements on the Western Campus; he stated that this has been discussed with the Western Alumnae Association.

He concluded the residence hall update by stating the former dining facility in Hamilton Hall would be converted for use as sorority suites. The Committee then considered three resolutions.

Resolutions

Western Campus Geothermal

Trustee Wilson then moved, Trustee Bhati seconded, and by unanimous voice vote, the Committee recommended approval by the full Board of Trustees.

RESOLUTION R2016-27

WHEREAS, the Western Campus Geothermal Infrastructure Phase 2 project expands the capacity of the existing Geothermal Energy Plant and extends geothermal heating and cooling to five additional buildings on the Western Campus; and

WHEREAS, the project is necessary to fulfill the Utility Master Plan and the University's Sustainability Commitments and Goals; and

WHEREAS, Miami University has identified local funds in the amount of \$16,600,000 for the Western Campus Geothermal Infrastructure Phase 2 project; and

WHEREAS, the \$16,600,000 budget includes a cost of work estimate of approximately \$13,820,000; and

WHEREAS, the receipt of Guaranteed Maximum Price is planned for February 2016; and

WHEREAS, the Board of Trustees desires to award a contract to the most responsive and responsible Construction Manager at Risk;

NOW, THEREFORE, BE IT RESOLVED: that the Board of Trustees hereby authorizes the Senior Vice President for Finance and Business Services and Treasurer, in accordance with all State guidelines, to proceed with the award of contracts for the Western Campus Geothermal Infrastructure Phase 2 project with a total project budget not to exceed \$16,600,000.

Executive Summary
for the
Western Campus Geothermal Infrastructure Phase 2 Renovations
February 18, 2016

The project is the second of three planned phases of the Utility Master Plan converting the Western Campus to ground sourced heat pump simultaneous heating and cooling. The existing geothermal system will be expanded to include approximately 400 additional drilled wells. The project will install 1,400 more tons of available heating/cooling capacity at the existing Geothermal Energy Plant. The work includes installing extensive new distribution piping and improvements in mechanical rooms connecting five (5) existing buildings (Child Care Facility, Havighurst, Clawson, Hoyt and Presser) onto the Western Campus Geothermal Energy Plant. The project aligns with the Sustainability Commitments and Goals and will result in significant reductions in energy consumption and carbon footprint for the campus.

<u>Project component:</u>	<u>Budget:</u>	<u>Funding Source:</u>
Est. Consulting Services:	\$1,037,100	Local Funds
Est. Construction:	\$13,820,000	Local Funds
Site Clearing/Demolition	\$560,000	Bond Funds
Est. Furniture, Fixtures, and Equipment:	\$0	Local Funds
Est. Owner’s Contingency:	<u>\$1,182,900</u>	Local Funds
 Total:	 \$16,600,000	

Renovation of Hamilton and Clawson Halls

Trustee Bhati then moved, Trustee Coletti seconded, and by unanimous voice vote, the Committee recommended approval by the full Board of Trustees.

RESOLUTION R2016-28

WHEREAS, the Hamilton and Clawson Halls Renovation project involves the renovation of two existing residence halls; and

WHEREAS, Miami University has determined that reduced costs from economy of scale, speed of implementation, and coordination may be gained by combining the projects into a single Design Build project delivery method; and

WHEREAS, the opening of Maplestreet Station dining facility allowed the closure of Hamilton Dining Hall leaving vacant space within the existing residence hall; and

WHEREAS, the renovation of Hamilton Hall provides the opportunity to use the vacated dining area as sorority space necessary to allow for future renovations of sorority spaces in the MacCracken quad; and

WHEREAS, a limited renovation of Clawson Hall will improve the infrastructure, life safety systems, and the student experience while extending the life of the facility in a cost effective manner; and

WHEREAS, the Board of Trustees previously approved a budget not to exceed \$3,843,230 for contracts for the preconstruction phase of the project including the planning, design, cost estimating, and other services necessary to prepare the Guaranteed Maximum Price (GMP); and

WHEREAS, Miami University has identified funds in the amount of \$38,000,000 for the Hamilton and Clawson Halls Renovation project; and

WHEREAS, the Board of Trustees desires to award a contract to the most responsive and responsible Design Build firm;

NOW, THEREFORE, BE IT RESOLVED: that the Board of Trustees authorizes the Senior Vice President for Finance and Business Services and Treasurer, in accordance with all State guidelines, to proceed with the award of contract for the Hamilton and Clawson Halls Renovation project with a total project budget not to exceed \$38,000,000.

Executive Summary
for the
Hamilton and Clawson Halls Renovations
February 18, 2016

This project will result in the renovation of Hamilton and Clawson Halls as part of the Long Range Housing Master Plan. The project will be delivered using Design-Build methodology to reduce the amount of time needed to move from design through construction, reduce the cost of construction, and minimize the risk to the University.

The Hamilton Hall renovation will include new windows, ADA accessibility improvements, elevators, insulating of exterior walls and attics, new corridor ceilings, interior lighting, plumbing systems, sprinkler system, electrical distribution, HVAC systems, life safety and fire alarm systems, utility tie-ins, site utilities, selective addition and/or demolition of bedroom walls, and new bedroom finishes. Student life programming elements such as community rooms, group study rooms, and other support spaces will be included.

The Hamilton Hall renovation will also include modernized sorority suites in the lower level of the Hall. Hamilton currently houses 2 sorority suites; the modernization and ability to house 4 additional suites will create sorority swing space necessary to accommodate future residence hall renovations in the MacCracken Quad. The vacated Hamilton Hall dining facility will be repurposed for adequate campus-wide sorority meeting space and other multi-use student functions.

Preconstruction services analyzed the feasibility of a 100-bed addition and a full renovation of Clawson Hall. The services provided a schematic design estimate with a higher cost per bed than is expected for new construction. Inefficiencies in the design and construction of the existing building are too substantial to cost effectively renovate and achieve the desired student experience. A partial renovation of the existing Clawson is recommended instead that will more cost effectively extend the life of the building. The work will include elevators, interior lighting upgrades, plumbing systems, installation of a sprinkler system, electrical distribution, HVAC systems, life safety and fire alarm systems, utility improvements, site utilities, and limited bedroom finish improvements. Student life programming elements such as community rooms, group study rooms, and other support spaces will receive some modernization.

The Clawson Hall work includes a bid alternate to modernize an unused basement space previously allocated to the Alexander Dining Hall operation. The modernization contemplates converting the space to a recreation/fitness outpost similar to what is currently being constructed in the renovation of Martin Dining Hall in the North Quad. The financial feasibility of this alternate will be evaluated during the GMP negotiations.

<u>Project component:</u>	<u>Budget:</u>	<u>Funding Source:</u>
Est. Consulting Services:	\$4,625,000	Bond Series 2014
Est. Construction:	\$27,010,000	Bond Series 2014
Est. Clawson Fitness Alternate:	\$1,000,000	Local
Est. Furniture, Fixtures, and Equipment:	\$2,035,000	Bond Series 2014
Owner's Contingency:	<u>\$3,330,000</u>	Bond Series 2014
 Total:	 \$38,000,000	

Duke Energy (Edwards Parking) Easement

Trustee Bhati then moved, Trustee Altman seconded, and by unanimous voice vote, the Committee recommended approval by the full Board of Trustees.

RESOLUTION 2016-26

WHEREAS, the Edwards Parking Lot, located at the southwest corner of High Street and Tallawanda Road, is scheduled for reconstruction following the erection of the adjacent Evans Scholars House.

WHEREAS, for reasons of design efficiency in connection with this reconstruction, the University has determined that the overhead electric service currently servicing Old Manse, 410 East High Street, Oxford OH 45056, from Church Street should be relocated to an underground electrical service.

WHEREAS, said relocation requires that the University grant a new utility easement to Duke Energy of Ohio, Inc. to construct and maintain these lines, a copy of which is attached to this Resolution and incorporated herein ("Utility Easement");

NOW, THEREFORE, BE IT RESOLVED: that the Board of Trustees approves the Utility Easement, subject to the terms and conditions set forth therein.

BE IT FURTHER RESOLVED that the Senior Vice President for Finance and Business Services be authorized to sign the Utility Easement, and perform those acts necessary to carry out and perform the terms thereof.

Note: See Attachment A for accompanying/supporting material.

Mr. Powell's presentation and supporting material for the Duke Easement Resolution are provided as Attachment A.

Year-to-Date Operating results Compared to Budget

Senior Vice President Creamer addressed the Committee regarding year-to-date operating results compared to budget, stating there were no significant updates. He then took questions and was asked about Winter Term revenue. He informed the committee that the revenue exceeded budget.

The associated materials are included as Attachment B.

Budget Planning

Senior Vice President Creamer updated the Committee on budget planning. He reviewed historic approaches to increasing revenue, increased state support and, increases in tuition. He stated the future will likely see tuition increases limited to a 2% maximum, with possible freezes mandated by the State.

He also reviewed the long range assumptions, and provided a long range budget forecast through FY2023, stating that without new revenue sources by 2020, the budget will become quite challenging. The Committee then discussed scholarship endowments, the trend in yearend excess revenue, and revenue from initiatives undertaken by the academic divisions (such as a mini-MBA) and certificate programs.

The associated presentation and materials are included as Attachment C.

Review of Task Force Report

Dr. Creamer next updated the Committee on the Governor's Task Force Report. Miami must complete an assessment, and Trustees must adopt recommendations and goals by July 31, 2016. It is expected that the Trustees will consider the report and recommendations at the June meeting. He highlighted several areas, including; procurement policy, group purchasing, identifying non-core assets, and assessing the costs of outsourcing as required by the report.

The associated presentation and materials are included as Attachment D.

Forward Agenda

It was asked if any universities had gone to market with a bond issue following the recent GASB change. Bruce Guiot relayed that Moody's has stated they have already been factoring in the information for years, so there is little change in university bond ratings following the accounting change. He also relayed that Standard and Poors stated they are not seeing wholesale changes in ratings. However, there have been recent rating downgrades in Illinois due to the inability of the state to adopt a new budget.

The forward agenda is included as Attachment E.

Additional Reports

The following written reports were provided for the Committee's information and review:

University Advancement Update, Attachment F
Enrollment Report, Attachment G
Internal Audit High Risk Reporting Update, Attachment H
Lean Project Update, Attachment I
GASB 68 Reporting Comparison, Attachment J

Adjournment

With no other business coming before the Committee, the meeting adjourned the meeting at 4:00 p.m.



Theodore O. Pickerill II
Secretary to the Board of Trustees

Status of Capital Projects Updates

February 18, 2016



Armstrong Student Center Phase 2

Project Cost: \$23,600,000

Cost of Work: \$18,428,075

Completion Date/% Comp: July 2017/2%

Project Delivery Method: Construction Manager at Risk

Contingency/Balance: \$1,000,000/100%



Gunlock Family Athletic Performance Center

Project Cost: \$23,000,000

Cost of Work: \$19,200,000

Completion Date/% Comp: November 2016/30%

Project Delivery Method: Construction Manager at Risk

Contingency/Balance: \$650,000/80%



Gunlock Family Athletic Performance Center



North Quad Renovation

Project Cost: \$98,300,000

Completion Date/% Comp: August 2016/65%

Contingency/Balance: \$8,397,813/93%

Cost of Work: \$79,380,873

Project Delivery Method: Design Build



North Quad Renovation



North Quad Renovation



Shriver Center Renovations – Phase 1

Project Cost: \$20,000,000

Cost of Work: \$16,021,136

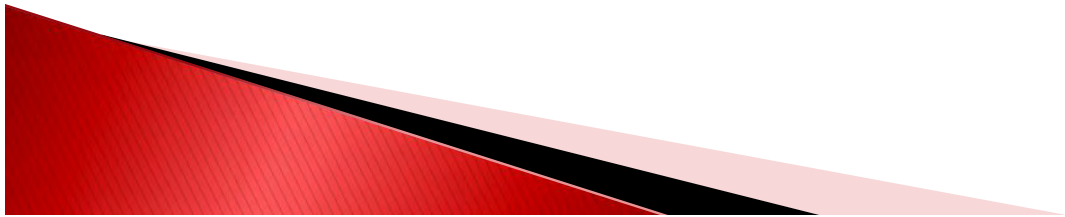
Completion Date: January 2017/8%

Project Delivery Method: Construction Manager at Risk

Contingency/Balance: \$624,987/81%



Questions?





MIAMI UNIVERSITY

Finance & Audit Committee

February 18, 2016

Long Range Housing Plan Update

February 18, 2016



Long Range Housing Plan Update

- ▶ Current bed availability is at least 300 beds short of the projected demand.
- ▶ Adding an addition to Clawson Hall and renovating Swing Hall were evaluated as possible options for addressing this need.
- ▶ Both projects were found to not be financially feasible.
- ▶ The current recommendation is to construct a new 300 bed building near the Withrow Court site.

Renovations Analysis

	Clawson (with planned addition)	Hahne (with new addition)	New Construction Tennis Court Site
GMP	\$27,015,756	\$27,449,359	\$30,250,000
\$/GSF	\$349	\$349	\$348
\$/Bed	\$106,781	\$78,200	\$86,400
GSF/Bed	305	224	247
# of Beds	253	351	350
GSF	77,200	78,591	86,758

Renovations Analysis

	Clawson (with planned addition)	Swing Full Renovation (not escalated)	New Construction Residence Hall
GMP	\$27,015,756	\$26,450,000	\$30,250,000
\$/GSF	\$349	\$527	\$348
\$/Bed	\$106,781	\$115,000	\$86,400
GSF/Bed	305	218	247
# of Beds	253	230	350
GSF	77,200	50,221	86,758

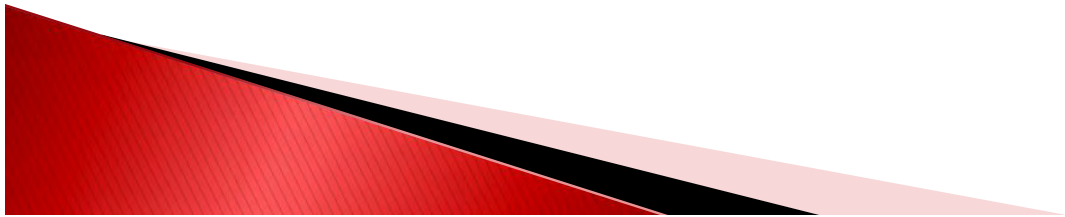
Recommendation

	Clawson Proposed Limited Renovation	New Construction Residence Hall Withdraw Site	New Construction Residence Hall Tennis Court Site
GMP	\$10,600,000	\$27,000,000	\$30,250,000
\$/GSF	\$202	\$360	\$348
\$/Bed	\$86,179	\$90,000	\$86,400
GSF/Bed	426	250	247
# of Beds	123	300	350
GSF	52,368	75,000	86,758

Withrow Court Site Residence Hall



Questions?





Cole Service Building
Oxford, Ohio 45056-3609
(513) 529-7000
(513) 529-1732 Fax
www.pfd.muohio.edu

Status of Capital Projects Executive Summary February 18, 2016

1. Projects completed:

One major project was completed since the last report. Shideler Hall has now reopened and is home to the Departments of Geology & Environmental Earth Science, Geography, and the Institute for the Environment and Sustainability (IES). The complete renovation included a significant addition to the east side, improved laboratory space, an innovative GIS studio, and state-of-the-art classrooms. The project was completed within budget and on time. Six projects under \$500,000 were completed since the last report.

2. Projects added:

Six new major projects and fifteen projects under \$500,000 were added during this reporting period. Pearson Hall Renovations Phase 1 is now in design. The project is the focus of the Oxford Campus' most recent capital request now under consideration. The project is a complex, multi-year phased renovation. In preparation for the Pearson renovation, a project for Hughes Hall C-Wing is necessary to provide swing space. The space is being designed to accommodate laboratories and offices for the College of Engineering and Computing after the work at Pearson has been completed. Also beginning in design are the future renovations of Minnich and Scott Hall as part of the Long Range Housing Master Plan. Other projects address deferred maintenance, classroom modernization, and administrative space improvements.

3. Projects in progress:

The second phase of Armstrong Student Center has now begun. Construction fence surrounds Culler Hall, which will soon become the East Wing of the Armstrong Student Center. The North Quad Renovation remains on schedule. The project renovates four residence halls and one dining facility -- Flower, Hahne, Brandon, and Hepburn Halls, and Martin Dining Hall. The brick veneer is being completed on the Hahne Hall addition. Outside, utility distribution work has been completed and has begun serving the buildings. Gunlock Family Athletic Performance Center is coming out of the ground with the steel structure being erected. The renovation of Shriver Center has also just begun.

Respectfully submitted,

Cody J. Powell, PE
Associate Vice President –
Facilities Planning & Operations

Intentionally blank

TABLE OF CONTENTS

	Page Number
PROJECT SYNOPSIS _____	3
UNDER CONSTRUCTION _____	5
<i>Requiring Board of Trustees Approval:</i>	
Armstrong Student Center, Phase 2 _____	5
Gunlock Family Athletic Performance Center _____	6
North Quad Renovation _____	7
Shriver Center Renovations – Phase 1 _____	8
 <i>Projects Between \$500,000 and \$2,500,000:</i>	
King Library Improvements _____	9
Yager Site/Infrastructure Improvements _____	10
IN DESIGN _____	11
Hamilton and Clawson Halls Renovation _____	11
Hamilton Campus – Gymnasium Roof Replacement 2016 _____	12
Hughes Hall C-Wing Renovation _____	12
Hughes Hall Laboratories 141/161 Renovation _____	12
Irvin Hall Renovations 2016 _____	13
Middletown Campus – Gardner Harvey Library Renovation _____	13
Millett Hall Roof Replacement 2016 _____	13
Minnich and Scott Halls Renovation _____	14
New Residence Hall - North Quad Tennis Court Site _____	14
Ogden Hall Roof Repairs 2016 _____	14
Pearson Hall Renovations _____	15
Upham Hall Emergency Generator Replacement and Unit Substation Consolidation _____	15
Upham Hall First Floor Renovation _____	15
Varsity Tennis Courts _____	16
Western Campus Geothermal Infrastructure Phase 2 _____	16
IN PLANNING _____	17
Campus Avenue Building Lower Level Rehab _____	17
Hamilton Campus – Knightsbridge Building Renovation _____	17
COMPLETED PROJECTS _____	19
Shideler Hall Renovation _____	19
SUMMARY OF PROJECTS LESS THAN \$500,000 _____	21
GLOSSARY OF TERMS _____	25

Intentionally blank

Summary of Active Projects

	<u>Number of Projects</u>	<u>Value</u>
Under Construction	6	\$167,820,733
In Design	15	\$112,445,461
In Planning	2	TBD
Projects Under \$500,000		\$20,417,627
	Total	\$300,683,821

New Projects Over \$500,000

Hamilton Campus Gymnasium Roof Replacement 2016	Page 12, Item 2
Hughes Hall C-Wing Renovation	Page 12, Item 3
Irvin Hall Renovations 2016	Page 13, Item 5
Minnich and Scott Halls Renovation	Page 14, Item 8
Pearson Hall Renovations Phase 1	Page 15, Item 11
Campus Avenue Building Lower Level Rehab	Page 17, Item 1

Projects Completed Since Last Report

Shideler Hall Renovation	\$25,000,000
	Total
	\$25,000,000

Intentionally blank

UNDER CONSTRUCTION
(Under Contract)
Projects Requiring Board of Trustees Approval

1. Armstrong Student Center, Phase 2: (BOT Sep '15) (Previous Report – In Design)

This project will complete the Armstrong Student Center through the adaptive reuse of Culler Hall. The project will renovate the interior of Culler Hall in a similar manner to the adaptive reuse of Gaskill and Rowan Halls. The project will address needed rehabilitation to the core and shell of the Culler Hall building. The Phase 2 renovation of Culler Hall will be joined to the existing Armstrong Student Center by a two-story atrium link, creating a unified Armstrong Student Center. The renovation, addition, and connection will be executed in such a way that the Student Center will be perceived as one building comprised of distinct but complementary spaces.

The GMP was negotiated with the Construction Manager at Risk (CMR) in late August 2015. The construction work has been bid and contracts are being awarded by the CMR. The existing Culler Hall was vacated in late January 2016. Construction fencing was installed in late January prior to the start of the spring semester. Demolition and abatement has begun.



Delivery Method: Construction Manager at Risk

Project Cost	
Design and Administration	\$2,094,100
Cost of Work	\$18,428,075
Contingency	\$1,000,000
Owner Costs	\$2,077,825
Total	\$23,600,000

Funding Source	
Gifts	\$12,850,000
Local	\$7,975,000
HDRBS CR&R	\$2,600,000
University Buildings CR&R	\$175,000
Total	\$23,600,000

*\$10,000,000 to be funded from the redirecting of a portion of the Rec Center Student Fee. The balance is to be from gifts

Contingency Balance: 100%
Construction Complete: 2%
Project Completion: July 2017

2. Gunlock Family Athletic Performance Center: (BOT Jun '15)

This project will add a new facility housing the varsity football locker rooms, training and rehabilitation facilities, a football-specific weight room, hydrotherapy, offices for coaches, a team lounge, break out rooms, and a team meeting room. The facility will replace the North Stands and connect Yager Stadium to the new Dauch Indoor Sports Center.

Construction is on schedule. Foundations and slabs on grade are complete. Steel erection and mechanical, electrical, and plumbing (MEP) rough-in work is in progress. The geothermal well field system was bid and is on budget.



Delivery Method: Construction Manager at Risk

Project Cost	
Design and Administration	\$2,050,000
Cost of Work	\$19,200,000
Contingency	\$650,000
Owner Costs	\$1,100,000
Total	\$23,000,000

Funding Source	
Gifts	\$23,000,000
Total	\$23,000,000

Contingency Balance: 80%
 Construction Complete: 30%
 Project Completion: November 2016

3. North Quad Renovation: (BOT Sep '13)

This project will renovate Brandon, Flower, Hahne, and Hepburn Residence Halls as well as Martin Dining Hall and a portion of the North Chiller Plant at Billings Hall. Hahne Hall will receive an addition to accommodate approximately 100 more beds. The work will include site utilities and infrastructure, landscaping and site improvements for the identified buildings. These renovations will be comprehensive upgrades of all buildings systems, addition of fire suppression, accessibility improvements, energy efficiency improvements, and new finishes throughout. The project will also include a replacement of the existing tunnel top adjacent to the project site.

Construction remains on schedule. Interior framing and MEP rough-in at Martin Dining Hall continues. Masonry on the Hahne Addition is complete on the connector and continues on the gabled ends. Interior framing, drywall, and rough-in of MEP infrastructure is complete on the upper three floors of all the residence halls. Drywall is complete in all the basements. Installation of vinyl plank flooring, doors, and hardware in the residence halls has progressed down to the first floor. Tile work continues in all the residence halls. Window installation is 95% complete in all buildings. Roofing is 95% complete on all buildings. For the site work, the deep storm sewers and water lines are complete. The heating hot water distribution system is complete.



Delivery Method: Design Build

Project Cost	
Design and Administration	\$7,396,314
Construction	\$79,380,873
Contingency	\$8,397,813
Owner Costs	\$3,125,000
Total	\$98,300,000

Funding Source	
Bond Series 2012	\$5,000,000
Bond Series 2014	\$90,690,500
UEA CR&R	\$1,400,000
University Buildings CR&R	\$1,209,500
Total	\$98,300,000

Contingency Balance: 93%
 Construction Complete: 65%
 Project Completion: August 2016

4. Shriver Center Renovations – Phase 1: (BOT Sep '15)

As a result of many functions relocating to the new Armstrong Student Center, this project will initiate renovations of the Shriver Center. The scope of Phase 1 has evolved to include the following elements. *General Exterior:* Limited parking, delivery, and south entry modifications. *General Interior:* Mechanical, Electrical, and Plumbing upgrades, as well as whole-building fire protection and new passenger and freight elevators. *First Floor:* An admission welcome center including pre-function space, a 250-seat auditorium, and associated admission offices, counseling rooms, and support spaces; expanded bookstore retail space; a new convenience store; and renovated circulation and restrooms. *Second Floor:* Catering kitchen; an event planning and building management office suite; renovated main lobby, circulation and restrooms. *Third Floor:* Rinella Learning Center, Student Disability Services, and renovated circulation and restrooms.

The scope and schedule of a future Phase 2 continues to evolve and is focused around assigning functions to currently unassigned spaces that can both drive traffic to the building as well as generate revenue to support the new facility.

Demolition and abatement were completed on schedule in January. Interior framing and MEP rough-in is underway.



Delivery Method: Construction Manager at Risk

Project Cost	
Design and Administration	\$2,003,877
Cost of Work	\$16,021,136
Contingency	\$624,987
Owner Costs	\$1,350,000
Total	\$20,000,000

Contingency Balance: 81%
Construction Complete: 8%
Project Completion: January 2017

Funding Source	
Univ. Bldg. CR&R	\$5,000,000
Local	\$10,850,000
Shriver Ctr. CR&R	\$4,050,000
UEA CR&R	\$100,000
Total	\$20,000,000

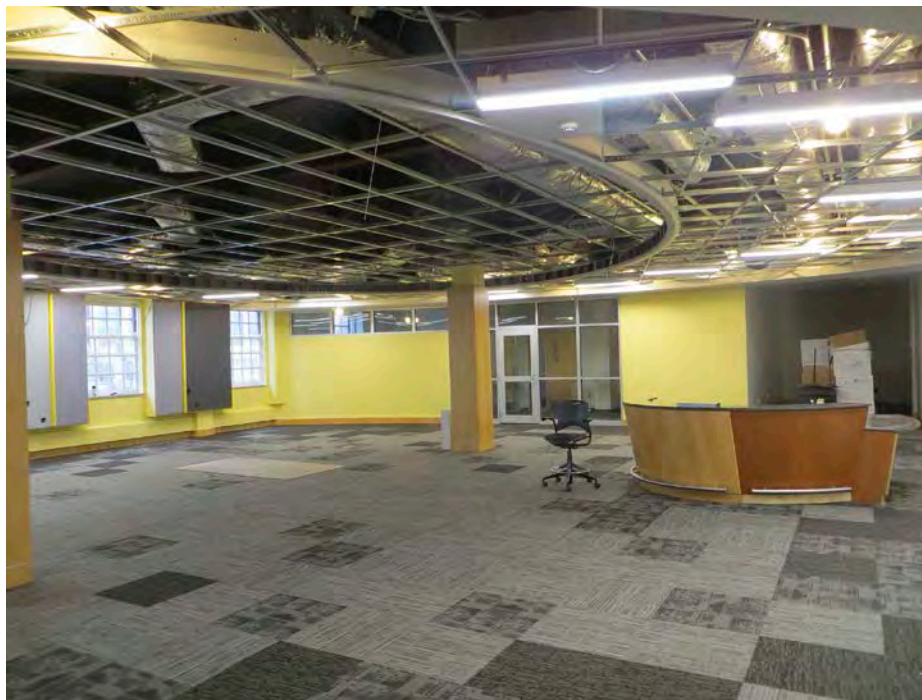
*\$3,000,000 from GY 2013 operating surplus, approved at the September 2013 Finance and Audit Committee Meeting. \$5,000,000 to be taken from GY 2014 operating surplus, assuming project is approved.

**UNDER CONSTRUCTION
(Under Contract)
Projects Between \$500,000 and \$2,500,000**

1. King Library Improvements:

The removal of Withrow Court has necessitated relocation of University Archives. Improved operational efficiencies, facilities, and security is realized by co-locating the University Archives with the Special Collections area on the third floor of King Library. The work also includes a consolidation and improvement of the Howe Writing Center into a prominent location on the first floor of King Library and relocation of the IT offices within the facility.

The project is on schedule. Construction is underway with substantial completion expected at the end of March 2016.



Delivery Method: Single Prime Contracting

Project Cost	
Design and Administration	\$205,431
Cost of Work	\$1,312,802
Contingency	\$117,500
Owner Costs	\$85,000
Total	\$1,720,733

Funding Source	
Local	\$1,720,733
Total	\$1,720,733

Contingency Balance: 25%
Construction Complete: 75%
Project Completion: March 2016

2. Yager Site/Infrastructure Improvements:

This project removes and adds ductbanks and manholes to complete the loop connecting electric and telecommunications between the east and west sides of Yager stadium, as well as installing parking for TV trucks, handicapped and other parking for Yager Stadium. The project improves and integrates the parking and access roads impacting Yager West Stands, the proposed Varsity Tennis Court site, the Gunlock Family Athletic Performance Center, and the Dauch Indoor Sports Center.

A portion of the underground utility work has been performed in coordination with the foundation and slab of the Gunlock Family Athletic Performance Center. The balance of the work is expected to occur during Fall 2016.

Delivery Method: Construction Manager at Risk

Project Cost		Funding Source	
Design and Administration	\$12,000	UEA CR&R	\$200,000
Cost of Work	\$1,079,000	Gifts	\$1,000,000
Contingency	\$25,000		
Owner Costs	\$84,000		
Total	\$1,200,00	Total	\$1,200,000

Contingency Balance: 100%

Construction Complete: 2%

Project Completion: November 2016

**IN DESIGN
(Pre-Contract)**

1. Hamilton and Clawson Halls Renovation: (BOT Jun '15)

This project will renovate Hamilton and Clawson Residence Halls as a continuation of the 2010 Housing and Dining Master Plan. Hamilton Hall will receive a comprehensive interior renovation and upgrade of all building systems, fire suppression, energy efficiency, accessibility improvements, landscaping, and site utility connections. Clawson Hall will receive an upgrade in the mechanical systems, fire suppression, energy efficiency, and minor interior renovations.

The Hamilton Hall renovation will repurpose Hamilton Dining Hall, providing space for additional sorority suites and multipurpose space, in addition to improved common living areas for the residents. The increase in sorority space in Hamilton Hall provides necessary swing space during future housing renovations.

Early programming work had suggested an addition to Clawson Hall was worth pursuing. Schematic design estimates for the renovation and addition exceeded the budget. The age and design of the existing structure created several challenges and inefficiencies requiring a higher cost of construction. After careful review, the addition and full renovation is not recommended. A limited renovation of the existing structure is recommended. The recommended work improves heating, cooling, electrical, life safety systems, and is expected to extend the life of the facility. The limited renovation improves the student experience, but will not address all of needs as would a complete renovation or new construction.

Design Development is complete and construction documents are due early February 2016. GMP negotiations will be in late February.

Delivery Method: Design Build
Estimated Budget: \$38,000,000
Estimated Start: March 2016
Estimated Completion: August 2017

Funding Source	
Bond Series 2014	\$37,000,000
Local	\$1,000,000*
Total	\$38,000,000

* A bid alternate will be considered in the GMP negotiations. The alternate will evaluate the possibility of adding program space for recreation/fitness. If the alternate is accepted, it will be funded locally through the Recreational Sports Center CR&R.

2. Hamilton Campus Gymnasium Roof Replacement 2016: (New Project This Report)

This project replaces the roof on the Hamilton Campus Gymnasium. The existing Ethylene Propylene Diene Membrane (EPDM) roof is well beyond its useful life. The roof will be replaced with a highly efficient Thermoplastic Polyolefin (TPO) product.

An Architect has been selected for the project and design has begun.

Delivery Method: Single Prime Contracting
Estimated Budget: \$700,000
Estimated Start: May 2016
Estimated Completion: September 2016

Funding Source	
Hamilton Campus CR&R	\$700,000
Total	\$700,000

3. Hughes Hall C-Wing Renovation: (New Project This Report)

The Hughes Hall C-Wing Renovation is an enabling project supporting the renovation of Pearson Hall. The project will provide flexible interdisciplinary swing space to house occupants of Pearson Hall as sections of the building are renovated. Once the renovation work in Pearson is completed, the labs will serve as interdisciplinary space and support specific needs in the College of Engineering and Computing.

The Project is currently in the design phase. A Design Builder has been selected.

Delivery Method: Design Build
Estimated Budget: \$11,000,000
Estimated Start: August 2016
Estimated Completion: May 2017

Funding Source	
Local	\$11,000,000
Total	\$11,000,000

4. Hughes Hall Laboratories 141/161 Renovation: (Previous Report – In Planning)

This project renovates Hughes Laboratories 141 and 161 lecture halls. Existing space will be better utilized, allowing the construction of two additional classrooms in the basement of Hughes Laboratories. The project includes new finishes, MEP systems, A/V and demonstration stations. The project is in the Design Development/Construction Drawings phase.

Delivery Method: Single Prime Contracting
Estimated Budget: \$1,230,626
Estimated Start: May 2016
Estimated Completion: December 2016

Funding Source	
Local	\$1,230,626
Total	\$1,230,626

5. Irvin Hall Renovations 2016: (New Project This Report)

This project combines classroom modernization and deferred maintenance projects into one single prime contracting project. This strategy improves bid economy of scale and offers a coordinated end-product impact to Irvin Hall.

The work to be executed includes: replacing corridor ceilings and installing new LED lighting; replacing HVAC units with new energy efficient units and controls; replacing the fire alarm system; and modernizing three high-use classrooms.

The project is in design development phase. Construction documents are due in March 2016. Work is expected to be bid and awarded in April 2016. Construction on the project will commence immediately after graduation and will be complete for the Fall semester.

Delivery Method: Single Prime Contracting
Estimated Budget: \$1,170,000
Estimated Start: May 2016
Estimated Completion: August 2016

Funding Source	
Local	\$1,170,000
Total	\$1,170,000

6. Middletown Campus – Gardner Harvey Library Renovation:

This project will add partitions on the first floor to allow for new study rooms and “maker space,” and provide additional electrical panels and receptacles to support electronic devices presently in use, as well as provide for future expansion. The existing lift will be replaced with a new ADA compliant elevator.

The project is in the Construction Document phase.

Delivery Method: Single Prime Contracting
Estimated Budget: \$880,500
(Revised since last report: \$500,000)
Estimated Start: May 2016
(Revised since last report: April 2016)
Estimated Completion: August 2016

Funding Source	
State	\$877,500
Local	\$3,000
Total	\$880,500

7. Millett Hall Roof Replacement 2016:

This project will replace the roof around the lower concourse of Millett Hall. The work will include correction of a flashing detail around the limestone columns and installation of additional roof drains.

Construction documents are being developed.

Delivery Method: Single Prime Contracting
Estimated Budget: \$2,000,000
Estimated Start: May 2016
Estimated Completion: September 2016

Funding Source	
Local	\$2,000,000
Total	\$2,000,000

8. Minnich and Scott Halls Renovation: (New Project this Report)

This project will renovate two co-located residence halls in the Central Quad. Selection of these two residence halls aligns with progress on implementing the Utility Master Plan. The Scott Hall program will include new sorority suites, which creates swing space for sorority suites as the balance of the Central Quad residence halls are renovated.

Design Builders have responded to the Request for Qualifications. A selection should be made in late February 2016.

Delivery Method: Design Build
Estimated Budget: TBD
Estimated Start: May 2017
Estimated Completion: August 2018

Funding Source	
TBD	TBD
Total	TBD

9. New Residence Hall – North Quad Tennis Court Site: (BOT Dec '15)

The increase in student population has created a demand for on-campus beds beyond the Long Range Housing Master Plan's original projection. The Master Plan called for 7,100 beds total on campus. Current projections call for a demand of 8,100 beds on campus.

The site at the location of the varsity tennis courts was one of four sites originally identified in the Master Plan. This site can take advantage of utilities being upgraded in the current renovation of the North Quad. The program calls for approximately 350 beds. The new residence hall will be designed to the current design standards used on the other new residence halls built within the last three years. This residence hall will likely have a Neo-Georgian architectural style, utilizing materials seen on the other North Quad halls. The project will include hardscape/landscape design to integrate the new hall into the existing pedestrian and vehicular network in this area of campus.

Schematic design is complete. Selection of the project's Construction Manager at Risk (CMR) is expected to occur in mid-February.

Delivery Method: Construction Manager at Risk
Estimated Budget: \$36,500,000
Estimated Start: June 2016
Estimated Completion: June 2018

Funding Source	
Bond Series 2014	\$36,500,000
Total	\$36,500,000

10. Ogden Hall Roof Repairs 2016:

The copper valleys, flashing, downspouts and gutters are at the end of their useful life and will be replaced with this project. Approximately 25% of the existing barrel tile roof will be replaced. The balance of the roof tile is in good condition and will remain.

The Architect has been selected and design work has begun.

Delivery Method: Single Prime Contracting
Estimated Budget: \$750,000
Estimated Start: May 2016
Estimated Completion: August 2016

Funding Source	
HDRBS CR&R	\$750,000
Total	\$750,000

11. Pearson Hall Renovations Phase 1: (New Project This Report)

Pearson Hall, built in 1985, serves the biological sciences including the Departments of Biology and Microbiology. This phased, occupied rehabilitation will renovate teaching and research labs, offices, common areas, mechanical, electrical, plumbing and fire systems, and circulation spaces. Because the building is occupied, the work is expected to occur over approximately four years.

Phase 1 is expected to address at least 50% of the necessary heating, cooling, and lab exhaust systems; replace electrical switchgear, modernize the public areas, and modernize approximately 50% of the teaching and research laboratories. The large lecture halls have been modernized in recent years and will not be impacted by this project.

The Criteria Architect has been selected. This project is currently in the programming phase. A Design Build team will be selected in February 2016.

Delivery Method: Design Build
Estimated Budget: TBD
Estimated Start: May 2017
Estimated Completion: June 2021

Funding Source	
State Appropriations	TBD
Local	TBD
Total	TBD

12. Upham Hall Emergency Generator Replacement and Unit Substation Consolidation:

This project will replace the existing diesel fueled emergency generator with a natural gas fueled unit located inside the building. The project will also consolidate the three existing Unit Substations into one large Unit Substation and change the medium voltage feeder to the building from 4 kV to 12.5 kV.

The project is in the construction document phase. Bidding is expected to take place in March 2016.

Delivery Method: Single Prime Contracting
Estimated Budget: \$764,035
Estimated Start: April 2016
Estimated Completion: August 2016

Funding Source	
Local	\$764,035
Total	\$764,035

13. Upham Hall First Floor Renovation: (Previous Report – In Planning)

This project will renovate the classrooms and corridors in the south wing of the first floor of Upham Hall. The renovation creates additional new space for the College of Arts and Science Academic Advising unit.

Construction Documents are being developed. Bidding is expected to take place in March 2016.

Delivery Method: Single Prime Contracting
Estimated Budget: \$850,300
Estimated Start: May 2016
Estimated Completion: August 2016

Funding Source	
Local	\$850,300
Total	\$850,300

14. Varsity Tennis Courts:

This project will construct a new tournament level outdoor tennis court complex. The new tennis courts are necessary to replace the existing courts being razed for construction of a residence hall. The project site is located northwest of Yager Stadium, immediately north of the existing field hockey field. The facility will include six (6) competitive level courts and two (2) practice courts including court lighting, scoreboard, viewing area, hose bibs and drinking fountain.

The project is out to bid. Project mobilization is on schedule for the beginning of March 2016.

Delivery Method: Design Build
Estimated Budget: \$2,000,000
Estimated Start: March 2016
Estimated Completion: July 2016

Funding Source	
Bond Series 2014	\$2,000,000
Total	\$2,000,000

15. Western Campus Geothermal Infrastructure, Phase 2:

The University introduced geothermal heating and cooling on the Western Campus in the first phase of this project in 2013-2014. In the first phase, the heating and cooling needs of the new buildings constructed on the Western Campus are served by the new geothermal plant. The existing Western Campus buildings remain on the central heating plant. Plans were made for a future expansion of the geothermal system to convert existing buildings on Western Campus to geothermal in later phases.

The existing geothermal system will be expanded to include approximately 400 additional deep wells. The project will all add 1,400 tons of available cooling capacity to the geothermal plant. This project will address the infrastructure needs for connecting five (5) existing buildings onto the Western Campus geothermal system – Havighurst, Child Development Center, Clawson, Hoyt and Presser.

The GMP facilitated negotiations are occurring in late February 2016. Completion of the construction documents and bidding of the work will occur in March and April. The first bid package beginning this spring will include the drilling of the well field located east of the Geothermal Energy Plant.

Delivery Method: Construction Manager at Risk
Estimated Budget: \$16,600,000
Estimated Start: April 2016
Estimated Completion: July 2017

Funding Source	
Local	\$15,540,000
Bond Series 2014	\$1,060,000
Total	\$16,600,000

IN PLANNING (Pre-A&E)

1. **Campus Avenue Building Lower Level Rehab: (New Project This Report)**

The CAB Lower Level Rehab project will allow the University to relocate and consolidate the offices of University Communications and Marketing into space vacated by Student Disability Services and Rinella Learning Center, which will relocate to the renovated Shriver Center. University Communications and Marketing is currently located in three separate buildings on campus: Glos Center, MacMillan Hall, and Williams Hall. The CAB project will also realign some of the remaining work groups with the Division of Enrollment Management and HOME, completing the University's goal of creating a one-stop service center for students.

Proposed Budget: TBD
Desired Start: February 2017
Desired Completion: December 2017

Funding Source	
TBD	TBD
Total	TBD

2. **Hamilton Campus – Knightsbridge Building Renovation:**

This project will provide for the renovation of the recently acquired 23,500 square feet Richard Allen Academy building located on the Hamilton Campus at the intersection of Knightsbridge Drive and University Boulevard in Hamilton. A facility assessment to be used in developing program and renovation cost has been completed. The assessment has identified the need for mechanical/electrical upgrades as part of the renovation, reporting approximately \$4,000,000 in probable cost. A recent professionally-prepared campus space plan is contributing to the programmed scope of this project.

Planning is underway to align the campus space requirements, academic priorities, and existing facilities condition/needs.

Proposed Budget: TBD
Desired Start: TBD
Desired Completion: TBD

Funding Source	
Hamilton Campus CR&R	TBD
Total	TBD

Intentionally blank

COMPLETED PROJECTS

1. Shideler Hall Renovation: (BOT Feb '14)

The complete renovation of Shideler Hall for Geology and Geography included hazardous material abatement, replacement of HVAC, plumbing, electric, technology and fire suppression systems with state-of-the-art energy efficient systems; reconfiguration of classrooms, laboratories, department and staff offices, including a highly interactive GIS studio. Upgraded finishes included casework, flooring, lighting, ceilings, etc. The work improved circulation, egress and ADA accessibility. Exterior upgrades including brick tuck pointing, roofing and window replacements were made.

The building is substantially complete and fully occupied for the Spring Semester.



Delivery Method: Construction Manager at Risk

Project Cost	
Design and Administration	\$2,336,371
Cost of Work	\$20,039,255
Contingency	\$1,417,394
Owner Costs	\$1,207,070
Total	\$25,000,000

Project Expense	
Design and Administration	\$2,336,371
Cost of Work	\$20,039,255
Contingency	\$1,417,374
Owner Costs	\$1,207,070
Total	\$24,980,000

Est. Contingency Balance Returned: \$20,000
 Est. Contingency Balance Returned Percent of Total: 0.1%
 Est. Bid Savings / VE: \$0
 Est. Final Total: \$24,980,000

Intentionally blank

Projects Between \$50,000 and \$500,000

Project	Budget
Airport RSA Grading Project	\$128,320
Alumni Hall – High Bay Roof Replacement	\$250,000
Armstrong Student Center – Adjacent Tunnel Sump Improvements	\$250,000
Armstrong Student Center – Pavilion Audiovisual Upgrades	\$75,000
Art Building – Classroom 17 Upgrade	\$80,000
Art Building – Room 245 Upgrade	\$72,675
Bachelor Hall – Lecture Hall 102 Renovation	\$440,000
Bachelor Hall – Room 108 Conversion to Classroom	\$110,000
Benton Hall – Agile Classroom	\$50,000
Boyd Hall – Fashion Design Studio	\$105,375
Campus Avenue Water Main Work (in conjunction with City of Oxford)	\$150,000
Central Campus Electrical Modifications – Phase II	\$230,665
Central Campus Utility Upgrade	\$498,000
Chestnut Fields – Fieldhouse Renovation for Club & Rec Sports	\$500,000
Chestnut Fields – Site Infrastructure and Utility Improvements	\$300,000
Classroom Chair Replacement (17 classrooms)	\$189,685
Cole Service Building Reconfiguration	\$187,310
E & G Buildings – Corridor Lighting Control	\$200,000
E & G Buildings – Elevator Repair and Renovation 2015	\$275,000
E & G Buildings – Fan Energy Upgrades	\$72,000
E & G Buildings – Heating Pumps Energy Upgrades	\$160,000
E & G Buildings – Relamping	\$350,000
E & G Buildings – Summer Painting – Building Exteriors 2014/2015	\$187,000
Edwards Parking Lot Rehabilitation	\$450,000
Emergency Phones Phase II	\$465,000
Emerson Hall Emergency Power Upgrades	\$125,000
Engineering Building – Fume Hood Exhaust Fan Resolution	\$100,000
Engineering Building – Lab Improvements 2015	\$165,000
Engineering Building – SEAS – Paper Reconfiguration	\$75,000
Engineering Building – Second Floor Honors Suite	\$65,605
Farmer School of Business – Exterior Entrance Door Repairs	\$150,000
Goggin Ice Center – Stair Repair/Replacement	\$80,000
Hamilton Campus – One Stop Enrollment Management Center	\$260,160
Hamilton Campus – Rentschler Hall Entry Reconstruction	\$180,000
Hamilton Campus – Wilks & Schwarm Halls Building Automation Upgrade	\$200,000
Hamilton Campus – Wilks & Schwarm Halls Fire Alarm Upgrades	\$125,000
Hamilton Campus – Wilks & Schwarm LED Lighting Retrofit	\$90,000
Havighurst Hall – Lighting Upgrades 2016	\$345,750
Hayden Park – FF&E	\$180,000
Heritage Commons – Plumbing Upgrades 2015	\$195,000
Hiestand Hall – Exhaust Improvements	\$70,000
Hiestand Hall - Room 200 - Lab Refresh and Update	\$75,000
HDRBS – Exterior Summer Painting 2014	\$50,000
HDRBS – HVAC Improvements 2016	\$100,000
HDRBS – MEP Improvements 2016	\$400,000
HDRBS – Plumbing Improvements 2016	\$90,000
HDRBS – Residence Hall Signage	\$260,000
HUB Quad Engraved Brick Replacement	\$145,500
Hughes Hall Still Replacement	\$160,000

Irvin Drive Relocation	\$200,000
Irvin Hall – Classroom 10 Interior Finish Upgrades	\$330,000
Irvin Hall – Classroom 40 Renovation	\$385,000
Irvin Hall – Classrooms 50 & 60 Renovations	\$225,000
Irvin Hall – Room 126 A/V Upgrades	\$95,000
Kreger Hall Furniture Package	\$300,000
Maplestreet Station – Starbucks Renovation	\$325,000
Marcum Conference Center –Building Window Replacement	\$104,000
McGuffey Drive – Water Line Extension	\$250,000
McGuffey Hall – Classroom Expansion (415-417)	\$55,000
McGuffey Hall – Multipurpose Learning Center	\$131,680
McGuffey Hall – Room 100 – EDP Clinic Redesign	\$90,000
McGuffey Hall – Room 128 - AV and Computer Equipment Installation	\$85,000
McGuffey Hall – Rooms 407-408 Renovation	\$175,000
Middletown Campus – Bennett Rec Center Fire Alarm Upgrade	\$75,000
Middletown Campus – One Stop Enrollment Management Center	\$171,560
Middletown Campus – SWORD Drainage Improvements	\$162,300
Middletown Campus – SWORD Roof and Building Repair	\$395,000
Middletown Campus – SWORD Storm Water/Chiller Improvements	\$200,000
Middletown Campus – Thesken Hall Fire Alarm Upgrades	\$75,000
Middletown Campus – Verity Lodge Fire Alarm Upgrades	\$75,000
Millett Hall – Electrical Modifications – 4kv to 12.5kv Conversion	\$200,000
North Campus Utility Improvements	\$400,000
North Chiller Plant – Roof Replacement	\$200,000
Peabody Hall – Lighting and Mechanical Upgrades 2016	\$275,000
Pearson Hall Laboratory AV Upgrades	\$398,022
Pearson Hall Laboratory Upgrades (267 B-F, G, H)	\$145,850
Phillips Hall – Entryway Repairs	\$75,000
Phillips Hall – Gymnasium Netting, Room 30 Renovation	\$150,000
Phillips Hall – Room 113 Cosmetic Improvements	\$66,000
Phillips Hall – Sensory Lab	\$120,000
Presser Hall Stormwater Pond	\$262,250
Psychology Building – Room 36 Hood and Hall Modifications	\$55,000
Recreational Sports Center – Bouldering Cave Replacement	\$65,000
Recreational Sports Center – Envelope Evaluation	\$145,000
Recreational Sports Center – Hardscape Repairs	\$100,000
Recreational Sports Center – Outdoor Pursuits Center	\$90,000
Recreational Sports Center – Scoreboard Replacement	\$500,000
Recreational Sports Center – Volleyball Court Renovation	\$66,500
Regional Campuses – Classroom Technology Upgrade 2015	\$306,000
Rental Property Demolition and Grounds Restoration (406 E. Chestnut Street)	\$160,000
Richard Hall – Electrical Modifications	\$235,000
Sawyer Gym Renovation	\$400,000
Softball Field Scoreboard Upgrade	\$136,810
South Refrigeration Plant Air Conditioning Upgrades	\$200,000
Steam Plant Water Softener Replacement	\$61,500
Tennis Courts Resurfacing	\$255,110
Upham Hall – Second Floor Renovation	\$320,000
Utility Group Control Automation Upgrades	\$200,000
Utility Group Network Reconfiguration	\$150,000
VOA – AV Upgrades	\$97,000
VOA – Exterior Repairs	\$100,000
Western Campus Bridge Reconstruction	\$400,000

Western Residence Halls – Closet Additions	\$225,000
Yager Stadium – ICA Storage Building	\$240,000
Yager Stadium – Space for Tennis and Golf Teams	\$250,000

Projects Closed Between \$50,000 and \$500,000

Project	Original Budget	Returned Funds
Campus Avenue Building - One Stop Shop	\$202,000	\$2,815
Center for Performing Arts – Souers Recital Hall – Dimming System Replacement	\$54,000	\$5,920
Hamilton Campus – Phelps & Parrish Auditorium Lighting Upgrades	\$80,000	\$20,050
Hamilton Campus – University Hall Emergency Generator Installation	\$100,000	\$28,500
North Chiller Plant – Roof Replacement	\$200,000	\$3,350

Intentionally blank

Glossary of Terms

Construction Manager at Risk (CMR) – is a delivery method which entails a commitment by the construction manager to deliver the project within a Guaranteed Maximum Price (GMP). The owner contracts the architectural and engineering services to perform the design from concept through construction bid documents using the construction manager as a consultant. The construction manager acts as the equivalent of a general contractor during the construction phase. CMR arrangement eliminates a "Low Bid" construction project. This method will typically be used on projects with high complexity and demanding completion schedules.

Contingency – includes both owner contingency and the D/B or CMR contingency where applicable.

Cost of the Work – is the cost of construction. This includes general condition fees, contractor overhead and profit, D/B or CMR construction stage personnel.

Design & Administration – includes all professional services to support the work. This consists of base Architect/Engineer (A/E) fees, A/E additional services, A/E reimbursables, non-error/omission A/E contingency fees, geotechnical services, special inspection services partnering services, multi-vista photo documentation of projects, D/B or CMR pre-construction services, third party estimator, and local administration fees.

Design Build (D/B) – is a project delivery method in which the design and construction services are contracted by a single entity and delivered within a Guaranteed Maximum Price (GMP). Design Build relies on a single point of responsibility contract and is used to minimize risks for the project owner and to reduce the delivery schedule by overlapping the design phase and construction phase of a project. This method will typically be used on projects with less complexity and have demanding completion schedules.

Guaranteed Maximum Price (GMP) – is the negotiated contract for construction services when using D/B or CMR. The owner negotiates a reasonable maximum price for the project (or component of the project) to be delivered within the prescribed schedule. The D/B firm or CMR is responsible for delivering the project within the agreed upon GMP. This process eliminates bidding risks experienced by the owner, allows creative value engineering (VE) to manage the budget, and permits portions of the work to begin far earlier than traditional bidding of the entire project.

Multiple Prime Contracting – is a project delivery method historically allowed by the State of Ohio. The owner contracts the architectural and engineering services to perform the design from concept through construction bid documents. The construction services are divided into various trade specialties – each bid as a separate contract (general, plumbing, mechanical, electrical, sprinkler, etc.). The owner is responsible for managing the terms of each contract and coordinating the work between the multiple contractors.

Owner Costs – are costs directly borne by the owner to complete the project. This includes furniture, fixtures, and equipment (FF&E), audio/visual (A/V), IT networking, percent for art (applicable on State funded projects exceeding \$4 million), printing and advertising expenses, and any special moving or start-up funds.

Preconstruction Services – are the development and design services provided by a D/B firm or CMR to the owner. These services are typically performed for an identified cost prior to the negotiation of a GMP. These services are included in "Design and Administration."

Single Prime Contracting – is a project delivery method in which the owner contracts the architectural and engineering services to perform the design from concept through construction bid documents. The construction services are contracted separately, but through a single entity. Single Prime Contracting is beneficial on projects with specialized construction requiring more owner oversight or control. This method will typically be used on projects with high complexity and low schedule importance.

February 19, 2016
Finance and Business Services

RESOLUTION 2016-26

WHEREAS, the Edwards Parking Lot, located at the southwest corner of High Street and Tallawanda Road, is scheduled for reconstruction following the erection of the adjacent Evans Scholars House.

WHEREAS, for reasons of design efficiency in connection with this reconstruction, the University has determined that the overhead electric service currently servicing Old Manse, 410 East High Street, Oxford OH 45056, from Church Street should be relocated to an underground electrical service.

WHEREAS, said relocation requires that the University grant a new utility easement to Duke Energy of Ohio, Inc. to construct and maintain these lines, a copy of which is attached to this Resolution and incorporated herein (“Utility Easement”);

NOW, THEREFORE, BE IT RESOLVED: that the Board of Trustees approves the Utility Easement, subject to the terms and conditions set forth therein.

BE IT FURTHER RESOLVED that the Senior Vice President for Finance and Business Services be authorized to sign the Utility Easement, and perform those acts necessary to carry out and perform the terms thereof.

Approved by the Board of Trustees

February 19, 2016



T. O. Pickerill II
Secretary to the Board of Trustees

GRANT OF EASEMENT

(Pt. Parcel #s H4000002000039, and H4000002000040)

In consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, **THE TRUSTEES OF MIAMI UNIVERSITY**, (hereinafter referred to as "Grantor"), hereby grant(s) unto **DUKE ENERGY OHIO, INC.**, an Ohio corporation, with a mailing address of 139 East Fourth Street, Cincinnati, OH 45202, and its successors and assigns (hereinafter referred to as "Grantee"), a perpetual, non-exclusive easement to construct, reconstruct, operate, patrol, maintain, repair, replace, relocate, add to, modify and remove, electric, and/or telecommunication line or lines including but not limited to, all necessary and convenient supporting structures, conduits, wires, cables, manholes, pullboxes, grounding systems, counterpoises, surface equipment (including, but not limited to, transformers and switchgears), and all other appurtenances, fixtures and equipment (hereinafter referred to as the "Facilities"), for the underground transmission and distribution of electrical energy, and for technological purposes (including but not limited to telecommunications), in, upon, over, along, under, through and across the following described real estate:

Situate in the City of Oxford, Butler County, Ohio, being a part of: 1) the North One Hundred Twenty-five (125) feet of In Lots Two Hundred Ninety-one (291) and Two Hundred Ninety-two (292) as the same are known and designated on the recorded plat of the City of Oxford, Butler County, Ohio, and being that property conveyed to THE STATE OF OHIO, FOR THE USE OF THE PRESIDENT AND TRUSTEES OF THE MIAMI UNIVERSITY OF OXFORD, OHIO from MARY ARMINTA MORRIS by deed dated June 4, 1971 and recorded in **Deed Book 969, Page 502**; and 2) In Lots Two Hundred Ninety-one (291) and Two Hundred Ninety-two (292) as the same are known and designated on the recorded plat of the City of Oxford, Butler County, Ohio, saving and excepting therefrom the north One Hundred Twenty-five (125) feet of said inlots, and being that property conveyed to THE STATE OF OHIO, FOR THE USE OF THE PRESIDENT AND TRUSTEES OF THE MIAMI UNIVERSITY OF OXFORD, OHIO from THE SYNOD OF OHIO, UNITED PRESBYTERIAN CHURCH, U.S.A., INC., by deed dated June 18, 1973 and recorded in **Deed Book 1048, Page 36**, both documents in the Office of the Recorder of Butler County, Ohio (hereinafter referred to as "Grantor's Property").

Said easement being at or near the centerline of the fifteen (15) foot wide underground easement being described and shown on the said Exhibit "A", attached hereto and made a part hereof, and shall be further evidenced by the Facilities where constructed on Grantor's Property (hereinafter referred to as "the Easement Area").

This easement grant shall include, but not be limited to, the following respective rights and duties of Grantor and Grantee:

1. Grantee shall have the right of ingress and egress over the Easement Area, and over the adjoining land of Grantor's Property immediately adjacent to the Easement Area (using lanes, driveways, and adjoining public roads where practical as determined by Grantee).

2. Grantee shall have the right to cut down, clear, trim, remove, and otherwise control any trees, shrubs, overhanging branches, and/or other vegetation upon or over the Easement Area. Grantee shall also have the right to cut down, clear, trim, remove, and otherwise control any trees, shrubs, overhanging branches, and/or other vegetation which are adjacent to the Easement Area but only to the extent such vegetation may endanger, as reasonably determined by Grantee, the safe or reliable operation of the Facilities, or where such vegetation is trimmed consistent with generally accepted arboricultural practices.

3. Grantee shall have the right to allow third parties to trench with Grantee's Facilities, and any such equipment shall include but not be limited to, wires, cables, and other fixtures; provided, that Grantor shall pursue any claim with the third party and/or Grantee, if any such claim arises out of any third party's facility location.

4. To the best of Grantor's knowledge, the Easement Area and the adjoining land of Grantor's Property, have never been used to release, discharge, generate or store any toxic, hazardous, corrosive, radioactive or otherwise harmful substance or material.

5. Grantor shall not place, or permit the placement of, any obstructions, which may interfere with the exercise of the rights granted herein to Grantee. Grantee shall have the right to remove any such obstruction.

6. Grantee shall have the right to pile dirt and other material and to operate equipment upon the surface of the Easement Area and the adjoining land of Grantor's Property, *but only* during those times when Grantee is constructing, reconstructing, maintaining, repairing, replacing, relocating, adding to, modifying, or removing the Facilities.

7. Excluding the removal of vegetation as provided herein, any physical damage to the surface area of the Easement Area and the adjoining land of Grantor's Property, including but not limited to any damage to the paved road, paved parking surfaces, curbs, sidewalks, poured in-place mulch and retaining walls, resulting from the exercise of the rights granted herein to Grantee, shall be promptly paid by Grantee, or repaired or restored by Grantee to a condition which is reasonably close to the condition it was in prior to the damage, all to the extent such damage is caused by Grantee or its contractors or employees. In the event that Grantee does not, in the opinion of Grantor, satisfactorily repair any damage, Grantor must, within ninety (90) days after such damage occurs, file a claim for such damage with Grantee at (a) 139 East Fourth Street, Cincinnati, OH 45202, Attn: Right of Way Services, or (b) by contacting an authorized Right of Way Services representative of Grantee.

8. Grantor shall have the right to use the Easement Area and the adjoining land of Grantor's Property immediately adjacent to the Easement Area in any manner which is consistent with the rights granted herein to Grantee, and shall comply with all applicable codes when making use of the land near the Facilities.

9. Notwithstanding anything to the contrary contained herein, Grantor shall not without the prior written consent of Grantee (a) construct or install, or permit the construction or installation of any building, house, or other above-ground structure, or portion thereof, upon the Easement Area; or (b) excavate or place, or permit the excavation or placement of any dirt or other material upon or below the Easement Area; or (c) cause, by excavation or placement of material, either on or off the Easement Area, a pond, lake, or similar containment vehicle that would result in the retention of water in any manner within the Easement Area. This Grant does not prohibit Grantor from constructing a paved road, curbs, sidewalks, poured in-place mulch, retaining walls and paved parking surface upon the Easement Area.

10. Grantor warrants that it has the necessary authority and title to Grantor's Property to grant this easement to Grantee.

11. The respective rights and duties herein of Grantor and Grantee shall inure to the benefit of, and shall be binding upon the respective successors, assigns, heirs, personal representatives, lessees, licensees, and/or tenants of Grantor and Grantee. Easement, Grantor and Grantee, as used herein, shall be deemed to be plural, when required to be so. The exercise of any or all of the rights and privileges of Grantee set forth herein, shall be at the sole discretion of Grantee.

IN WITNESS WHEREOF, Grantor has caused this Grant of Easement to be signed by its duly authorized representative(s), effective the _____ day of _____, 201__.

THE TRUSTEES OF MIAMI UNIVERSITY, Grantor

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

STATE OF OHIO)
) SS:
COUNTY OF _____)

Personally appeared before me this day _____ and _____, (a) duly authorized representative(s) of Grantor and acknowledged the signing of this Grant of Easement by _____ to be a voluntary act and deed for and on behalf of Grantor, and having been duly sworn/affirmed, state(s) that any representations contained therein are true to the best of _____ personal knowledge.

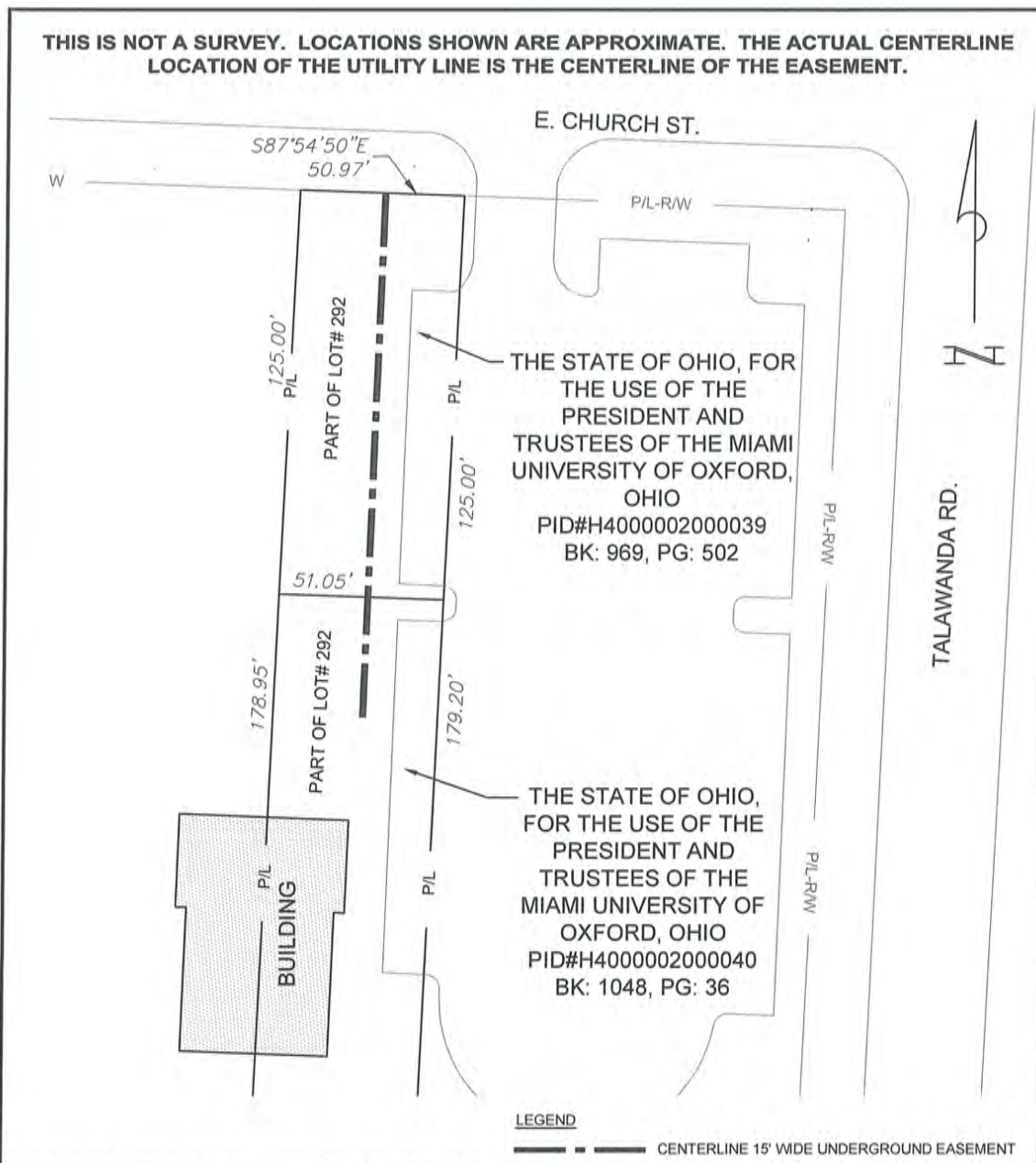
WITNESS my hand and notarial seal, this _____ day of _____, 201__.

My Commission Expires: _____ Signed Name: _____

My County of Residence: _____ Printed Name: _____

This Instrument Prepared by Janice L. Walker, Attorney-at-Law, 139 E. Fourth St., Cincinnati, OH 45202.

For Grantee's Internal Use:
Emax# E9146835
LU# 1680192
Prep/Chk: TLM/ **NTS** Exec/Rec : _____
Pad #: BTO-15203
Prepared Date: 12/8/2015



<p>SAFETY EXPECTATIONS FOR THIS JOB ARE THAT YOU</p> <ul style="list-style-type: none"> • REDUCE RISK • REMOVE EXPOSURE TO HAZARDS • REINFORCE SAFE BEHAVIOR 	DUKE ENERGY OHIO, INC. - EXHIBIT "A"			<p>139 E. FOURTH STREET CINCINNATI, OHIO 45202</p> <p>SURVEY # 104145-451399</p> <p>LU # 1680192 Site # 104145</p> <p>eMax # E9146835</p>
	<p>PROPERTY OWNER: THE STATE OF OHIO, FOR THE USE OF THE PRESIDENT AND TRUSTEES OF THE MIAMI UNIVERSITY OF OXFORD, OHIO</p>			
	<p>LOCATION: 411 E. CHURCH ST, SEC 23, T-5, R-1 CITY OF OXFORD, BUTLER CO, STATE OF OHIO</p>			
	DATE: 12/07/2015	DRAWN BY: AM	CHECKED BY: MT	
REVISION DATE:	REVISED BY:			

Miami University
Finance and Audit Committee
FY 2016 Forecasted Operating Results
Projections Based upon Activity through December 31, 2015

OXFORD

The projection for the Oxford General Fund based on performance through December is a surplus of approximately \$26.6 million. Details of the specific items are highlighted below.

Revenues

The Oxford campus student fee revenues (instructional, general, out-of-state, and other) are forecast to be approximately \$8.9 million over the \$317.3 million budget. Gross instructional revenue (including the out-of-state surcharge) is forecast to be \$8.6 higher than budget and financial aid is forecast to be on budget. The projections include billing from summer, fall, winter terms and preliminary spring billing. The favorable performance compared to budget is attributable to a larger than expected incoming class, improved retention rates for continuing students and more ACE students than assumed in the budget. The forecast may change based on the final performance of the spring and summer terms of calendar year 2016.

The forecast for the Oxford campus state appropriations are forecast to be \$1.9 million over the \$58.5 million budget. The original university budget was based on the Governor's introduced budget. The estimates included in this report are based on the final revisions made by the Ohio Department of Higher Education that incorporate updated degree and enrollment information from each of the campuses. The Conference Committee budget signed by the Governor incorporated additional resources to help offset the impact of the state imposed tuition freeze on resident tuition.

Investment income booked through December 31, 2015 was approximately \$1,486,000. This amount does not include an estimate of the year end mark-to-market, which is difficult to predict at this time. If we had marked the portfolio to market as of December 31, an unrealized loss of \$8,170,000 would have been recorded. Given the volatility of the current market, this number could change as the year progresses. Therefore, we are forecasting investment income to be equal to budget.

Other revenue categories are projected as budgeted.

Expenditures and Transfers

Employee salaries for the Oxford campus are projected to be \$6.4 million under budget. The healthcare and staff benefits expense are projected to be \$2.6 million under budget based on the salary projection and do not reflect a forecast of claims experience. Through the first six months of the fiscal year medical claims, including high cost claims, were lower than budget. Similarly, prescription drugs costs for regular claims as well as high cost claims were below budget. Healthcare expense is difficult to estimate due to the volatility of high cost claims. Graduate assistant fee waivers and undergraduate scholarships and fee waivers are projected \$537,500 and \$270,000 less than budgeted, respectively. Departmental support budgets are projected to be \$5.9

**Business Session
Item #3**

million over the original budget reflecting spending of carryforward balances on capital projects and the movement of resources to designated funds.

Savings in departmental salaries are projected above budget; therefore the forecast estimates a transfer to departmental budgetary carryforward of \$4.5 million. At the end of FY15, departments on the Oxford Campus underspent these categories by \$12.3 million.

HAMILTON & MIDDLETOWN

The Hamilton campus student fee revenue (instructional, out-of-state, general, and other) is estimated to be \$1.0 below budget. The instructional fee, out-of-state surcharge, general fee and other student revenue for the Middletown campus are forecast to be \$445,061 above budget. The performance of Middletown revenues is attributable to higher than budgeted enrollments by international students. Expenditures on both campuses are currently forecast on budget.

The state subsidy for the Hamilton campus is expected to be \$78,547 above budget and Middletown campus forecast is to be \$328,283 above budget. As noted above, the forecast was updated to reflect Ohio Department of Higher Education mid-year estimates for the fiscal year.

Overall, the General Fund for Hamilton is projected to end the fiscal year with a \$1.2 million deficit while the Middletown campus is projected to have an operating surplus of approximately \$773,343.

VOICE OF AMERICA LEARNING CENTER

The Voice of America Learning Center (VOALC) is projected to end the fiscal year on budget. As in the prior fiscal year, the funding support for the VOALC has been separately displayed for all three campuses and the VOALC. This transfer represents the budgeted financial support from each campus for funding the VOALC administrative operations.

MIAMI UNIVERSITY
FY2016 Forecast
Oxford General Fund Only
As of December 31, 2015

	Original <u>Budget</u>	December End-of-Year <u>Forecast</u>	December Budget to <u>Forecast</u>
REVENUES:			
Instructional & OOS Surcharge	\$ 340,112,881	\$ 348,709,895	\$ 8,597,014
Less Cohort Financial Aid Discount	\$ 58,947,656	\$ 58,947,656	\$ -
Net Instructional Fee & Out-of-State Surcharge	<u>\$ 281,165,225</u>	<u>\$ 289,762,239</u>	<u>\$ 8,597,014</u>
General	\$ 32,539,258	\$ 32,823,037	\$ 283,779
Other Student Revenue	\$ 3,601,500	\$ 3,601,500	\$ -
<i>Tuition, Fees and Other Student Charges</i>	<u>\$ 317,305,983</u>	<u>\$ 326,186,776</u>	<u>\$ 8,880,793</u>
State Appropriations	\$ 58,489,038	\$ 60,413,643	\$ 1,924,605
Investment Income	\$ 4,325,000	\$ 4,325,000	\$ -
Other Revenue	\$ 1,444,000	\$ 1,444,000	\$ -
Total Revenues	<u>\$ 381,564,021</u>	<u>\$ 392,369,419</u>	<u>\$ 10,805,398</u>
EXPENDITURES:			
Salaries	\$ 168,085,747	\$ 161,725,995	\$ (6,359,752)
Benefits	\$ 32,480,774	\$ 31,131,969	\$ (1,348,805)
Healthcare Expense	\$ 29,545,024	\$ 28,318,130	\$ (1,226,894)
Graduate Assistant, Fellowships & Fee Waivers	\$ 30,779,703	\$ 30,242,203	\$ (537,500)
Undergraduate Scholarships & Student Waivers	\$ 12,608,758	\$ 12,338,758	\$ (270,000)
Utilities	\$ 13,314,644	\$ 13,314,644	\$ -
Departmental Support Expenditures	\$ 27,883,845	\$ 33,802,843	\$ 5,918,998
Multi-year Expenditures	\$ 5,671,742	\$ 5,671,742	\$ -
Total Expenditures	<u>\$ 320,370,237</u>	<u>\$ 316,546,284</u>	<u>\$ (3,823,953)</u>
DEBT SERVICE AND TRANSFERS:			
General Fee	\$ (30,151,928)	\$ (30,151,928)	\$ -
Capital, Renewal & Replacement	\$ (7,980,000)	\$ (7,980,000)	\$ -
Debt Service	\$ (5,222,213)	\$ (5,222,213)	\$ -
Support for VOALC (50%)	\$ (577,383)	\$ (577,383)	\$ -
Other Miscellaneous Operational Transfers	\$ (849,727)	\$ (849,727)	\$ -
Total Debt Service and Transfers	<u>\$ (44,781,251)</u>	<u>\$ (44,781,251)</u>	<u>\$ -</u>
<i>Net Revenues/(Expenditures) Before Adjustments</i>	\$ 16,412,533	\$ 31,041,884	\$ 14,629,351
ADJUSTMENTS:			
Departmental Budgetary Savings	\$ -	\$ -	\$ -
Departmental Budgetary Carryforward	\$ -	\$ (4,467,726)	\$ (4,467,726)
Reserve for Investment Fluctuations	\$ -	\$ -	\$ -
Reserve for Future Budgets	\$ -	\$ -	\$ -
Net Increase/(Decrease) in Fund Balance	<u>\$ 16,412,533</u>	<u>\$ 26,574,158</u>	<u>\$ 10,161,625</u>

MIAMI UNIVERSITY
FY2016 Forecast
Hamilton General Fund Only
As of December 31, 2015

	Original <u>Budget</u>	December End-of-Year <u>Forecast</u>	December Budget to <u>Forecast</u>
REVENUES:			
Instructional & OOS Surcharge	\$ 18,297,106	\$ 17,472,810	\$ (824,296)
Less Continuing & New Scholarships	\$ 723,638	\$ 869,426	\$ 145,788
Net Instructional Fee & Out-of-State Surcharge	\$ 17,573,468	\$ 16,603,384	\$ (970,084)
General	\$ 1,072,238	\$ 1,020,624	\$ (51,614)
Other Student Revenue	\$ 193,500	\$ 193,500	\$ -
<i>Tuition, Fees and Other Student Charges</i>	<i>\$ 18,839,206</i>	<i>\$ 17,817,508</i>	<i>\$ (1,021,698)</i>
State Appropriations	\$ 7,134,467	\$ 7,213,014	\$ 78,547
Investment Income	\$ 50,000	\$ 50,000	\$ -
Other Revenue	\$ 79,500	\$ 79,500	\$ -
Total Revenues	\$ 26,103,173	\$ 25,160,022	\$ (943,151)
EXPENDITURES:			
Salaries	\$ 14,148,308	\$ 14,148,308	\$ -
Allowance for Unspent Salaries	\$ (552,558)	\$ (552,558)	\$ -
Benefits	\$ 2,649,355	\$ 2,649,355	\$ -
Allowance for Unspent Benefits	\$ (206,325)	\$ (206,325)	\$ -
Healthcare Expense	\$ 2,222,218	\$ 2,222,218	\$ -
Graduate Assistant Fee Waivers	\$ -	\$ -	\$ -
Utilities	\$ 696,000	\$ 696,000	\$ -
Departmental Support Expenditures	\$ 4,895,627	\$ 4,895,627	\$ -
Multi-year Expenditures	\$ -	\$ -	\$ -
Total Expenditures	\$ 23,852,625	\$ 23,852,625	\$ -
DEBT SERVICE AND TRANSFERS:			
General Fee	\$ (435,461)	\$ (435,461)	\$ -
Capital, Renewal & Replacement	\$ -	\$ -	\$ -
Unrestricted Allocated Funds	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -
Support for VOALC (25%)	\$ (288,691)	\$ (288,691)	\$ -
Support for Middletown	\$ (1,827,697)	\$ (1,827,697)	\$ -
Other Miscellaneous Operational Transfers	\$ -	\$ -	\$ -
Total Debt Service and Transfers	\$ (2,551,849)	\$ (2,551,849)	\$ -
<i>Net Revenues/(Expenditures) Before Adjustments</i>	<i>\$ (301,301)</i>	<i>\$ (1,244,452)</i>	<i>\$ (943,151)</i>
ADJUSTMENTS:			
Departmental Budgetary Savings	\$ -	\$ -	\$ -
Departmental Budgetary Carryforward	\$ -	\$ -	\$ -
Reserve for Investment Fluctuations	\$ -	\$ -	\$ -
Reserve for Future Budgets	\$ -	\$ -	\$ -
Net Increase/(Decrease) in Fund Balance	\$ (301,301)	\$ (1,244,452)	\$ (943,151)

MIAMI UNIVERSITY
FY2016 Forecast
Middletown General Fund Only
As of December 31, 2015

	Original <u>Budget</u>	December End-of-Year <u>Forecast</u>	December Budget to <u>Forecast</u>
REVENUES:			
Instructional & OOS Surcharge	\$ 11,250,720	\$ 11,826,887	\$ 576,167
Less Continuing & New Scholarships	\$ 865,638	\$ 946,842	\$ 81,204
Net Instructional Fee & Out-of-State Surcharge	\$ 10,385,082	\$ 10,880,045	\$ 494,963
General	\$ 630,283	\$ 580,381	\$ (49,902)
Other Student Revenue	\$ 80,700	\$ 80,700	\$ -
<i>Tuition, Fees and Other Student Charges</i>	<u>\$ 11,096,065</u>	<u>\$ 11,541,126</u>	<u>\$ 445,061</u>
State Appropriations	\$ 4,753,491	\$ 5,081,774	\$ 328,283
Investment Income	\$ 50,000	\$ 50,000	\$ -
Other Revenue	\$ 70,402	\$ 70,402	\$ -
Total Revenues	<u>\$ 15,969,958</u>	<u>\$ 16,743,301</u>	<u>\$ 773,343</u>
EXPENDITURES:			
Salaries	\$ 10,554,776	\$ 10,554,776	\$ -
Allowance for Unspent Salaries	\$ (977,394)	\$ (977,394)	\$ -
Benefits	\$ 2,115,923	\$ 2,115,923	\$ -
Allowance for Unspent Benefits	\$ (377,274)	\$ (377,274)	\$ -
Healthcare Expense	\$ 1,581,503	\$ 1,581,503	\$ -
Graduate Assistant Fee Waivers	\$ -	\$ -	\$ -
Utilities	\$ 453,500	\$ 453,500	\$ -
Departmental Support Expenditures	\$ 3,745,301	\$ 3,745,301	\$ -
Multi-year Expenditures	\$ -	\$ -	\$ -
Total Expenditures	<u>\$ 17,096,335</u>	<u>\$ 17,096,335</u>	<u>\$ -</u>
DEBT SERVICE AND TRANSFERS:			
General Fee	\$ (157,837)	\$ (157,837)	\$ -
Capital, Renewal & Replacement	\$ -	\$ -	\$ -
Unrestricted Allocated Funds	\$ -	\$ -	\$ -
Debt Service	\$ (254,792)	\$ (254,792)	\$ -
Support for VOALC (25%)	\$ (288,691)	\$ (288,691)	\$ -
Support From Hamilton	\$ 1,827,697	\$ 1,827,697	\$ -
Other Miscellaneous Operational Transfers	\$ -	\$ -	\$ -
Total Debt Service and Transfers	<u>\$ 1,126,377</u>	<u>\$ 1,126,377</u>	<u>\$ -</u>
<i>Net Revenues/(Expenditures) Before Adjustments</i>	\$ -	\$ 773,343	\$ 773,343
ADJUSTMENTS:			
Departmental Budgetary Savings	\$ -	\$ -	\$ -
Departmental Budgetary Carryforward	\$ -	\$ -	\$ -
Reserve for Investment Fluctuations	\$ -	\$ -	\$ -
Reserve for Future Budgets	\$ -	\$ -	\$ -
Net Increase/(Decrease) in Fund Balance	<u>\$ -</u>	<u>\$ 773,343</u>	<u>\$ 773,343</u>

MIAMI UNIVERSITY
 FY2016 Forecast
Voice of America Learning Center General Fund Only
As of December 31, 2015

	Original <u>Budget</u>	December End-of-Year <u>Forecast</u>	December Budget to <u>Forecast</u>
REVENUES:			
Instructional & OOS Surcharge	\$ -	\$ -	\$ -
Less Continuing & New Scholarships	\$ -	\$ -	\$ -
Net Instructional Fee & Out-of-State Surcharge	\$ -	\$ -	\$ -
General	\$ -	\$ -	\$ -
Other Student Revenue	\$ -	\$ -	\$ -
<i>Tuition, Fees and Other Student Charges</i>	\$ -	\$ -	\$ -
State Appropriations	\$ -	\$ -	\$ -
Investment Income	\$ -	\$ -	\$ -
Other Revenue	\$ 35,000	\$ 35,000	\$ -
Total Revenues	\$ 35,000	\$ 35,000	\$ -
EXPENDITURES:			
Salaries	\$ 230,955	\$ 230,955	\$ -
Benefits	\$ 48,982	\$ 48,982	\$ -
Healthcare Expense	\$ 44,555	\$ 44,555	\$ -
Graduate Assistant Fee Waivers	\$ -	\$ -	\$ -
Utilities	\$ 59,900	\$ 59,900	\$ -
Departmental Support Expenditures	\$ 288,323	\$ 288,323	\$ -
Multi-year Expenditures	\$ -	\$ -	\$ -
Total Expenditures	\$ 672,715	\$ 672,715	\$ -
DEBT SERVICE AND TRANSFERS:			
General Fee	\$ -	\$ -	\$ -
Capital, Renewal & Replacement	\$ (35,300)	\$ (35,300)	\$ -
Unrestricted Allocated Funds	\$ -	\$ -	\$ -
Debt Service	\$ (481,750)	\$ (481,750)	\$ -
Support for VOALC Transfers	\$ 1,154,765	\$ 1,154,765	\$ -
Other Miscellaneous Operational Transfers	\$ -	\$ -	\$ -
Total Debt Service and Transfers	\$ 637,715	\$ 637,715	\$ -
<i>Net Revenues/(Expenditures) Before Adjustments</i>	\$ -	\$ -	\$ -
ADJUSTMENTS:			
Departmental Budgetary Savings	\$ -	\$ -	\$ -
Departmental Budgetary Carryforward	\$ -	\$ -	\$ -
Reserve for Investment Fluctuations	\$ -	\$ -	\$ -
Reserve for Future Budgets	\$ -	\$ -	\$ -
Net Increase/(Decrease) in Fund Balance	\$ -	\$ -	\$ -

MIAMI UNIVERSITY
Financial Analysis - by Operational Unit
FY2016 / FY2015 / FY2014

	FY2014			FY2015			FY16			Thru December Year To Date			FY 2016	
	Year-end Actual	Year-end Actual	Budget	FY2016	FY2015	FY2014	FY2016	FY2015	FY2014	% of '16 Budget	% Change from '15 YTD			
College of Arts & Sciences														
Salary	\$ 48,100,556	\$ 49,577,235	\$ 53,009,961	\$ 23,744,844	\$ 23,143,497	\$ 22,634,018				45%	3%			
Benefits	\$ 12,682,905	\$ 13,531,242	\$ 17,854,044	\$ 8,148,263	\$ 7,885,350	\$ 9,699,466				46%	3%			
Scholarships & Fellowships	\$ 9,103,717	\$ 8,688,453	\$ 10,674,846	\$ 5,113,506	\$ 3,496,351	\$ 3,654,358				48%	46%			
Departmental Support Expenses	\$ 4,221,714	\$ 2,887,680	\$ 7,121,064	\$ 2,525,115	\$ 2,024,859	\$ 2,010,204				35%	25%			
Total Expenses	\$ 74,108,892	\$ 74,684,610	\$ 88,659,915	\$ 39,531,728	\$ 36,550,057	\$ 37,998,046				45%	8%			
College of Education, Health, and Society														
Salary	\$ 12,132,366	\$ 12,660,948	\$ 13,618,903	\$ 5,982,220	\$ 5,954,434	\$ 5,686,015				44%	0%			
Benefits	\$ 3,149,679	\$ 3,555,743	\$ 4,683,030	\$ 2,100,089	\$ 2,044,846	\$ 2,124,685				45%	3%			
Scholarships & Fellowships	\$ 1,716,761	\$ 1,607,878	\$ 2,091,474	\$ 813,913	\$ 663,859	\$ 710,849				39%	23%			
Departmental Support Expenses	\$ 1,474,216	\$ 1,051,840	\$ 2,545,220	\$ 602,932	\$ 721,004	\$ 679,389				24%	-16%			
Total Expenses	\$ 18,473,022	\$ 18,876,409	\$ 22,938,627	\$ 9,499,154	\$ 9,384,143	\$ 9,200,938				41%	1%			
College of Engineering and Computing														
Salary	\$ 6,565,594	\$ 6,622,190	\$ 6,617,666	\$ 3,544,925	\$ 3,182,635	\$ 3,173,535				54%	11%			
Benefits	\$ 1,879,312	\$ 1,954,333	\$ 2,482,294	\$ 1,307,368	\$ 1,172,521	\$ 1,208,728				53%	12%			
Scholarships & Fellowships	\$ 619,839	\$ 505,709	\$ 597,564	\$ 287,039	\$ 216,029	\$ 278,475				48%	0%			
Departmental Support Expenses	\$ 697,737	\$ 525,757	\$ 611,159	\$ 380,823	\$ 347,056	\$ 396,833				62%	10%			
Total Expenses	\$ 9,762,482	\$ 9,607,989	\$ 10,308,683	\$ 5,520,155	\$ 4,918,241	\$ 5,057,571				54%	12%			
Farmer School of Business														
Salary	\$ 17,708,566	\$ 20,391,366	\$ 19,570,620	\$ 10,169,482	\$ 9,534,341	\$ 8,620,263				52%	7%			
Benefits	\$ 6,002,199	\$ 5,990,636	\$ 7,587,531	\$ 3,818,170	\$ 3,522,548	\$ 3,174,776				50%	8%			
Scholarships & Fellowships	\$ 505,930	\$ 494,014	\$ 896,346	\$ 461,250	\$ 229,194	\$ 215,355				51%	0%			
Departmental Support Expenses	\$ 2,036,979	\$ 1,176,750	\$ 3,301,666	\$ 957,227	\$ 1,148,635	\$ 1,059,212				29%	-17%			
Total Expenses	\$ 26,253,674	\$ 28,052,766	\$ 31,356,163	\$ 15,406,129	\$ 14,434,718	\$ 13,069,606				49%	7%			
College of Creative Arts														
Salary	\$ 8,985,802	\$ 9,117,628	\$ 9,629,033	\$ 4,462,210	\$ 4,388,484	\$ 4,295,725				46%	2%			
Benefits	\$ 2,481,081	\$ 2,692,484	\$ 3,523,179	\$ 1,587,817	\$ 1,539,615	\$ 1,678,912				45%	3%			
Scholarships & Fellowships	\$ 1,385,329	\$ 1,273,236	\$ 1,548,234	\$ 709,603	\$ 568,078	\$ 611,389				46%	25%			
Departmental Support Expenses	\$ 1,471,030	\$ 722,677	\$ 1,202,567	\$ 460,171	\$ 465,922	\$ 461,179				38%	-1%			
Total Expenses	\$ 14,323,242	\$ 13,806,025	\$ 15,903,013	\$ 7,219,801	\$ 6,962,099	\$ 7,047,205				45%	4%			
Dolibois European Center - Luxemburg														
Salary	\$ 1,027,975	\$ 929,736	\$ 1,223,639	\$ 293,450	\$ 474,477	\$ 257,706				24%	-38%			
Benefits	\$ 275,645	\$ 261,895	\$ 446,785	\$ 119,957	\$ 166,070	\$ 108,054				27%	-28%			
Scholarships & Fellowships	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				0%	0%			
Utilities	\$ 49,101	\$ 27,203	\$ 35,220	\$ 10,472	\$ 13,691	\$ 9,634				30%	-24%			
Departmental Support Expenses	\$ 328,037	\$ 228,264	\$ 351,000	\$ 173,845	\$ 110,458	\$ 150,774				50%	57%			
Total Expenses	\$ 1,680,758	\$ 1,447,098	\$ 2,056,644	\$ 597,724	\$ 764,696	\$ 526,168				29%	-22%			

MIAMI UNIVERSITY
Financial Analysis - by Operational Unit
FY2016 / FY2015 / FY2014

	FY2014			FY2015			FY16			Thru December Year To Date			FY 2016	
	Year-end Actual	Year-end Actual	Budget	FY2016	FY2015	FY2014	FY2016	FY2015	FY2014	% of '16 Budget	% Change from '15 YTD			
Graduate School														
Salary	\$ 1,580,813	\$ 2,420,009	\$ 2,361,004	\$ 1,263,455	\$ 1,282,862	\$ 825,566	\$ 1,263,455	\$ 1,282,862	\$ 825,566	54%	-2%			
Benefits	\$ 495,789	\$ 495,082	\$ 587,467	\$ 306,383	\$ 312,370	\$ 278,437	\$ 306,383	\$ 312,370	\$ 278,437	52%	-2%			
Scholarships & Fellowships	\$ 13,879,476	\$ 14,873,780	\$ 12,808,216	\$ 12,394,487	\$ 14,683,681	\$ 10,905,113	\$ 12,394,487	\$ 14,683,681	\$ 10,905,113	97%	-16%			
Departmental Support Expenses	\$ 309,072	\$ 252,783	\$ 548,851	\$ 167,766	\$ 461,492	\$ 139,788	\$ 167,766	\$ 461,492	\$ 139,788	31%	-64%			
Total Expenses	\$ 16,265,150	\$ 18,041,654	\$ 16,305,538	\$ 14,132,091	\$ 16,740,405	\$ 12,148,904	\$ 14,132,091	\$ 16,740,405	\$ 12,148,904	87%	-16%			
Other Provost Departments														
Salary	\$ 8,211,049	\$ 7,848,019	\$ 8,985,298	\$ 4,165,253	\$ 3,970,845	\$ 3,067,999	\$ 4,165,253	\$ 3,970,845	\$ 3,067,999	46%	5%			
Benefits	\$ 2,390,578	\$ 2,709,275	\$ 3,615,269	\$ 1,654,609	\$ 1,568,530	\$ 1,729,997	\$ 1,654,609	\$ 1,568,530	\$ 1,729,997	46%	5%			
Scholarships & Fellowships	\$ 1,245,328	\$ 528,507	\$ 109,910	\$ 595,881	\$ 518,811	\$ 3,510,871	\$ 595,881	\$ 518,811	\$ 3,510,871	542%	0%			
Utilities	\$ 308	\$ 395	\$ -	\$ -	\$ 338	\$ 4,395	\$ -	\$ 338	\$ 4,395	0%	-100%			
Departmental Support Expenses	\$ 5,474,550	\$ 5,912,645	\$ 6,424,579	\$ 3,697,593	\$ 3,604,039	\$ 4,182,430	\$ 3,697,593	\$ 3,604,039	\$ 4,182,430	58%	3%			
Total Expenses	\$ 17,321,813	\$ 16,998,841	\$ 19,135,056	\$ 10,113,336	\$ 9,662,563	\$ 12,495,692	\$ 10,113,336	\$ 9,662,563	\$ 12,495,692	53%	5%			
Total Provost Office														
Salary	\$ 104,312,721	\$ 109,567,131	\$ 115,016,124	\$ 53,625,839	\$ 51,931,575	\$ 48,560,827	\$ 53,625,839	\$ 51,931,575	\$ 48,560,827	47%	3%			
Benefits	\$ 29,357,188	\$ 31,190,690	\$ 40,779,599	\$ 19,042,656	\$ 18,211,850	\$ 20,003,055	\$ 19,042,656	\$ 18,211,850	\$ 20,003,055	47%	5%			
Scholarships & Fellowships	\$ 28,456,380	\$ 27,971,577	\$ 28,726,590	\$ 20,375,679	\$ 20,376,003	\$ 19,886,410	\$ 20,375,679	\$ 20,376,003	\$ 19,886,410	71%	0%			
Utilities	\$ 49,409	\$ 27,598	\$ 35,220	\$ 10,472	\$ 14,029	\$ 14,029	\$ 10,472	\$ 14,029	\$ 14,029	30%	-25%			
Departmental Support Expenses	\$ 16,013,335	\$ 12,758,396	\$ 22,106,106	\$ 8,965,472	\$ 8,883,465	\$ 9,079,809	\$ 8,965,472	\$ 8,883,465	\$ 9,079,809	41%	1%			
Total Expenses	\$ 178,189,033	\$ 181,515,392	\$ 206,663,639	\$ 102,020,118	\$ 99,416,922	\$ 97,544,130	\$ 102,020,118	\$ 99,416,922	\$ 97,544,130	49%	3%			
Physical Facilities														
Salary	\$ 11,617,710	\$ 11,940,718	\$ 12,794,937	\$ 5,882,886	\$ 5,930,178	\$ 5,563,517	\$ 5,882,886	\$ 5,930,178	\$ 5,563,517	46%	-1%			
Benefits	\$ 3,641,987	\$ 3,741,925	\$ 5,130,523	\$ 2,359,832	\$ 2,345,945	\$ 2,189,319	\$ 2,359,832	\$ 2,345,945	\$ 2,189,319	46%	1%			
Utilities	\$ 12,886,292	\$ 13,159,466	\$ 13,279,424	\$ 6,435,734	\$ 6,529,249	\$ 6,440,802	\$ 6,435,734	\$ 6,529,249	\$ 6,440,802	48%	-1%			
Scholarships & Fellowships	\$ 6,930	\$ 2,423	\$ 27,162	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	0%			
Departmental Support Expenses	\$ 771,857	\$ 781,433	\$ 300,562	\$ 71,298	\$ 558,986	\$ 131,684	\$ 71,298	\$ 558,986	\$ 131,684	24%	-87%			
Total Expenses	\$ 28,924,776	\$ 29,625,965	\$ 31,532,608	\$ 14,749,750	\$ 15,364,358	\$ 14,325,322	\$ 14,749,750	\$ 15,364,358	\$ 14,325,322	47%	-4%			
Other Finance & Business Services Departments														
Salary	\$ 7,788,857	\$ 8,035,713	\$ 8,203,199	\$ 3,649,925	\$ 3,847,594	\$ 3,787,693	\$ 3,649,925	\$ 3,847,594	\$ 3,787,693	44%	-5%			
Benefits	\$ 2,417,137	\$ 2,470,382	\$ 3,311,193	\$ 1,467,124	\$ 1,538,940	\$ 1,483,456	\$ 1,467,124	\$ 1,538,940	\$ 1,483,456	44%	-5%			
Departmental Support Expenses	\$ 1,910,247	\$ 1,201,466	\$ 2,201,227	\$ 1,369,843	\$ 1,162,859	\$ 1,286,213	\$ 1,369,843	\$ 1,162,859	\$ 1,286,213	62%	18%			
Total Expenses	\$ 12,116,241	\$ 11,707,561	\$ 13,715,619	\$ 6,486,892	\$ 6,549,393	\$ 6,557,362	\$ 6,486,892	\$ 6,549,393	\$ 6,557,362	47%	-1%			
Enrollment Management & Student Success														
Salary	\$ 4,980,451	\$ 6,139,014	\$ 6,826,677	\$ 3,250,139	\$ 2,642,499	\$ 3,762,116	\$ 3,250,139	\$ 2,642,499	\$ 3,762,116	48%	23%			
Benefits	\$ 1,560,108	\$ 1,943,430	\$ 2,754,236	\$ 1,302,063	\$ 1,058,929	\$ 955,478	\$ 1,302,063	\$ 1,058,929	\$ 955,478	47%	23%			
Scholarships & Fellowships	\$ 55,511,208	\$ 62,640,323	\$ 72,548,488	\$ 36,689,158	\$ 32,090,201	\$ 29,098,141	\$ 36,689,158	\$ 32,090,201	\$ 29,098,141	51%	14%			
Departmental Support Expenses	\$ 2,688,059	\$ 2,713,887	\$ 3,581,483	\$ 2,222,865	\$ 1,750,883	\$ 1,132,176	\$ 2,222,865	\$ 1,750,883	\$ 1,132,176	62%	27%			
Total Expenses	\$ 64,739,826	\$ 73,436,654	\$ 85,710,884	\$ 43,464,225	\$ 37,542,512	\$ 34,947,911	\$ 43,464,225	\$ 37,542,512	\$ 34,947,911	51%	16%			

MIAMI UNIVERSITY
Financial Analysis - by Operational Unit
FY2016 / FY2015 / FY2014

	FY2014			FY2015			FY16			Thru December Year To Date			FY 2016	
	Year-end Actual	Year-end Actual	Budget	FY2016	FY2015	FY2014	FY2016	FY2015	FY2014	% of '16 Budget	% Change from '15 YTD			
President														
Salary	\$ 3,864,846	\$ 4,060,901	\$ 4,219,652	\$ 2,039,147	\$ 1,908,894	\$ 1,841,448				48%	7%			
Benefits	\$ 1,196,472	\$ 1,230,793	\$ 1,705,869	\$ 820,314	\$ 750,137	\$ 710,958				48%	9%			
Departmental Support Expenses	\$ 5,182,721	\$ 3,957,743	\$ 3,960,578	\$ 1,823,325	\$ 1,441,164	\$ 2,476,551				46%	27%			
Total Expenses	\$ 10,244,039	\$ 9,249,437	\$ 9,886,099	\$ 4,682,786	\$ 4,100,195	\$ 5,028,957				47%	14%			
Student Affairs														
Salary	\$ 5,220,016	\$ 5,031,600	\$ 6,624,312	\$ 2,675,183	\$ 2,752,115	\$ 2,639,840				40%	-3%			
Benefits	\$ 1,540,516	\$ 1,550,085	\$ 2,494,316	\$ 1,034,147	\$ 1,022,193	\$ 1,104,948				41%	1%			
Scholarships & Fellowships	\$ 953,072	\$ 907,265	\$ 1,033,877	\$ 343,854	\$ 321,745	\$ 320,553				33%	7%			
Departmental Support Expenses	\$ (1,281,496)	\$ (1,788,320)	\$ (1,675,187)	\$ (716,420)	\$ (744,495)	\$ (685,046)				43%	-4%			
Total Expenses	\$ 6,432,108	\$ 5,700,630	\$ 8,477,318	\$ 3,336,764	\$ 3,351,558	\$ 3,380,295				39%	0%			
University Advancement														
Salary	\$ 4,018,665	\$ 4,127,538	\$ 4,406,315	\$ 2,104,921	\$ 2,024,883	\$ 1,991,387				48%	4%			
Benefits	\$ 1,313,240	\$ 1,312,412	\$ 1,780,629	\$ 839,210	\$ 807,855	\$ 780,132				47%	4%			
Departmental Support Expenses	\$ 641,339	\$ 350,349	\$ 410,520	\$ 213,497	\$ 374,504	\$ 515,553				52%	-43%			
Total Expenses	\$ 5,973,244	\$ 5,790,299	\$ 6,597,464	\$ 3,157,628	\$ 3,207,242	\$ 3,287,072				48%	-2%			
Information Technology														
Salary	\$ 7,759,854	\$ 7,195,604	\$ 8,705,000	\$ 3,517,832	\$ 3,648,397	\$ 3,816,277				40%	-4%			
Benefits	\$ 2,489,482	\$ 2,278,002	\$ 3,525,525	\$ 1,422,719	\$ 1,475,162	\$ 1,519,121				40%	-4%			
Departmental Support Expenses	\$ 2,585,768	\$ 1,714,435	\$ 3,208,904	\$ 2,947,799	\$ 2,189,922	\$ 2,426,874				92%	35%			
Total Expenses	\$ 12,835,104	\$ 11,188,041	\$ 15,439,429	\$ 7,888,350	\$ 7,313,481	\$ 7,762,272				51%	8%			
Centrally Budgeted Funds														
Salary	\$ -	\$ 626	\$ 1,289,530	\$ (198)	\$ -	\$ -				0%	0%			
Benefits	\$ 5,537	\$ 11,123	\$ 543,908	\$ 6,119	\$ 7,091	\$ 1,744				1%	0%			
Departmental Support Expenses	\$ 819,405	\$ 849,447	\$ 5,700,655	\$ 724,324	\$ 826,440	\$ 670,411				13%	-12%			
Total Expenses	\$ 672,155	\$ 861,196	\$ 7,534,093	\$ 730,245	\$ 833,531	\$ 672,155				10%	-12%			
Grand Total														
Salary	\$ 149,563,120	\$ 156,098,845	\$ 168,085,746	\$ 76,745,674	\$ 74,686,135	\$ 71,963,105				46%	3%			
Benefits	\$ 43,521,667	\$ 45,728,842	\$ 62,025,798	\$ 28,294,184	\$ 27,218,102	\$ 28,748,211				46%	4%			
Scholarships & Fellowships	\$ 84,927,590	\$ 91,521,588	\$ 102,336,117	\$ 57,408,691	\$ 52,787,949	\$ 49,305,104				56%	9%			
Utilities	\$ 12,935,701	\$ 13,187,064	\$ 13,314,644	\$ 6,446,206	\$ 6,543,278	\$ 6,454,831				48%	-1%			
Departmental Support Expenses	\$ 29,331,235	\$ 22,538,836	\$ 34,123,106	\$ 17,622,003	\$ 16,443,728	\$ 17,034,225				52%	7%			
Admin Service Charge	\$ (7,639,099)	\$ (8,079,403)	\$ (8,106,724)	\$ (4,053,361)	\$ (4,061,201)	\$ (3,823,718)				50%	0%			
Multi Year Accounts	\$ 4,680,725	\$ 5,110,493	\$ 5,671,742	\$ 1,879,121	\$ 2,103,508	\$ 1,842,414				0%	-11%			
Total Expenses	\$ 317,320,939	\$ 326,106,265	\$ 377,450,429	\$ 184,342,518	\$ 175,721,499	\$ 171,524,172				49%	5%			

Note: Excludes Transfers

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2016/FY2015/FY2014

	FY2014	FY2015	FY2016	Thru Dec YTD			FY 2016	
	Year-end Actual	Year-end Actual	Original Budget	FY2016	FY2015	FY2014	% of '16 Budget	% Change from '15 YTD
Residence & Dining Halls								
Revenue	88,831,152	95,376,089	99,106,340	97,898,406	95,293,869	86,727,285	99%	3%
General Fee Support	-	-	-	-	-	-		
Total Sources	88,831,152	95,376,089	99,106,340	97,898,406	95,293,869	86,727,285	99%	3%
Salary	15,344,766	15,732,386	14,198,818	7,415,239	7,979,378	7,143,749	52%	-7%
Benefits	3,938,126	4,046,864	4,470,242	2,467,468	2,508,835	2,329,474	55%	-2%
Utilites	5,614,894	6,179,598	6,191,844	2,922,029	3,025,192	2,531,909	47%	-3%
Charge Outs	(407,594)	(2,695,243)	(2,668,480)	7,411	(328,636)	(151,793)	0%	-102%
Operating Expenses	29,339,543	33,518,415	37,369,828	17,997,381	15,870,673	14,786,446	48%	13%
Inventory Purchases		13,939	44,500	38,975	3,095	922	88%	
Debt Service	22,303,542	30,866,290	33,909,606	17,047,211	15,438,946	10,939,436	50%	10%
Total Uses	76,133,276	87,662,249	93,516,358	47,895,713	44,497,483	37,580,143	51%	8%
Net Transfers	(12,261,837)	(7,706,422)	(5,589,982)	(2,901,682)	(3,854,115)	(4,579,175)	52%	-25%
Net Total	436,036	7,417	-	47,101,011	46,942,271	44,567,968		0%
Shriver Center								
Revenue	25,637,661	26,044,832	27,031,621	12,661,271	11,873,524	14,636,617	47%	7%
General Fee Support	855,000	855,000	872,081	436,039	427,500	427,500	50%	2%
Total Sources	26,492,661	26,899,832	27,903,702	13,097,310	12,301,024	15,064,117	47%	6%
Salary	4,714,092	4,232,203	4,330,943	1,971,991	2,175,633	2,743,075	46%	-9%
Benefits	1,080,457	1,046,556	1,362,910	632,152	681,074	783,325	46%	-7%
Utilities	508,405	413,065	455,429	256,088	702,913	659,239	56%	-64%
Charge Outs	(20,371)	(688,444)	(637,937)	(203,980)	-	-	32%	0%
Operating Expenses	3,354,456	5,247,135	5,012,470	1,737,308	1,732,757	1,448,128	35%	0%
Inventory Purchases	14,371,431	14,127,443	14,348,714	7,678,625	5,422,728	6,953,090	54%	42%
Debt Service	57,760	47,326	47,196	23,687	23,748	29,456	50%	0%
Total Uses	24,066,231	24,425,284	24,919,725	12,095,870	10,738,853	12,616,313	49%	13%
Net Transfers	(2,303,909)	(2,416,642)	(2,983,977)	(1,390,559)	(477,822)	(588,926)	47%	191%
Net Total	122,521	57,906	-	(389,119)	1,084,349	1,858,879		-136%

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2016/FY2015/FY2014

	FY2014	FY2015	FY2016	Thru Dec YTD			FY 2016	
	Year-end Actual	Year-end Actual	Original Budget	FY2016	FY2015	FY2014	% of '16 Budget	% Change from '15 YTD
Marcum Conference Center								
Revenue	2,058,362	1,428,869	1,511,562	755,175	715,104	1,195,927	50%	6%
General Fee Support	-	-	-	-	-	-		
Total Sources	2,058,362	1,428,869	1,511,562	755,175	715,104	1,195,927	50%	6%
Salary	955,142	535,093	568,490	228,074	306,220	565,016	40%	-26%
Benefits	203,847	144,168	178,235	79,647	100,930	189,953	45%	-21%
Utilities	176,623	137,654	207,448	80,861	78,859	89,028	39%	3%
Charge Outs	(7,087)	(43,000)	46,652	-	-	(12,500)	0%	
Operating Expenses	631,942	454,496	485,314	201,453	154,851	330,032	42%	30%
Inventory Purchases	5,198	24,525	1,500	544	99	296	36%	447%
Debt Service	5,092	-	-	-	-	2,554		
Total Uses	1,970,757	1,252,936	1,487,639	590,579	640,958	1,164,380	40%	-8%
Net Transfers	(18,533)	(141,119)	(23,923)	(11,963)	(45,559)	-	50%	-74%
Net Total	69,071	34,813	0	152,633	28,587	31,547		434%
Intercollegiate Athletics								
Revenue	5,383,708	5,987,974	6,385,883	3,348,768	2,107,524	3,578,752	52%	59%
General Fee Support	15,735,046	16,107,965	17,370,318	8,055,159	7,758,983	7,747,523	46%	4%
Designated Revenue	383,955	692,406	590,374	565,526	331,805	225,556	96%	70%
Restricted Revenue	1,226,906	1,112,975	1,877,805	693,998	465,650	522,070	37%	49%
Total Sources	22,729,614	23,901,320	26,224,380	12,663,451	10,663,962	12,073,901	48%	19%
Salary	7,688,808	7,618,940	7,692,515	3,838,656	3,871,540	3,846,254	50%	-1%
Benefits	2,373,843	2,314,442	2,979,737	1,485,623	1,469,957	1,487,325	50%	1%
Utilities	8,800	9,869	2,500	7,868	6,242	6,643	315%	26%
Charge Outs	(117,760)	(123,173)	-	(48,377)	(71,411)	(35,342)		
Operating Expenses	12,088,308	13,628,179	13,309,551	8,239,562	7,563,040	6,532,131	62%	9%
Inventory Purchases	-	-	-	-	-	-		
Debt Service	-	-	-	-	-	-		
Designated Expense	436,248	746,950	590,374	601,925	335,838	179,183	102%	79%
Restricted Expense	1,392,619	1,349,553	1,877,805	623,266	663,089	434,263	33%	-6%
Total Uses	23,870,866	25,544,760	26,452,482	14,748,523	13,838,295	12,450,456	56%	7%
Net Transfers	1,632,054	895,565	228,102	605,001	558,975	932,864	265%	8%
Net Total	490,802	(747,875)	(0)	(1,480,070)	(2,615,358)	556,309		-43%

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2016/FY2015/FY2014

	FY2014	FY2015	FY2016	Thru Dec YTD			FY 2016	
	Year-end Actual	Year-end Actual	Original Budget	FY2016	FY2015	FY2014	% of '16 Budget	% Change from '15 YTD
Recreation Center								
Revenue	2,820,137	3,191,209	3,157,940	1,719,133	1,733,533	1,455,800	54%	-1%
General Fee Support	4,501,401	3,706,729	3,754,534	1,877,267	1,853,365	2,250,701	50%	1%
Total Sources	7,321,538	6,897,938	6,912,474	3,596,400	3,586,898	3,706,501	52%	0%
Salary	2,569,186	2,660,057	2,824,883	1,335,401	1,358,085	1,265,042	47%	-2%
Benefits	532,432	599,473	784,656	360,538	361,395	338,346	46%	0%
Utilities	758,041	717,230	746,260	418,223	362,987	381,031	56%	15%
Operating Expenses	1,059,016	1,429,918	1,461,648	513,747	519,361	453,222	11%	4%
Inventory Purchases	187,544	312,791	248,000	161,150	154,769	89,401	0%	0%
Debt Service	1,393,469	-	-	-	-	698,740	-	-
Total Uses	6,499,687	5,719,468	6,065,447	2,789,060	2,756,597	3,225,781	46%	1%
Net Transfers	(726,064)	(1,105,247)	(847,027)	(437,165)	(402,623)	(174,682)	52%	9%
Net Total	95,786	73,223	-	370,176	427,677	306,038	52%	-13%
Goggin Ice Arena								
Revenue	3,518,776	3,529,955	3,463,860	2,821,799	2,694,908	2,746,255	81%	5%
General Fee Support	2,238,736	2,182,739	2,201,527	1,100,765	1,091,369	1,119,368	50%	1%
Total Sources	5,757,512	5,712,694	5,665,387	3,922,564	3,786,277	3,865,623	69%	4%
Salary	1,225,713	1,156,649	1,238,055	565,396	571,997	621,787	46%	-1%
Benefits	309,369	323,471	419,513	193,788	193,634	208,234	46%	0%
Utilities	997,729	950,515	1,082,318	564,127	495,745	563,779	52%	14%
Charge Outs	-	-	-	-	-	-	-	-
Operating Expenses	356,378	414,371	461,340	185,021	135,452	173,404	40%	37%
Inventory Purchases	221,049	203,240	170,000	72,262	97,857	128,481	43%	-26%
Debt Service	2,043,168	2,039,936	2,030,650	1,131,719	1,023,846	1,028,210	56%	11%
Total Uses	5,153,404	5,088,182	5,401,876	2,712,313	2,518,532	2,723,895	50%	8%
Net Transfers	(557,937)	(579,832)	(263,511)	(132,407)	(147,282)	(128,969)	50%	-10%
Net Total	46,171	44,681	(0)	1,077,844	1,120,462	1,012,760	52%	-4%

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2016/FY2015/FY2014

	FY2014	FY2015	FY2016	Thru Dec YTD			FY 2016	
	Year-end Actual	Year-end Actual	Original Budget	FY2016	FY2015	FY2014	% of '16 Budget	% Change from '15 YTD
Parking and Transportation								
Revenue	4,130,539	3,999,221	4,521,824	3,325,169	3,184,519	3,177,932	74%	4%
General Fee Support	200,000	200,003	199,000	99,499	100,001	100,000	50%	-1%
Total Sources	4,330,539	4,199,224	4,720,824	3,424,668	3,284,520	3,277,932	73%	4%
Salary	448,533	429,872	454,048	163,545	208,978	223,729	36%	-22%
Benefits	132,777	130,932	166,395	60,620	78,222	85,479	36%	-23%
Utilities	-	-	-	-	-	-	-	-
Charge Outs	(15,575)	(19,603)	(17,500)	(52,098)	(10,820)	(7,282)	298%	382%
Operating Expenses	1,798,245	1,903,328	2,046,390	814,058	732,563	782,767	40%	11%
Inventory Purchases	-	-	-	-	-	-	-	-
Debt Service	1,937,403	1,716,098	1,710,121	931,075	861,504	862,752	54%	8%
Total Uses	4,301,383	4,160,626	4,359,454	1,917,201	1,870,446	1,947,445	44%	2%
Net Transfers	11,171	(64,355)	(361,370)	(180,688)	(32,179)	55,585	50%	462%
Net Total	40,327	(25,758)	(0)	1,326,779	1,381,895	1,386,072	50%	-4%
Utility Enterprise								
Revenue	-	-	-	-	-	-	-	-
Total Sources	-	-	-	-	-	-	-	-
Salary	1,154,576	1,258,056	1,417,016	634,698	593,569	519,316	45%	7%
Benefits	382,306	425,303	570,474	255,631	239,573	209,730	45%	7%
Utilities	10,821,135	10,470,089	12,159,507	4,532,706	4,371,069	4,857,786	37%	4%
Charge Outs	-	-	(40,000)	-	-	(3,865)	0%	-
Expense Recovery	(22,515,171)	(23,175,972)	(23,734,159)	(11,676,375)	(11,568,551)	(11,443,808)	49%	1%
Operating Expenses	1,384,738	1,216,450	1,723,506	591,614	534,014	703,841	34%	11%
Inventory Purchases	331	-	-	-	-	-	-	-
Debt Service	2,428,526	2,407,322	2,406,788	1,231,987	1,208,497	1,230,635	51%	2%
Total Uses	(6,343,559)	(7,398,751)	(5,496,868)	(4,429,739)	(4,621,829)	(3,926,365)	81%	-4%
Net Transfers	(6,274,088)	(6,964,248)	(5,496,868)	(2,748,433)	(2,769,717)	(2,618,567)	50%	-1%
Net Total	69,471	434,503	-	1,681,306	1,852,112	1,307,797	50%	-9%

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2016/FY2015/FY2014

	FY2014	FY2015	FY2016	Thru Dec YTD			FY 2016	
	Year-end Actual	Year-end Actual	Original Budget	FY2016	FY2015	FY2014	% of '16 Budget	% Change from '15 YTD
Student Health Services								
Revenue	1,736,418	1,853,078	2,252,538	1,090,635	939,344	1,033,938	48%	16%
General Fee Support	624,649	477,049	-		238,525	312,325		-100%
Total Sources	2,361,067	2,330,127	2,252,538	1,090,635	1,177,869	1,346,263	48%	-7%
Salary	985,363	865,807	726,763	352,551	429,874	507,600	49%	-18%
Benefits	305,503	274,447	294,343	142,783	173,878	204,209	49%	-18%
Utilities	1,682	5,398	5,892	2,213	2,103	-	38%	5%
Charge Outs	-	-	-	-	-	-		
Operating Expenses	500,155	723,080	1,075,347	447,151	341,578	204,651	42%	31%
Inventory Purchases	133,673	109,335	140,000	44,625	64,870	73,904	32%	-31%
Debt Service	-	-	-	-	-	-		
Total Uses	1,926,377	1,978,067	2,242,345	989,322	1,012,303	990,363	44%	-2%
Net Transfers	(83,411)	(165,439)	(10,193)	(5,095)	(32,719)	(41,705)	50%	-84%
Net Total	351,279	186,621	-	96,218	132,847	314,194		-28%
Armstrong - Student Affairs								
Revenue	1,690,773	3,778,234	3,915,177	3,660,463	3,516,636	1,579,638	93%	4%
General Fee Support	-	699,997	841,160	420,581	349,999		50%	20%
Total Sources	1,690,773	4,478,231	4,756,337	4,081,044	3,866,635	1,579,638	86%	6%
Salary	141,593	334,192	388,710	164,222	160,531	15,762	42%	2%
Benefits	36,952	66,444	85,837	36,788	37,306	5,819	43%	-1%
Utilities	140,881	275,395	324,692	131,566	131,641	-	41%	0%
Charge Outs	-	-	-	-	-	-		
Operating Expenses	185,098	701,089	724,448	477,523	178,646	46,161	66%	167%
Inventory Purchases	-	-	-	-	-	-		
Debt Service	553,299	2,407,128	2,454,491	1,227,246	1,196,136	-	50%	
Total Uses	1,057,823	3,784,248	3,978,178	2,037,344	1,704,259	67,742	51%	20%
Net Transfers	(581,623)	(647,121)	(778,159)	(880,239)	(452,731)	-	113%	94%
Net Total	51,327	46,862	-	1,163,461	1,709,645	1,511,897		-32%

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2016/FY2015/FY2014

	FY2014	FY2015	FY2016	Thru Dec YTD			FY 2016	
	Year-end Actual	Year-end Actual	Original Budget	FY2016	FY2015	FY2014	% of '16 Budget	% Change from '15 YTD
Other Auxiliary								
Revenue	184,396	193,706	181,106	93,716	97,775	84,244	52%	-4%
General Fee Support	4,541,070	5,163,646	920,294	460,149	3,498,218	3,335,913	50%	-87%
Total Sources	4,725,466	5,357,353	1,101,400	553,865	3,595,993	3,420,157	50%	-85%
Salary	67,328	66,003	71,061	34,560	33,032	33,381	49%	5%
Benefits	17,139	18,744	23,270	11,619	11,271	10,965	50%	3%
Utilities	-	-	-	-	-	-		
Charge Outs	-	-	-	-	-	-		
Operating Expenses	465,205	815,995	539,058	250,723	495,210	217,585	47%	-49%
Inventory Purchases	-	-	100	-	-	-	0%	
Debt Service	349,947	345,510	345,255	192,611	173,413	176,051	56%	11%
Total Uses	899,618	1,246,252	978,744	489,513	712,927	437,982	50%	-31%
Net Transfers	(3,972,012)	(4,486,650)	(122,656)	48,650	(3,068,068)	(2,661,501)	-40%	-102%
Net Total	(146,163)	(375,550)	-	113,002	(185,002)	320,674		-161%
Total Auxiliary								
Revenue	137,079,353	145,383,166	151,527,851	127,374,535	122,156,737	116,216,389	84%	4%
General Fee Support	28,695,902	29,393,128	26,158,914	12,449,459	15,317,960	15,293,329	48%	-19%
Designated Revenue	383,955	692,406	590,374	565,526	331,805	225,556	96%	70%
Restricted Revenue	1,226,906	1,112,975	1,877,805	693,998	465,650	522,070	37%	49%
Total Sources	167,386,115	176,581,676	180,154,944	141,083,519	138,272,152	132,257,345	78%	2%
Salary	35,349,959	34,889,259	33,911,302	16,704,333	17,688,836	17,484,709	49%	-6%
Benefits	9,330,996	9,390,845	11,335,612	5,726,656	5,856,075	5,852,859	51%	-2%
Utilities	19,913,727	19,158,812	21,175,890	8,915,680	8,681,006	8,525,636	42%	3%
Expense Recovery	(22,515,171)	(23,175,972)	(23,734,159)	(11,676,375)	(11,568,551)	(11,443,808)	49%	1%
Charge Outs	(568,387)	(3,569,463)	(3,317,265)	216,703	(410,867)	(206,916)	-7%	-153%
Operating Expenses	51,199,848	60,052,456	64,208,900	31,102,944	28,258,145	25,678,368	48%	10%
Inventory Purchases	14,919,226	14,791,271	14,952,814	7,835,030	5,743,419	7,246,093	52%	36%
Debt Service	31,072,206	39,829,612	42,904,107	21,785,536	19,926,090	14,967,833	51%	9%
Designated Expense	436,248	746,950	590,374	601,925	335,838	179,183	102%	79%
Restricted Expense	1,392,619	1,349,553	1,877,805	623,266	663,089	434,263	33%	-6%
Total Uses	140,531,273	153,463,323	163,905,380	81,835,698	75,173,080	68,718,220	50%	9%
Net Transfers	(25,215,609)	(23,381,510)	(16,249,564)	(8,034,581)	(10,723,840)	(9,805,075)	49%	-25%
Net Total	1,639,233	(263,157)	(0)	51,213,241	52,375,232	53,734,050		-2%

Preliminary FY2017 Tuition Assumptions

	<u>Oxford</u>	<u>Hamilton & Middletown</u>
Undergraduate Tuition Changes:		
Continuing – Non Resident	1.96%	2%
Continuing – Resident	0%	0%
Tuition Promise – Non Resident	4.87%	
Tuition Promise – Resident	2.74%	
Graduate Tuition Changes:		
Non Resident	2%	
Resident	0%	

Long Range Budget Assumptions

Assumption	FY2017	FY2018	FY2019 to FY2023
Enrollment			
Incoming Class – First Time Students	3,700	3,700	3,700
Enrollment mix – Non-Resident	44%	44%	44%
Other Incoming Students	807	807	807
Expenses			
Salary Increment Pool	3%	3%	3%
Health Care Trend	3%	3%	3%
Utilities Trend	3%	3%	3%
Non-Personnel Inflation	2%	2%	2%
Staff Benefit Change	No Change	No Change	No Change
Undergraduate Tuition			
Continuing Non-Resident	2%	2%	2%
Continuing Resident	0%	2%	2%
Tuition Promise Non-Resident	5%	2%	2%
Tuition Promise Cohort Resident	2.9%	2%	2%
Graduate Tuition			
Non-Resident	2%	2%	2%
Resident	0%	2%	2%
Other Revenues			
Change in Investment Income	\$1.0M	\$1.0M	\$1.7M-\$3.7M
State Share of Instruction	4%	0%	2%
Winter Term	Reaches capacity	Tuition growth only	Tuition growth only
Other student charges	2%	2%	2%
Incremental revenue from Initiatives	\$6,734,435	\$4,720,228	\$2,288,389

FY17 Oxford Undergraduate Fall Class

Fall Class – First Time Students	3,700
Other Incoming Students	
Transfer Students	215
Relocated Students	252
American Culture & English (ACE) Students	300
Oxford Pathway Program Students (TOP)	<u>40</u>
	807
Total Fall Class & Other Students	4,507

FY2017 Regional Budget Assumptions

Enrollment

Fall Class – First Time Students

Enrollment mix - Non-Resident

In Development

Other Incoming Students

Revenues

State Share of Instruction - Change from FY16

4%

Change in Investment Income

\$0

Expenses

Salary Increment Pool

3.0%

Health Care Trend

3.0%

Undergraduate Scholarships (Increase)

\$0

Utilities Trend

3%

Non-Personnel Inflation

2%

Staff Benefit Rate

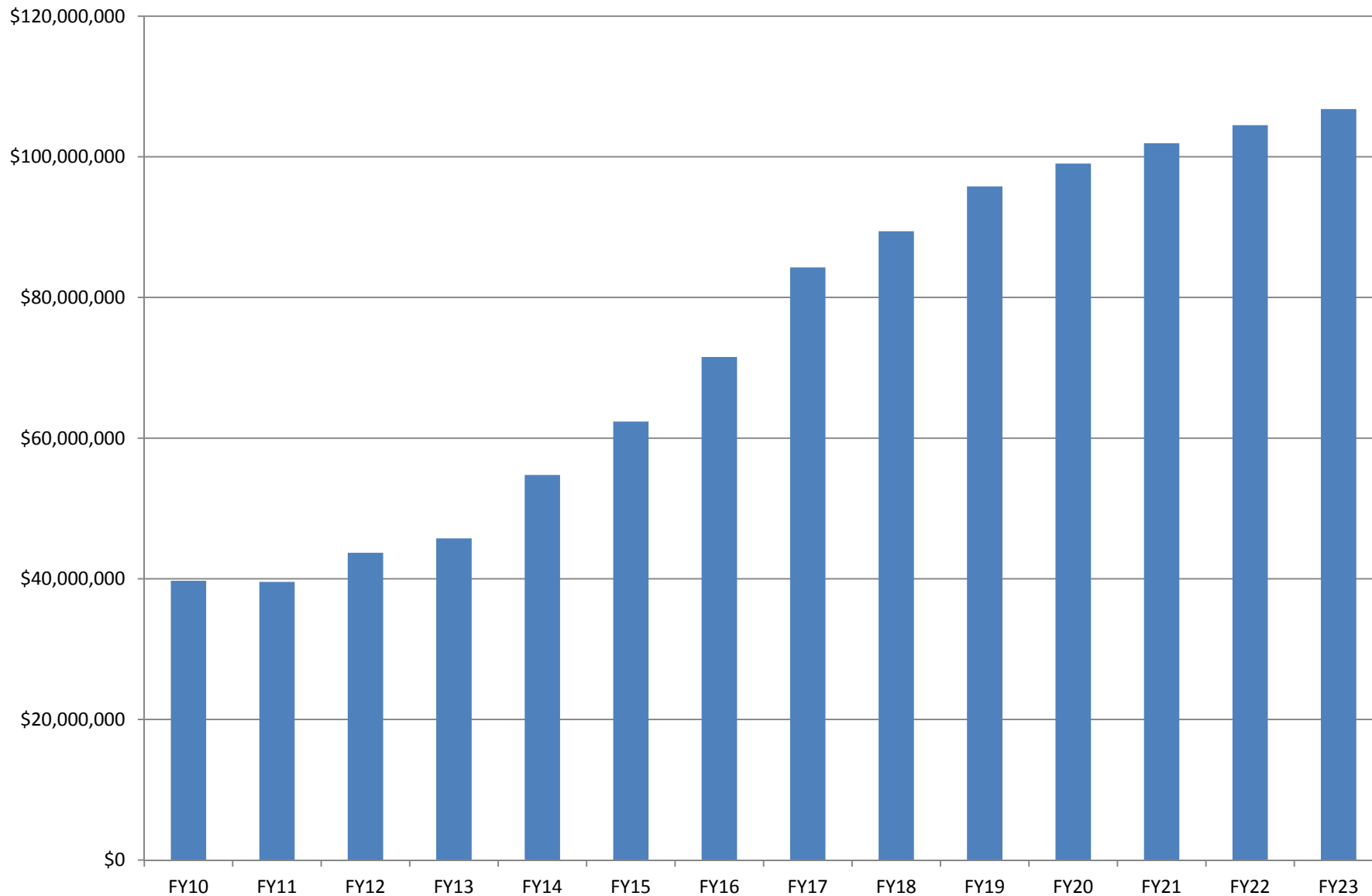
No Change

Oxford Campus Long Range Budget Forecast FY2016 - FY2023										
	FY2015 Actual	FY 2016 Budget	FY 2016 Est	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenue										
Undergraduate Net Instructional Revenue										
Total Instructional Fee	\$293,758,207	\$ 304,320,069	\$313,524,614	\$327,814,095	\$341,753,714	\$353,352,444	\$357,122,979	\$363,289,329	\$370,843,273	\$379,068,355
Total Financial Aid	<u>\$ 62,346,281</u>	<u>\$ 71,556,414</u>	<u>\$ 71,527,207</u>	<u>\$ 84,270,789</u>	<u>\$ 89,423,749</u>	<u>\$ 95,788,013</u>	<u>\$ 99,035,830</u>	<u>\$101,923,939</u>	<u>\$104,500,327</u>	<u>\$106,781,203</u>
Total Net Instructional Revenue	\$231,411,926	\$ 232,763,655	\$241,997,407	\$243,543,306	\$252,329,965	\$257,564,431	\$258,087,149	\$261,365,390	\$266,342,947	\$272,287,152
Graduate Net Instructional Revenue										
Total Instructional Fee	\$ 35,502,892	\$ 35,369,320	\$ 35,008,199	\$ 35,975,031	\$ 36,694,531	\$ 37,428,422	\$ 38,176,991	\$ 38,940,530	\$ 39,719,341	\$ 40,513,728
Total Financial Aid	<u>\$ 32,502,303</u>	<u>\$ 30,283,225</u>	<u>\$ 29,745,726</u>	<u>\$ 31,389,193</u>	<u>\$ 31,978,090</u>	<u>\$ 32,611,430</u>	<u>\$ 33,223,994</u>	<u>\$ 33,882,128</u>	<u>\$ 34,519,313</u>	<u>\$ 35,203,225</u>
Total Net Instructional Revenue	\$ 3,000,589	\$ 5,086,095	\$ 5,262,473	\$ 4,585,838	\$ 4,716,441	\$ 4,816,992	\$ 4,952,996	\$ 5,058,403	\$ 5,200,028	\$ 5,310,502
Total Net Instructional Revenue										
Total Instructional Fee	\$329,261,098	\$ 339,689,389	\$348,532,813	\$363,789,126	\$378,448,245	\$390,780,867	\$395,299,970	\$402,229,859	\$410,562,614	\$419,582,083
Total Financial Aid	<u>\$ 94,848,584</u>	<u>\$ 101,839,639</u>	<u>\$101,272,933</u>	<u>\$115,659,982</u>	<u>\$121,401,839</u>	<u>\$128,399,443</u>	<u>\$132,259,824</u>	<u>\$135,806,067</u>	<u>\$139,019,640</u>	<u>\$141,984,428</u>
Total Net Instructional Revenue	\$234,412,515	\$ 237,849,750	\$247,259,881	\$248,129,144	\$257,046,406	\$262,381,424	\$263,040,145	\$266,423,792	\$271,542,975	\$277,597,654
Other Student Revenue										
UG General Fees	\$ 30,164,433	\$ 30,656,224	\$ 31,041,116	\$ 31,873,191	\$ 32,984,602	\$ 34,008,062	\$ 34,346,760	\$ 34,919,567	\$ 35,646,676	\$ 36,432,432
GR General Fees	\$ 2,099,069	\$ 1,878,677	\$ 1,781,921	\$ 1,781,921	\$ 1,817,559	\$ 1,853,911	\$ 1,890,989	\$ 1,928,809	\$ 1,967,385	\$ 2,006,732
State Support	\$ 56,080,674	\$ 58,489,038	\$ 60,413,643	\$ 62,830,189	\$ 62,830,189	\$ 64,086,792	\$ 65,368,528	\$ 65,368,528	\$ 66,675,899	\$ 68,009,417
Investment Income	\$ 5,967,422	\$ 4,325,000	\$ 4,325,000	\$ 5,325,000	\$ 6,325,000	\$ 8,000,000	\$ 8,000,000	\$ 9,000,000	\$ 9,000,000	\$ 10,000,000
Other Student Charges	\$ 2,235,001	\$ 3,601,500	\$ 3,601,500	\$ 3,601,500	\$ 3,601,500	\$ 3,601,500	\$ 3,601,500	\$ 3,601,500	\$ 3,601,500	\$ 3,601,500
All other Revenue	\$ 2,789,414	\$ 1,444,000	\$ 1,444,000	\$ 1,472,880	\$ 1,502,338	\$ 1,532,384	\$ 1,563,032	\$ 1,594,293	\$ 1,626,179	\$ 1,658,702
Total Revenue Sources	\$333,748,528	\$ 338,244,189	\$349,867,061	\$355,013,825	\$366,107,593	\$375,464,073	\$377,810,955	\$382,836,489	\$390,060,613	\$399,306,438
Expense										
Salaries	\$157,370,492	\$ 162,103,356	\$155,743,604	\$172,896,213	\$183,744,244	\$193,797,623	\$200,125,134	\$206,657,877	\$213,402,472	\$220,365,751
Promotion & Tenure and Faculty Market Increase	\$ 1,107,000	\$ 1,190,000	\$ 1,190,000	\$ 1,204,100	\$ 1,218,623	\$ 513,582	\$ 528,989	\$ 544,859	\$ 561,205	\$ 578,041
Health Care	\$ 28,098,354	\$ 29,811,722	\$ 28,318,130	\$ 31,479,933	\$ 33,421,041	\$ 35,136,154	\$ 36,190,238	\$ 37,275,946	\$ 38,394,224	\$ 39,546,051
Other Benefits	\$ 29,966,707	\$ 32,214,076	\$ 31,131,969	\$ 33,345,131	\$ 33,723,035	\$ 33,031,305	\$ 33,031,305	\$ 33,031,305	\$ 33,031,305	\$ 33,031,305
Utilities	\$ 13,333,451	\$ 13,381,375	\$ 13,381,375	\$ 13,782,816	\$ 14,196,301	\$ 14,622,190	\$ 15,060,855	\$ 15,512,681	\$ 15,978,062	\$ 16,457,403
Non-Personnel Expenses	\$ 31,903,553	\$ 32,133,319	\$ 38,052,317	\$ 34,450,740	\$ 36,400,994	\$ 37,231,270	\$ 38,030,437	\$ 38,847,080	\$ 39,624,021	\$ 40,416,502
Capital Expense & Other Transfers	\$ 9,320,414	\$ 9,407,110	\$ 9,407,110	\$ 9,407,110	\$ 9,407,110	\$ 9,407,110	\$ 9,407,110	\$ 9,407,110	\$ 9,407,110	\$ 9,407,110
Debt Service	\$ 5,617,889	\$ 5,222,213	\$ 5,222,213	\$ 7,583,758	\$ 7,547,441	\$ 7,556,678	\$ 7,250,075	\$ 7,226,863	\$ 7,220,867	\$ 7,190,406
General Fee Allocation	<u>\$ 28,777,847</u>	<u>\$ 30,151,928</u>	<u>\$ 30,151,928</u>	<u>\$ 30,984,003</u>	<u>\$ 32,131,052</u>	<u>\$ 33,190,864</u>	<u>\$ 33,566,640</u>	<u>\$ 34,177,267</u>	<u>\$ 34,942,952</u>	<u>\$ 35,768,056</u>
Sub-Total Expense	\$305,495,706	\$ 315,615,099	\$312,598,646	\$335,133,804	\$351,789,840	\$364,486,775	\$373,190,783	\$382,680,986	\$392,562,217	\$402,760,624
Productivity Savings	\$ -	\$ (522,965)	\$ (522,965)	\$ (1,837,261)	\$ (3,144,986)	\$ (3,144,986)	\$ (3,144,986)	\$ (3,144,986)	\$ (3,144,986)	\$ (3,144,986)
New Investments - Central	\$ -	\$ 5,168,371	\$ 5,168,371	\$ 5,623,065	\$ 2,026,178	\$ 54,542	\$ 56,034	\$ -	\$ -	\$ -
New Investments - Divisional	\$ -	\$ 1,581,125	\$ 1,581,125	\$ 2,050,005	\$ 2,744,091	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expense	\$305,495,706	\$ 321,841,630	\$318,825,177	\$340,969,612	\$353,415,123	\$361,396,331	\$370,101,831	\$379,536,000	\$389,417,231	\$399,615,638
Surplus / (Deficit)	\$28,252,821	\$16,402,559	\$31,041,884	\$14,044,213	\$12,692,471	\$14,067,743	\$7,709,124	\$3,300,489	\$643,382	(\$309,200)

FY17 Oxford Undergraduate Financial Aid

Change in Undergraduate Financial Aid Budget from FY16 to FY17 Budget	\$12.8M
• Net cost of new cohort replacing exiting cohort in Red Hawk Merit Guarantee	\$9.0M
• Increased investment in need based aid	\$2.6M
• Impact of improved student retention	\$1.0M
• Impact of tuition change on budgeted aid programs	\$0.2M

Oxford Campus Undergraduate Financial Aid FY2010 - FY2023 (excludes OLS/ORS)



FY17 Oxford Salary Expense Summary

•Change in Salary Expense from FY16 to FY17	\$9.6M
– Faculty Market Increase & Promotion & Tenure	\$1.2M
– Investments in new Faculty & Staff	\$3.6M
• Faculty added in Farmer Business School	
• Added Positions Education Health & Society	
• Expanded Admissions Operations	
• Regulatory / Accessibility	
• Counselors	
– Salary Increment	\$4.8M

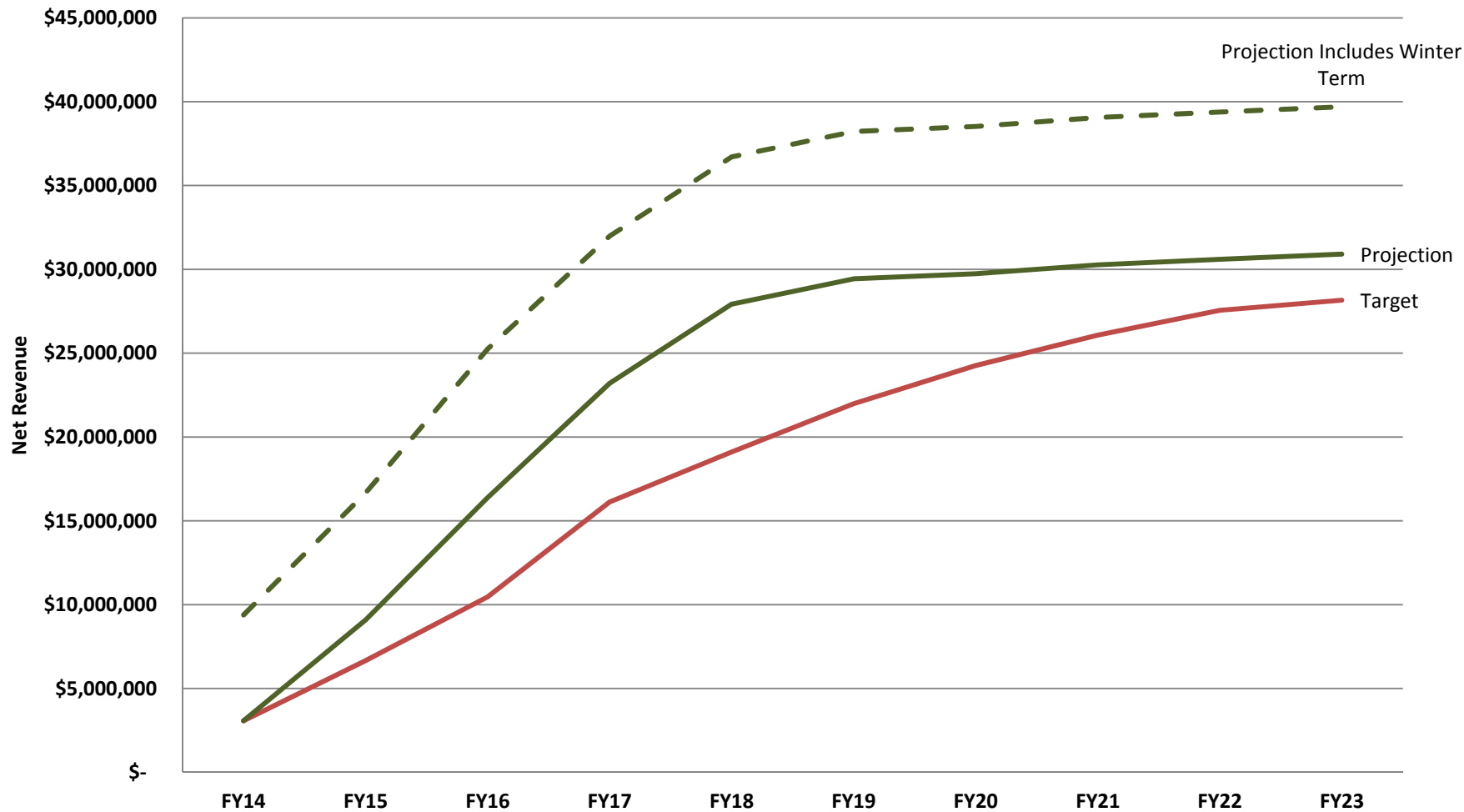
New Revenue Assumptions

Description	Assumption
1. Increase proportion of non-resident enrollments	44% non resident target reached in FY16, no additional growth assumed for FY17 to FY23 based on initial plan
2. Grow Fee Paying Graduate Students	Target of 189 additional fee paying graduate students not reached, no additional growth currently assumed for FY17 to FY23
3. Grow ACE Enrollments	300 ACE student target reached in FY16, no additional growth assumed for FY17 to FY23 due to infrastructure constraint
4. Top Program	40 TOP students reached in FY2016, no additional growth assumed for FY17 to FY23
5. Grow Transfer Enrollment	Target of 75 additional transfers not reached in FY2016, no additional growth assumed for FY17 to FY23 due to declining trend
6. Improve Retention and Graduation	Retention rate of 90.3% exceeded target in FY2016 of 89.9% retention rate, rate grows to 91% in FY18 and 92% in FY21
7. Winter Term	Minimal growth in FY2017, no additional growth assumed for FY18 to FY23

Cumulative Performance of Revenue Initiatives Shown in FY2016 Tuition Dollars

Description	2014	2015 Target	2015	2016 Target	2016	2017 Target	2017	2018 Target	2018	2019 Target	2019
1. Increase proportion of non-resident enrollments	\$385,560	\$1,137,183	\$2,316,997	\$2,051,839	\$4,552,066	\$3,214,014	\$6,864,348	\$4,323,420	\$8,554,911	\$5,454,022	\$8,904,696
2. Grow Fee Paying Graduate Students	\$647,178	\$1,853,409	\$617,557	\$2,546,282	\$704,825	\$3,065,897	\$704,825	\$3,348,752	\$704,825	\$3,627,417	\$704,825
3. Grow ACE Enrollments	\$1,473,696	\$2,308,989	\$4,756,309	\$3,682,804	\$9,387,652	\$6,015,077	\$13,353,731	\$6,666,926	\$15,852,350	\$7,338,590	\$16,825,516
4. Top Program	\$96,390	\$224,024	\$328,381	\$393,916	\$573,144	\$747,188	\$736,846	\$878,573	\$801,461	\$979,516	\$807,549
5. Grow Transfer Enrollment	\$259,565	\$613,335	\$338,157	\$850,983	\$152,718	\$1,694,802	\$81,946	\$2,048,662	\$81,946	\$2,514,267	\$81,946
6. Improve Retention and Graduation	\$211,507	\$529,441	\$731,695	\$943,806	\$1,017,381	\$1,385,196	\$1,459,488	\$1,841,265	\$1,925,919	\$2,073,799	\$2,109,780
Net Income (Loss)	\$ 3,073,896	\$ 6,666,381	\$ 9,089,096	\$ 10,469,630	\$ 16,387,786	\$ 16,122,173	\$ 23,201,184	\$ 19,107,599	\$ 27,921,412	\$ 21,987,611	\$ 29,434,312
7. Winter Term	\$ 6,321,903		\$ 7,586,626		\$ 8,870,034		\$ 8,791,071		\$ 8,791,071		\$ 8,791,071
Net Income (Loss) Including Winter Term	\$ 9,395,799		\$ 16,675,722		\$ 25,257,820		\$ 31,992,255		\$ 36,712,483		\$ 38,225,383
Description	2020 Target	2020	2021 Target	2021	2022 Target	2022	2023 Target	2023			
1. Increase proportion of non-resident enrollments	\$6,549,455	\$8,904,696	\$7,623,694	\$8,904,696	\$8,523,936	\$8,904,696	\$9,049,719	\$8,904,696			
2. Grow Fee Paying Graduate Students	\$3,742,654	\$704,825	\$3,872,558	\$704,825	\$4,046,461	\$704,825	\$4,046,461	\$704,825			
3. Grow ACE Enrollments	\$7,637,106	\$16,801,634	\$7,637,106	\$16,801,634	\$7,637,106	\$16,801,634	\$7,637,106	\$16,801,634			
4. Top Program	\$1,080,460	\$807,549	\$1,181,404	\$807,549	\$1,282,347	\$807,549	\$1,358,220	\$807,549			
5. Grow Transfer Enrollment	\$2,868,127	\$81,946	\$2,868,127	\$81,946	\$2,868,127	\$81,946	\$2,868,127	\$81,946			
6. Improve Retention and Graduation	\$2,384,449	\$2,433,495	\$2,894,331	\$2,969,373	\$3,199,542	\$3,299,235	\$3,199,542	\$3,609,151			
Net Income (Loss)	\$ 24,262,251	\$ 29,734,145	\$ 26,077,220	\$ 30,270,024	\$ 27,557,520	\$ 30,599,886	\$ 28,159,175	\$ 30,909,802			
7. Winter Term		\$ 8,791,071		\$ 8,791,071		\$ 8,791,071		\$ 8,791,071			
Net Income (Loss) Including Winter Term		\$ 38,525,216		\$ 39,061,095		\$ 39,390,957		\$ 39,700,873			

Revenue Initiative Targets & Projections Dollars Normalized to FY2016



Ohio Task Force on Affordability and Efficiency

February 18, 2016

Ohio Task Force on Affordability and Efficiency Objectives

- ▶ Improve affordability and student outcomes through increased productivity and efficiency.
- ▶ Set five year targets for increased efficiency.
- ▶ Complete assessment by June 30, 2016
- ▶ Board of Trustees to adopt recommendations and goals by July 31, 2016

Focus Areas

- ▶ Procurement policy
- ▶ Target group purchasing for copiers/printers, computers, travel services, outbound shipping, scientific supplies and equipment and office supplies
- ▶ Identify non-core assets
- ▶ Consider outsourcing or other operational changes for providing dining, student housing, student health insurance, child care, IT help desk, janitorial services, landscaping, facility maintenance, real estate management and parking.

Focus Areas

- ▶ Identify affinity partnerships and sponsorships
- ▶ Prepare ten year cost diagnostic
- ▶ Review span of control and organizational structure
- ▶ Evaluate State of Ohio Data Center for providing data center or disaster recovery services
- ▶ Review space utilization
- ▶ Improve textbook affordability and explore lower cost alternatives

Focus Areas

- ▶ Improve time to degree and graduation rate
- ▶ Reduce standard number of credit hours to graduate
- ▶ Improve advising
- ▶ Better utilize summer term
- ▶ Develop pathway agreements with community colleges
- ▶ Evaluate competency based education
- ▶ Evaluate duplicative programs
- ▶ Improve students' financial literacy regarding student loans

Questions?

Action Steps to Reduce College Costs

Ohio Task Force on Affordability and Efficiency

Oct. 1, 2015

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Contents

Our charge.....	1
Why action is needed	2

RECOMMENDATIONS

Summary of recommendations.....	5
Master recommendations.....	9
Strategic procurement.....	12
Assets and operations.....	18
Administrative cost reforms.....	22
Textbook affordability	28
Time to degree	31
Duplicative programs.....	37
Co-located campuses.....	39
Policy reforms.....	41

IMPLEMENTATION

How to move forward.....	44
--------------------------	----

OTHER

Other topics of interest.....	48
-------------------------------	----

APPENDICES

A: Executive order.....	50
B: Our process	53
C: Acknowledgements.....	54
D: Sources	55

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Our charge

Gov. John R. Kasich called on this task force to recommend solutions for institutions of higher education based on three key simultaneous needs:

- to be more efficient both in expense management and revenue generation
- while offering an education of equal or higher quality
- and decreasing costs to students and their families

Scope: Both two-year and four-year public institutions

Deadline: Report due to the governor and General Assembly by Oct. 1, 2015.

[For the full language of the governor's executive order, see Appendix A]

Members

Governor Appointees:

- **Chair:** Geoff Chatas, senior vice president and CFO, The Ohio State University
- Pamela Morris, president and CEO, CareSource
- Mark T. Small, senior vice president and CFO, Cleveland Construction
- Patrick Auletta, president emeritus, KeyBank

House of Representatives Appointees

- Rep. Mike Duffey, R-Worthington
- Rep. Dan Ramos, D-Lorain

Senate Appointees

- Senate President Keith Faber, R-Celina
- Sen. Sandra Williams, D-Cleveland

Other contributors

- Chancellor John Carey, Ohio Department of Higher Education
- Bruce Johnson, president of the Inter-University Council
- Jack Hershey, president and CEO of the Ohio Association of Community Colleges
- Sen. Chris Widener, R-Springfield
- See Appendix C for full list of contributors

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Why action is needed

Families are struggling to afford college across the nation, and this issue is becoming more urgent as student debt levels continue to rise.

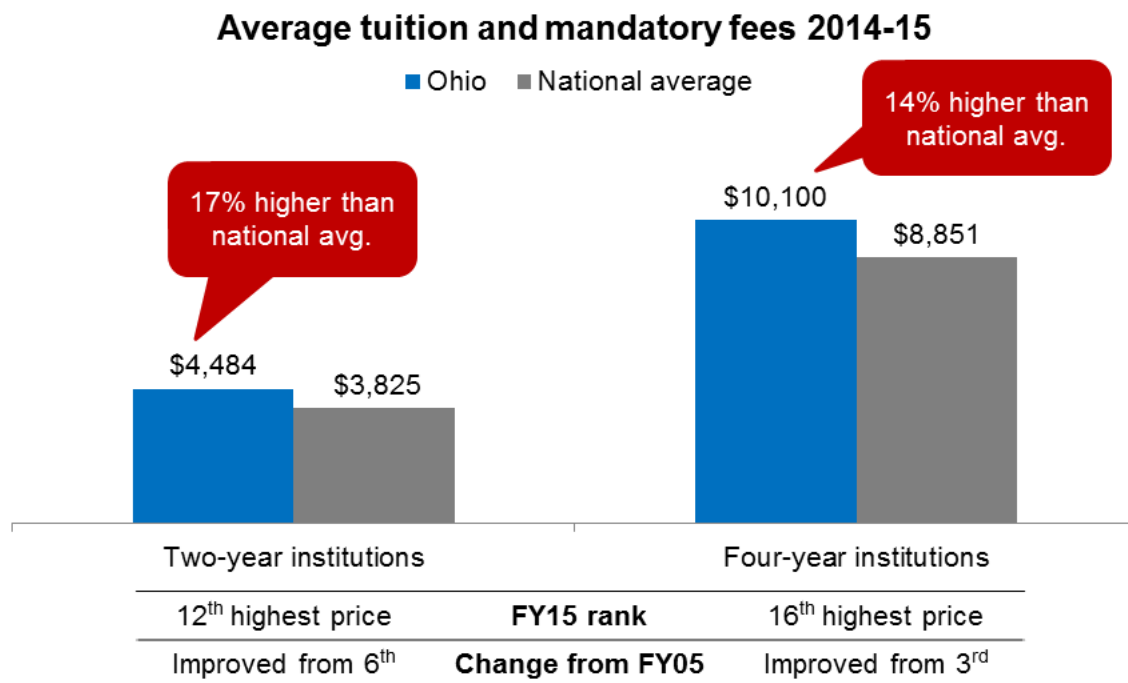
The effects are troubling:

- Some students aren't able to pursue the education they need to reach their full potential.
- Debt is forcing some graduates to delay important milestones in their lives, including home ownership and marriage.
- And our economy is suffering because the workforce lacks the skills needed to meet employers' needs.

Ohio has seen the same trends and concerns as the rest of the nation, but our leaders — in government, higher education and the private sector — are determined to find solutions that address college affordability while enhancing the quality of education.

Ohio students who attend our public colleges and universities face tuition prices that are among the most costly in the country, despite a decade of aggressive controls.

How Ohio ranks: In-state tuition and fees



Source: The College Board (<http://bit.ly/1TnzMTK>)

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Ohio's four-year institutions have limited in-state tuition increases more than any other state since FY06, and our two-year schools have among the lowest increases.

Yet Ohio's universities have the 12th-highest average cost of in-state tuition and mandatory fees. And our community colleges have the 16th-highest prices.¹

Tuition is only one piece of the cost equation for students, who also can face significant expenses for campus housing, dining, textbooks and fees that support academic programs or campus operations.

Together, these expenses encompass the total cost to attend. In ways direct and indirect, students and their families pay all of these costs.

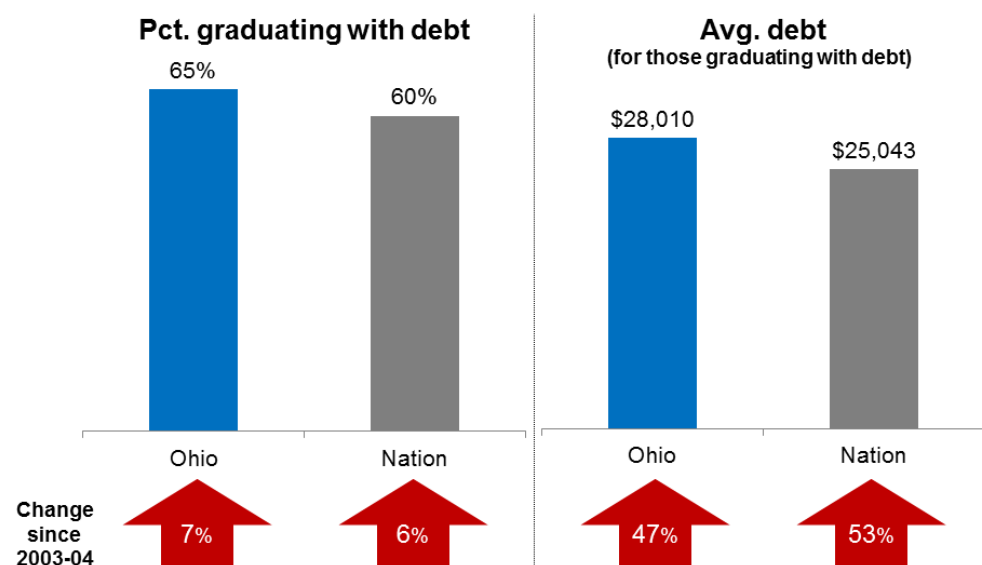
For some students, need- and merit-based financial aid offers relief. But many other students turn to loans to support their education.

The result?

Too many graduates leave Ohio universities with a heavy burden of student debt. Other students fail to complete their degrees.

More of our graduates carry student debt than is true nationally, and the average debt load is larger than for graduates nationwide.

More Ohio graduates have debt, and \$ is larger (FY13)



FY13 Data for four-year public institutions. Source: The Institute for College Access & Success (www.college-insight.org)

It's clear that tuition caps (whether imposed by institutions or by the state) are not doing enough to reduce the burden on Ohio's families. These measures provide short-term relief for families, but they do not address the financial dynamic at the root of the problem.

That's why this task force was created: to investigate the cost side of the equation.

In other words, how can Ohio's two- and four-year institutions find efficiencies, locate new

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

resources and otherwise innovate to lower costs and reduce the financial burden on students?

In recent years, Ohio's system of higher education has become a national model for collaborative solutions:

- The state developed a performance-based funding formula, devised by working with public colleges and universities, to distribute state support based on student progress.
- Institutions work together to prioritize capital construction projects.
- Ohio's institutions of higher education collaborate through a variety of technology resources, including OARnet, the Ohio Supercomputer Center and OhioLINK.
- Through the Inter-University Council of Ohio, Ohio's colleges and universities work together on joint purchasing and a variety of other cost-savings measures.

But more must be done.

In this report, the Task Force on Affordability and Efficiency recommends tangible action steps for Ohio's public colleges and universities to address these issues while maintaining high quality for students.

The task force believes strongly that affordability is always a function of price and quality. One determines what students pay, and the other determines the value they receive for their time and money.

To reflect the diverse nature of Ohio's public institutions, our recommendations include a range of approaches — some can be addressed with statewide action, while others will need to be reviewed at each institution.

Affordability is not merely an issue for the students of Ohio — the economic well-being of the state is at stake.

“The economy of Ohio is increasingly reliant on skills and knowledge that can only be obtained through postsecondary education,” notes the Lumina Foundation. But among working-age Ohioans, 37.5 percent hold a two- or four-year degree, trailing the national average of 40 percent.²

This is why the task force is recommending mandates when possible. The goal is to encourage a faster pace of change among Ohio's colleges and universities.

There is no single solution that will solve the entire affordability riddle, but these recommendations will help our institutions reduce their costs — and, ultimately, relieve the financial pressure on families.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Summary: The recommendations

Master recommendation 1 | Students must benefit: Savings and/or new dollars generated from these recommendations must be employed to reduce the cost of college for students. Any other uses must have tangible benefits for the quality of students' education.

Master recommendation 2 | Five-year goals: Each institution must set a goal for efficiency savings and new resources to be generated through fiscal 2021, along with a framework for investing those dollars in student affordability while maintaining or improving academic quality.

STRATEGIC PROCUREMENT

Recommendation 3A | Campus contracts: Each institution must require that its employees use existing contracts for purchasing goods and services.

Recommendation 3B | Collaborative contracts: Ohio's colleges and universities must pursue new and/or strengthened joint purchasing agreements in copiers and printers, computers, travel services, outbound shipping, scientific lab equipment and office supplies.

ASSETS AND OPERATIONS

Recommendation 4A | Asset review: Each institution must conduct an assessment of its non-core assets to determine their market value if sold, leased or otherwise repurposed.

Recommendation 4B | Operations review: Each institution must conduct an assessment of non-academic operations that might be run more efficiently by a regional cooperative, private operator or other entity. This review should include dining, housing, student health insurance, child care, IT help desk, janitorial, landscaping, facility maintenance, real-estate management and parking.

Recommendation 4C | Affinity partnerships and sponsorships: Institutions must, on determining assets and operations that are to be retained, evaluate opportunities for affinity relationships and sponsorships that can support students, faculty and staff.

ADMINISTRATIVE COST REFORMS

Recommendation 5A | Cost diagnostic: Each institution must produce a diagnostic to identify its cost drivers, along with priority areas that offer the best opportunities for efficiencies.

Recommendation 5B | Productivity measure: The Department of Higher Education should develop a common measurement of administrative productivity that can be adopted across Ohio's public colleges and universities.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Recommendation 5C | Organizational structure: Each institution should review its organizational structure to identify opportunities to streamline and reduce costs.

Recommendation 5D | Health-care costs: To drive down costs and take advantage of economies of scale, a statewide working group should identify opportunities to collaborate on health-care costs.

Recommendation 5E | Data centers: Institutions must develop a plan to move their primary or disaster recovery data centers to the State of Ohio Computer Center.

Recommendation 5F | Space utilization: Each Ohio institution must study the utilization of its campus and employ a system that encourages optimization of physical spaces.

TEXTBOOK AFFORDABILITY

Recommendation 6A | Negotiate cost: Professional negotiators must be assigned to help faculty obtain the best deals for textbooks and instructional materials, starting with high-volume, high-cost courses. Faculty must consider both cost and quality in selecting course materials.

Recommendation 6B | Standardize materials for gateway courses: Institutions must encourage departments to choose common materials, including digital elements, for gateway courses that serve large volumes of students.

Recommendation 6C | Develop digital capabilities: Institutions must be part of a consortium to develop digital tools and materials, including open educational resources, that provide students with high-quality, low-cost materials.

TIME TO DEGREE

Recommendation 7A | Education campaign: Each institution must develop a campaign to educate its full-time undergraduates about the course loads needed to graduate on time.

Recommendation 7B | Graduation incentive: Institutions should consider establishing financial incentives that encourage full-time students to take at least 15 credit hours per semester.

Recommendation 7C | Standardize credits for degree: Institutions should streamline graduation requirements so that most bachelor's degree programs can be completed within four years or less and most associate degree programs can be completed in two years or less. Exceptions should be allowed because of accreditation or quality requirements.

Recommendation 7D | Data-driven advising: Institutions should enhance academic advising services so that students benefit from both high-impact, personalized consultations and data systems that proactively identify risk factors that hinder student success.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Recommendation 7E | Summer programs: Each campus must develop plans to evaluate utilization rates for summer session and consider opportunities to increase productive activity.

Recommendation 7F | Pathway agreements: Ohio institutions should continue to develop agreements that create seamless pathways for students who begin their educations at community or technical colleges and complete them at universities. \

Recommendation 7G | Competency-based education: Institutions should consider developing or expanding programs that measure student success based on demonstrated competencies instead of through the amount of time students spend studying a subject.

DUPLICATIVE PROGRAMS

Recommendation 8 | Program review: Institutions should consider consolidating programs that are duplicated at other colleges and universities in their geographic area.

CO-LOCATED CAMPUSES

Recommendation 9 | Joint oversight boards: The state should establish joint oversight boards between co-located community colleges and regional campuses of universities with a mandate to improve efficiencies and coordination while maintaining the differentiated mission of each.

POLICY REFORMS

Recommendation 10A | Financial advising: Ohio's colleges and universities should make financial literacy a standard part of students' education.

Recommendation 10B | Obstacles: The Department of Higher Education and/or state legislature should seek to remove any roadblocks in policy, rule or statute that inhibit the efficiencies envisioned in these recommendations.

Recommendation 10C | Real estate sales: State law should be updated to streamline the process for how public institutions sell, convey, lease or enter into easements of real estate.

Recommendation 10D | Insurance pools: State law should be clarified related to the IUC Insurance Consortium, which buys property and casualty insurance on a group basis for most institutions.

IMPLEMENTATION

Recommendation | Implementation: The chancellor of the Ohio Department of Higher Education and the state's public colleges and universities should make use of existing groups (including the state's Efficiency Advisory Committee and institutional efficiency councils) and resources to coordinate next steps from these recommendations.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

How to read this report

The task force recognizes that solutions in higher education cannot be one size fits all.

But what works at one institution may work at others, and many solutions should be applied to groups of institutions that are similar because of geography, mission or other factors.

This report is designed to be a practical plan that will empower Ohio's public institutions of higher education and state leaders to move smoothly from the report to action steps. To that end, the task force has identified an action grid that spells out for each recommendation:

- **Scope:** Statewide, regional or institutional
- **Type of institution:** 4-year, 2-year or both
- **Time frame:** Immediate, 1-3 years or 3-5 years
- **Type of action:** Collaboration vs. individual institution vs. state/statutory

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Master recommendations

Background: Over the past decade, efficiency and affordability efforts at Ohio colleges and universities have restrained increases in tuition costs, but too many other costs have continued to rise. These include fees for housing and dining, student life, and other academic costs.

The task force strongly believes that institutions need to redouble their efforts and ensure that the benefits of cost savings or new revenue generation strategies directly benefit students through lower costs or improved services. Moreover, the focus on affordability should extend beyond the specific recommendations of this report to produce a new culture of cost consciousness in higher education.

Master recommendation 1 | Students must benefit: Savings and/or new dollars generated from these recommendations must be employed to reduce the cost of college for students. Any other uses must have tangible benefits for the quality of students' education.

The task force is allowing some flexibility in the use of these dollars, but the intent of this recommendation should be unmistakable: Savings should be redirected to have a clear and direct benefit for students, and primarily in the form of making college more affordable.

To ensure accountability, institutions must track both the savings and how they are redeployed, including for these uses:

- Reductions to the total cost of attendance (tuition, fees, room and board, books and materials, or related costs — such as technology)
- Student financial aid
- Student success services, particularly with regard to completion and time to degree
- Investments in tools related to affordability and efficiency
- Improvements to high-demand/high-value student programs

Master recommendation 2 | Five-year goals: Each institution must set a goal for efficiency savings and new resources to be generated through fiscal 2021, along with a framework for investing those dollars into student affordability while maintaining or improving academic quality.

Ohio's colleges and universities are diverse, but each should be making affordability and efficiency key priorities. By developing five-year plans to invest new and redirected dollars toward lowering the cost of college, our institutions can accelerate their efforts on this front.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Implementation: The new state budget already calls on the board of trustees of each public college and university in Ohio to complete an efficiency review based on this report by July 1, 2016, and an implementation plan within 30 days of completing the review.³

The task force echoes that responsibility in its master recommendations and throughout this report: Boards are ultimately responsible for the success of their institutions.

For these master recommendations, each board must:

- Direct its institution to track redeployable dollars on an annual basis and report how those efficiency savings and new revenues are being used to lower student costs while maintaining or improving educational quality. Boards must report annually to the Ohio Department of Higher Education, based on a template that the department should develop.
- Set five-year goals for efficiency savings and new resource generation, and track progress toward those goals on an annual basis. These data, including the use of these funds, should be part of the annual reports to the Department of Higher Education.

The Department of Higher Education should produce an annual report for the public to detail the progress of the state's colleges and universities to redirect savings toward student affordability.

The task force believes in avoiding duplication, including in our efficiency recommendations. Therefore, we recommend that the Department of Higher Education incorporates its annual efficiency reports as part of the existing process to survey institutions on efficiency measures.

Master recommendations												
Focus areas	Scope			Type of institution			Time frame			Type of action		
	Statewide	Regional	Institutional	All	4-year	2-year	Immediate	1-3 years	3-5 years	Collaboration	Institution	State/Statutory
Savings benefit students	✓			✓				✓			✓	✓
Five-year goals	✓			✓				✓			✓	

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Case studies:

- The Ohio State University's president set a five-year goal of \$400 million in savings and new revenues to support affordability and excellence. This 2020 Vision plan calls for expanding need-based aid by at least \$100 million over that span, including a \$15 million increase for fiscal 2016.
- Bowling Green State University has been able to expand a high-demand academic area by outsourcing its flight program. The private operator, which took over in 2014, provided about \$3.5 million for a new flight training center, new simulation equipment and a new hangar as well as to acquire plans previously owned by the university. These and other investments have doubled student enrollment in BGSU's aviation studies program in less than two years.
- Ohio University plans to use proceeds from the sale of seven surplus properties to expand the amount of student financial aid. The university plans to invest the proceeds to support OHIO Match, a fundraising campaign in which Ohio University provides 50 cents for every dollar donated to support certain scholarship endowments.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Recommendations | **Strategic procurement**

Background: Ohio colleges and universities already collaborate to lower costs and increase efficiencies. The purchasing group at the Inter-University Council of Ohio, which includes representatives of the Ohio Association of Community Colleges, has generated a number of achievements over the years:

- 34 current joint contracts and price agreements
- \$648 million in reported annual joint purchasing activity
- \$138 million purchased through State of Ohio contracts

Likewise, Ohio is a member of the Midwestern Higher Education Compact, and many institutions are part of other consortia that can lower the cost of goods and services. But Ohio's colleges and universities would generate more savings through greater collaboration — statewide, regionally and among institutions with shared interests.

Individual campuses could increase their savings simply by requiring employees to use existing contracts. In too many cases, the decentralized nature of higher education leads to different buying patterns among campus units. Ultimately, that increases costs and weakens the institution's negotiating power because purchasing managers cannot guarantee the size of spend with their contracted vendors.

By consolidating the spend — both on individual campuses and among multiple institutions — and focusing on fewer vendors, Ohio's colleges and universities can reduce cost while maintaining or improving service levels.

Recommendation 3A | Campus contracts: Each institution must require that its employees use existing contracts for purchasing goods and services, starting with the areas with the largest opportunities for savings. To ensure transparency about these decisions, institutions must report the utilization rates of existing contracts annually to their boards of trustees.

Recommendation 3B | Collaborative contracts: Ohio's colleges and universities, working collaboratively through the IUC Purchasing Group, must pursue new and/or strengthened joint purchasing agreements in the following categories:

- **Copier/printer services:** A joint contract for copier/printer services across the state institutions could dramatically reduce costs. The bundled scale would do more than provide volume discounts on new multifunction devices — an operator would provide increased reporting on usage patterns, providing analytics that can be used to manage demand and enhance sustainability efforts.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

- **Opportunity description:** Ohio's colleges and universities can generate savings by consolidating their spend, standardizing replacement cycles and better managing demand. In some cases, desktop printers may be replaced by multifunction devices that are more efficient.
 - **Nature of recommendation:** Statewide collaboration, with possible expansion to regional or national contracts. Every public college and university should move to a single provider of copier/printer supply and services.
- **Computer hardware (standard office use):** Ohio institutions spent \$1.8 million on PCs in fiscal 2014 through the IUC joint contract, but that's a fraction of the projected \$79 million spend statewide on computer hardware. For standard (non-Apple) configurations of office computers, the opportunity to focus spending on a few makes and models would offer substantial opportunities for savings.
- **Opportunity description:** Ohio institutions should work together to identify a common set of computing packages that will meet most office needs, with the goal of creating a short list of standard setups that can be put out to bid with a guaranteed spend (such as at least 80 percent of applicable purchases) with a single vendor. This consolidation should yield stronger competitive bids while also providing for cost savings on maintenance and other factors.
 - **Nature of recommendation:** Statewide collaboration, with possible expansion to regional or national contracts. Every public college and university should participate in a single bid for standard computer equipment. Each institution should also establish parameters for identifying legitimate exceptions to this contract, such as computers needed for research and scientific purposes.
- **Travel services:** Ohio institutions use a variety of agencies to provide travel services, adding unnecessary cost to a category that would benefit from guaranteed volume.
- **Opportunity description:** An existing IUC Purchasing Group contract offers strong savings for vehicle rentals, but travel agency services remain an untapped area for a statewide consolidation of spend. This category was identified by several institutional councils as a top action step on procurement. Other related categories, such as relationships with airlines and hotel chains, could also provide opportunities down the line, but there are more regional issues to consider with these categories.
 - **Nature of recommendation:** Statewide collaboration, with possible expansion to regional or national contracts. Every public college and university that uses a travel management agency should move to a single agency with the capability to customize services based on each campus's policies and needs. Campuses should collaborate to simplify and standardize travel policies to reduce costs.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

- **Outbound shipping:** Most of the outbound shipping service among Ohio institutions is divided among two national vendors. By consolidating to a single vendor — and adding mandates at individual campuses to use this contract across campuses — Ohio colleges and universities could better leverage their spend.
 - **Opportunity description:** Most Ohio institutions either use the state contract or a consortium arrangement for outbound shipping among one of the major national competitors in this sector. But few mandate use of the approved vendor, dividing the spend and limiting opportunities to better manage demand. A secondary opportunity may exist in inbound shipping, particularly if the same vendor is used for both inbound and outbound freight. Any contract should ensure quality requirements needed for scientific/lab shipments.
 - **Nature of recommendation:** Statewide collaboration, with possible expansion to regional or national contracts. Every public college and university should be on a single statewide contract for outbound shipping, particularly with regard to nonscientific packages.
- **Scientific Supplies and Equipment:** Ohio institutions use at least 114 vendors for scientific and lab equipment, suggesting strong opportunities to consolidate this spending.
 - **Opportunity description:** The largest vendors in our study capture about 16 percent to 20 percent of the spend, with nearly half the total divided among smaller providers. But experts say larger vendors dominate most categories of scientific supplies and equipment.
 - **Nature of recommendation:** Statewide collaboration, with possible expansion to regional or national contracts. This contract is most likely to be used predominantly by research institutions. Every public college and university should use a limited number of statewide contracts for scientific equipment.
- **Office Supplies and Equipment:** A small number of national vendors account for most of the spending on office supplies at Ohio institutions, reflecting a significant opportunity to consolidate contracts to yield savings.
 - **Opportunity description:** Experts suggest that a joint contract on office supplies could generate savings of up to 14 percent for Ohio institutions.
 - **Nature of recommendation:** Statewide collaboration, with possible expansion to regional or national contracts. Every public college and university should be on a single statewide contract for office supplies.

Benefits: In these six categories, Ohio's public colleges and universities could collectively save tens of millions of dollars a year based on current spending — which doesn't account for the

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

effect of increasing utilization within each campus. Increased buying power would also give institutions better leverage on service quality.

Other considerations: The value of combined purchasing power always has to be weighed against potential tradeoffs, including service quality and specialized needs. Consolidating vendors may also have the effect of de-coupling some procurement categories from other priorities, including regional economic development considerations.

We have focused our recommendations on areas where we believe the benefits are likely to outweigh these considerations. When possible, these joint contracts also should be opened to private colleges and universities in Ohio, which rarely would have the volume of spend to obtain optimal pricing.

Implementation plan: Each institution should immediately mandate that employees use the institution's current contracted vendor(s) unless there are tangible financial or operational reasons that consolidation would be harmful. This is an opportunity to save money simply by consolidating the spend at individual institutions into existing negotiated contracts. Furthermore, this exercise will set the stage for effective negotiation of cross-campus agreements that fully leverage the size and scope of Ohio's colleges and universities.

For collaboration among campuses, the IUC Purchasing Group should determine the best strategy for joint contracts in the recommended target areas. The task force recognizes that the Purchasing Group has a successful history, but the group could reap larger savings if more institutions participated in joint contracts.

The Purchasing Group should use its resources to identify the best process — including how to best tap specialized expertise — for expanded joint contracts on a timeline that corresponds to current contract cycles and needs of the institutions. The Purchasing Group may consider whether statewide or regional contracts make the most sense. Among the options that may be considered are:

- Negotiating new contracts in these areas
- Signing on to the best contract held by an Ohio institution
- Using state of Ohio contracts
- Utilizing regional or national consortia to obtain the best deals

The Purchasing Group already strives to allow private institutions to participate in joint contracts, and that philosophy should continue so that members of the Association of Independent Colleges & Universities of Ohio can hold down costs for their students.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

If the Purchasing Group determines that the parameters for any of the expanded joint contracts described in this report would not serve the best interest of Ohio institutions, it should recommend an alternative approach.

To preserve local control and allow for legitimate cases where joint purchasing may not make sense for a particular college or university, institutions should be given the opportunity to opt out. We recommend the following conditions:

- The power to opt out rests with the institution's board of trustees. A board should provide a written explanation, including its reasons for choosing not to participate, to the IUC Purchasing Group and the chancellor of the Ohio Department of Higher Education.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Strategic procurement recommendations												
Focus areas	Scope			Type of institution			Time frame			Type of action		
	Statewide	Regional	Institutional	All	4-year	2-year	Immediate	1-3 years	3-5 years	Collaboration	Institution	Statutory
Institutional mandates to use current contracts	✓			✓			✓				✓	
Copier/printer services	✓			✓				✓		✓		
Computer hardware	✓			✓				✓		✓		
Travel services	✓			✓				✓		✓		
Outbound shipping	✓			✓				✓		✓		
Scientific equipment/supply	✓			✓				✓		✓		
Office supplies	✓			✓				✓		✓		

Case study:

- Mandated use:** Ohio State required that employees purchase office supplies through its contracted vendor in 2010, when the utilization rate was about 50 percent. By 2015, utilization had increased to more than 95 percent. That improvement saved the university \$2.5 million over four years and enabled the university to negotiate an even better contract when it was rebid in 2015. The new contract offers \$5 million in savings over seven years, including \$1 million that was distributed as student financial aid.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Recommendations | **Assets and operations**

Background: Ohio's institutions have accumulated assets and developed operations over time based on a variety of circumstances. The question now is whether all of these reflect their institution's needs and mission.

Some assets may serve a long-term purpose but are underutilized. Others could be sold or leased to provide new resources for the institution's primary mission.

Nonacademic operations that were originally developed to serve student or campus needs may not be the most efficient way of delivering those services. In some cases, collaboration among institutions would reduce operating costs and provide better scale for purchasing. In others, private operators may be able to offer better service at a lower cost.

Finally, some assets or operations that are funded by institutions could be better supported through sponsorships, affinity relationships or other kinds of partnerships.

Recommendation 4A | Asset review: Each institution must conduct an assessment of its non-core assets to determine their market value if sold, leased or otherwise repurposed. Where opportunities exist, colleges and universities must consider coordinating these efforts with other Ohio institutions to reap larger benefits of scale.

- **Benefits:** Colleges and universities can reduce maintenance, energy and other costs related to unneeded assets, and produce dollars that can be reinvested in the core mission by monetizing them. Depending on the type of asset and its role on a campus, institutions can consider a variety of options for disposal, including a sale, lease, demolition and others.

For non-core assets that should be retained, institutions should evaluate whether private partnerships would enhance the value and/or provide additional financial support. In some cases, institutions may find partners where a sponsorship or affinity relationship would generate student scholarships, internships, research grants or other opportunities for students, faculty and staff.

- **Nature of recommendation:** Initially institutional, with opportunities for collaboration
- **Other considerations:** Institutions should take a long-term approach to monetizing assets and be wary of short-term considerations. That philosophy should be reflected both in the decision to monetize and the use of the proceeds. Institutions should carefully evaluate the pros and cons of monetizing, including whether an asset will be needed in the future. Where opportunities can be realized, institutions should carefully evaluate the best use of those dollars for long-term gain. For instance, a targeted investment in an

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

institution's endowment (funding scholarships or core academic needs) would provide a recurring benefit instead of using one-time funds to fulfill an immediate need.

Recommendation 4B | Operations review: Each institution must conduct an assessment of non-academic operations that might be run more efficiently by a regional cooperative, private operator or other entity. These opportunities must then be evaluated to determine whether collaboration across institutions would increase efficiencies, improve service or otherwise add value. This review must encompass these nonacademic areas and any others identified by an institution:

- Dining
 - Housing
 - Student health insurance
 - Child care
 - IT help desk
 - Janitorial
 - Landscaping
 - Facility maintenance
 - Real-estate management
 - Parking
- **Benefits:** Beyond the academic mission of each institution, Ohio's colleges and universities have taken on important but non-core operations to serve their students and communities. However these services evolved, they represent an area of duplication that is costly to institutions and, ultimately, students. Other operators, whether they are private or public collaborators, who specialize in those fields, may be able to provide them more efficiently. Colleges and universities should consider opportunities to outsource these operations if service levels can be maintained at an appropriate standard.
- **Nature of recommendation:** Institutional, with opportunities for regional or statewide collaboration
- **Other considerations:** Any transition to a private vendor should be carefully evaluated by experts to ensure the correct checks and balances exist on service levels, financial obligations and incentives.

Institutions also need to consider the implications for employees. In some cases, they may be retained by a private operator who takes over a university operation, but staff members often value their connection to a public employer. Likewise, there may be implications for compensation and benefit packages. Some institutions have responded to these concerns by providing employees affected by privatization an opportunity to remain in different roles.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

This review should be coordinated with the cost diagnostic (Recommendation 5A) and organizational structure (Recommendation 5C) reviews to identify opportunities to consolidate operations *within* a campus. At some schools, there are similar operations run by different units that could be combined in shared service models.

Recommendation 4C | Affinity partnerships and sponsorships: Institutions must, on determining assets and operations that are to be retained, evaluate opportunities for affinity relationships and sponsorships that can support students, faculty and staff. Colleges and universities can use these types of partnerships to generate new resources by identifying “win-win” opportunities with private entities that are interested in connecting with students, faculty, staff, alumni or other members of their communities.

- **Benefits:** Affinity and sponsor relationships, which may be amplified across institutions, can create new resources, internships, career opportunities, research grants or other benefits to students, faculty and staff. Often, alumni can participate in these relationships in a way that is mutually beneficial — for instance, companies may guarantee resources for an institution in exchange for the ability to market to alumni, who in turn are offered special discounts if they opt in for services.
- **Nature of recommendation:** Institutional, with opportunities for regional or statewide collaboration
- **Other considerations:** Institutions need to retain a careful balance between seeking support for their students, faculty and staff while protecting their interests. Campuses should not be commercialized to the degree that they are blanketed in corporate logos and advertising, nor should students, faculty and staff be barraged by advertising as they pursue their academic careers. Put simply, institutions will need to ensure that any and all supportive partnerships are properly scoped.

Implementation plan: Each institution should complete an initial review of assets and the listed operations to consider whether they should be retained, run differently or subject to disposal. The review should be presented to each institution’s board of trustees for review and direction.

We encourage institutions to work collaboratively to simplify the evaluation process, perhaps by using the Inter-University Council Purchasing Group to negotiate a statewide contract with consultants. This would provide consistency in the approach and lower the per-institution cost.

For affinity and sponsorship opportunities, institutions should seek out possible collaborations across campuses and share best practices.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Assets and operations recommendations												
Focus areas	Scope			Type of institution			Time frame			Type of action		
	Statewide	Regional	Institutional	All	4-year	2-year	Immediate	1-3 years	3-5 years	Collaboration	Institution	Statutory
Asset review	✓			✓				✓			✓	✓
Operations review	✓			✓				✓			✓	✓
Affinity and sponsorships	✓			✓				✓			✓	✓

Case studies:

- **IT help desk:** Cuyahoga Community College outsourced help desk calls (excluding faculty-based classroom technology issues) in 2010. This work included self-service improvements that have cut the annual volume of calls in half by 2015. Those efficiencies have generated \$250,000 a year in annual cost savings by reducing the need for IT Help Desk equipment and staff.
- **Dining services:** Bowling Green State University outsourced its dining services to a private operator in 2008, when students bought fewer than 10,000 meal plans. That partnership has increased use of its dining services — more than 12,000 meal plans were purchased in 2015, despite a 3.5 percent decline in undergraduate enrollment since 2008. Students also benefitted from a cost standpoint: For three of the past six years, there were no increases to dining plan rates.
- **Parking:** The Ohio State University outsourced its parking operation in 2013, receiving a \$483 million up-front payment for a 50-year concession with a private operator. The payment was invested in the university's endowment, which through fiscal 2016 has provided \$83 million in distributions for student scholarships, faculty recruitment in priority fields, capital investments and campus transportation options.
- **Copier/printer service:** Since 2010, Cuyahoga Community College has outsourced copier/printer service with a private vendor that also helps to better manage demand. The contract initially provided savings of \$300,000 annually. Since a contract extension in October 2014, Tri-C is reaping savings of \$426,000 a year.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Recommendations | **Administrative cost reforms**

Background: Not surprisingly, more than 60 percent of the expenses at Ohio's public colleges and universities are devoted to employee salaries and benefits.

At universities, 38 percent are devoted to noninstructional staff. At community colleges, staff costs account for 29 percent of expenses.⁴

Many of these staff members are providing functions that directly benefit students — including academic advising, health counseling, enrollment, financial aid, veterans services and the like. But any opportunities to increase administrative productivity or reduce staff costs can free funding to lower costs for students or bolster academic quality.

Recommendation 5A | Cost diagnostic: Each institution must produce a diagnostic to identify its cost drivers, along with priority areas that offer the best opportunities for efficiencies. This diagnostic must identify, over at least a 10-year period:

- Key drivers of costs and revenue by administrative function and academic program;
 - Distribution of employee costs — both among types of compensation and among units;
 - Revenue sources connected to cost increases — whether students are paying for these through tuition and fees, or whether they are externally funded;
 - Span of control for managers across the institution — how many employees managers typically oversee, by the manager's function; and
 - Priority steps that would reduce overhead while maintaining quality — which recommendations would have the most benefit?
- **Benefits:** Colleges and universities cannot effectively control their costs without a detailed look at their finances. This analysis should provide a starting point for improving operational efficiencies.
- **Nature of recommendation:** Institutional
- **Other considerations:** The financial systems at many institutions may not easily yield the data for this analysis, which amplifies the need for standardization on the analysis and outcomes. Therefore, institutions should consider using the Inter-University Council Purchasing Group to seek a joint contract for the analytical work that this diagnostic would require. This could reduce the cost per institution and standardize findings.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Institutions will need to prioritize areas of possible efficiencies on a variety of factors. These should include funding sources — for instance, to distinguish areas such as sponsored research, where growth would reflect success in attracting funding, and other areas that might be cost centers. Also, some areas might be growing because of legal requirements or other obligations outside of an institution's control.

- **Implementation plan:** Each institution must review and develop an action plan from the findings, although institutions may collaborate to reduce the cost. For instance, a group of institutions could identify a representative example that could be used to generate findings that would be applied across the group. For each institution, the board of trustees must approve the action plan stemming from the review.

Recommendation 5B | Productivity measure: The Department of Higher Education should develop a common measurement of administrative productivity that can be adopted across Ohio's public colleges and universities. While the measure should be consistent, each institution should have latitude to develop its own standards for the proper level of productivity in its units. This will allow, for instance, for appropriate differences between productivity in high-volume environments vs. high-touch ones.

- **Benefits:** A common measurement will empower better analytics of productivity and cost-savings opportunities within and across campuses. Ohio has the opportunity to be a national leader on this front — our administrative productivity metric could become the national standard in higher education.
- **Nature of recommendation:** Statewide, with application by institutions
- **Other considerations:** Institutions will need to analyze administrative productivity rates within their colleges and units to establish baseline data before new standards could be put in place. Over time, this data could provide better comparison data across institutions, but variations across Ohio's colleges and universities are to be expected.
- **Implementation plan:** The Department of Higher Education must develop an administrative productivity metric that can be applied across Ohio's public institutions. Each institution must develop a plan to apply the agreed-upon measure across its campus.

Recommendation 5C | Organizational structure: Each institution should, as part or as a consequence of its cost diagnostic, review its organizational structure in line with best practices to identify opportunities to streamline and reduce costs. The institutional reviews also should consider shared business services — among units or between institutions, when appropriate — for fiscal services, human resources and information technology.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

- **Benefits:** When institutions can flatten their organizational structures while maintaining a focus on quality, they improve their cost structure and enhance operational efficiency. In other words, institutions should look for opportunities to scale back bureaucracy that does not add value.
- **Nature of recommendation:** Institutional
- **Other considerations:** The task force recognizes that there may not be a one-size-fits-all solution to organizational structure, but the cost diagnostic and standard productivity measures recommended in this report should aid in benchmarking that will demonstrate when institutions have opportunities to streamline. When an institution is out of line with benchmarks, leaders should understand whether they are receiving additional value for the additional cost.
- **Implementation plan:** Each institution should produce an organizational review that is ultimately approved by its board of trustees. This may be conducted as a second phase of the cost diagnostic and productivity measure work, or in conjunction with those initiatives. Institutions may benefit from a national best-practice review as a precursor of this work.

The operations review (recommendation 4B) should also be a useful element of this work, as it may identify operations *within* an institution that could be centralized to add efficiencies.

Recommendation 5D | Health-care costs: Like other employers, colleges and universities have experienced rapid growth in health-care costs. To drive down costs and take advantage of economies of scale, the Department of Higher Education should convene a working group to identify opportunities to collaborate.

- **Benefits:** Ohio's colleges and universities repeatedly cited health-care benefits and related administrative services as key opportunities for efficiencies. Suggestions from institutional efficiency councils ranged from collaborating on statewide or regional health-care benefits for higher-ed employees to working together on administrative aspects of these benefits. A study group of experts in health-care, human resources and finance could identify achievable opportunities to reduce costs and/or restrain the growth rate.
- **Nature of recommendation:** Statewide, with recommendations that could be targeted to regions or types of institutions
- **Other considerations:** Collaboration on health-care benefits will need to consider regional differences in provider networks, the existence of academic medical centers, and competitive considerations in compensation packages, among other issues.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

- **Implementation plan:** The Department of Higher Education should convene a working group to study opportunities for streamlining and cost-savings in health care. The department should consult with the Department of Insurance on this work, and this working group should consider possible connections with the state of Ohio that would be mutually beneficial.

Recommendation 5E | Data centers: Institutions must develop a plan to move their primary or disaster recovery data centers to the State of Ohio Computer Center.

- **Benefits:** The State of Ohio Computer Center provides a high-quality, secure environment at a lower cost than standalone data centers at each campus. This facility can offer better economies of scale and is better positioned to employ people with the specialized skills needed to efficiently operate it. Increased volume from higher-education institutions also could produce additional savings on service and power.
- **Nature of recommendation:** Institutional, with statewide collaboration
- **Other considerations:** Each institution will need to determine the best timing and manner for this move, based on its IT needs and capital investments. Institutions will need to consider disaster requirements and operational capabilities as part of their move planning, with the goal that all institutions share a common disaster-recovery site. Institutions should also explore best practices for sharing of common infrastructure elements and the potential to use cloud technology.
- **Implementation plan:** Each institution will need to make its own plan, but collaboration among the chief information officers of Ohio institutions could assist in coordination.

Recommendation 5F | Space utilization: Each Ohio institution must study the utilization of its campus and employ a system that encourages optimization of physical spaces.

- **Benefits:** Under-utilized buildings and other spaces require energy, maintenance and other services that are inefficient. A system that tracks space utilization empowers an institution to find solutions to these problems, whether by adjusting class schedules, seeking out alternative uses of these spaces, or reducing the physical imprint of an institution.
- **Nature of recommendation:** Institutional
- **Implementation plan:** Institutions, working through the Inter-University Council Purchasing Group, should seek a joint contract for space utilization systems that can reduce the cost for institutions that currently do not employ these.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Administrative cost reforms recommendations												
Focus areas	Scope			Type of institution			Time frame			Type of action		
	Statewide	Regional	Institutional	All	4-year	2-year	Immediate	1-3 years	3-5 years	Collaboration	Institution	State/Statutory
Cost diagnostic			✓	✓			✓				✓	
Productivity measure	✓		✓	✓			✓				✓	✓
Organizational structure			✓	✓				✓			✓	
Health-care working group	✓			✓				✓				✓
Data center	✓		✓	✓					✓		✓	
Space utilization			✓	✓				✓			✓	

Case studies:

- Productivity:** Miami University has an active Lean program focused on operational efficiencies that has completed 510 projects since 2010 valued at \$30 million. These projects have allowed the university to maintain and enhance service to its students while reducing headcount by 9.9 percent from fall 2008 through fall 2014. When accounting for enrollment changes during this period, that reflects a 19 percent decrease in staff members per student.
- Space utilization:** Stark State College has employed a space utilization system since 2014 that has allowed the institution to improve course schedules and building utilization. This investment of less than \$50,000 a year resulted in an 11 percent improvement in lecture-room utilization from spring 2014 to spring 2015. The system also is used to evaluate course offerings each term to ensure that an optimal number of sections are offered to meet student demand.
- Reduced footprint:** After completing a master plan study of its space needs, Bowling Green State University plans to reduce its campus footprint by 300,000 square feet by 2017. The university expects to be able to reduce another 100,000 square feet by 2020 to optimize building usage and reduce operational costs. This is expected to generate utility, maintenance and daily operational savings of \$5.50 per square foot, or \$1.65 million in fiscal 2014 numbers.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

- **Joint administrative group:** In July 2015, Northwest State Community College and Terra State Community College created a joint administrative group to reduce cost and devote more resources to academic programming and student success. Northwest State and Terra State are community colleges that are 75 miles apart, so this arrangement represents an example of how institutions can find creative solutions to lower costs while maintaining their individual missions. Administrative functions will be handled from a third site with shared officials and services, but Northwest State and Terra State will continue to provide education and workforce development in their distinct service areas.⁵
- **Data center:** The Ohio State University avoided \$40 million in capital costs and is saving \$1 million a year in operational costs by moving to the State of Ohio Computer Center.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Recommendation | **Textbook affordability**

Background: Textbooks can cost the average university student \$1,225 a year and a full-time community college student \$1,328 a year.⁶

These costs have risen dramatically.

From 1996 to 2004, the cost of new textbooks increased an average of 6 percent a year. That was more than twice the pace of inflation.⁷ The trend has continued unabated in recent years, with new textbook prices climbing 6 percent a year between 2002 and 2013 while general household prices increased at an average of 2 percent annually.⁸

Textbook rental programs and digital options offer some opportunities for relief, but these alternatives are still emerging as solutions for many students.

Because textbooks are a reflection of an individual student's field of study, and the choices made by the faculty in those courses, students may not know the true cost of their education until they have enrolled in classes.

Clearly, improving the affordability of textbooks and other course materials offers a direct way to lower the cost of education for students.

Recommendation 6A | Negotiate cost: Professional negotiators must be assigned to help faculty obtain the best deals for students on textbooks and instructional materials, starting with high-volume, high-cost courses. Faculty must consider both cost and quality in the selection of course materials.

- **Benefits:** Institutions often employ professional negotiators in their business units, but they are not always connected to the process of purchasing academic materials. By working collaboratively, faculty and negotiators can employ business practices — such as seeking competitive presentations by publishers to department faculty — to drive down costs and improve offerings for students.
- **Nature of recommendation:** Institutional
- **Other considerations:** Faculty must use their subject matter expertise to judge the quality of materials, but business officials can add value to the negotiation over price and other terms. Institutions must ensure that negotiators have a clear mission to provide faculty with support while representing students' need for affordable materials. Faculty should continue to focus on academic quality, but they also should be asked to consider cost as part of their selection of course materials.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

- **Implementation plan:** Institutions must assign professional negotiators — such as members of their business operations — to assist faculty in their dealings with publishers. Academic leaders should prioritize the use of these negotiators to courses with high volumes of students and/or high cost of materials.

Recommendation 6B | Standardize materials for gateway courses: Institutions must encourage departments to choose common materials, including digital elements, for gateway courses that serve large volumes of students.

- **Benefits:** Many students take the same common courses in the early stages of their degrees, so institutions can effectively reduce costs for large numbers of students by targeting these gateway courses. Standardizing materials, including using digital options, for these courses would improve the availability of used materials and allow institutions to negotiate better prices on behalf of their students.
- **Nature of recommendation:** Institutional
- **Other considerations:** Coordination between institutions would amplify the effects of standardization here, and raise the possibility of enhanced joint purchasing of course materials to reduce their cost to students. Common materials would also enhance articulation and transfer among institutions statewide. Institutions should always aim to maintain the highest quality materials and respect academic freedom.
- **Implementation plan:** Academic leaders at each institution should home in on high volume courses and work with faculty who teach those courses to come to common agreement on materials. When possible, faculty should consider the development or selection of digital materials that can reduce costs.

Recommendation 6C | Develop digital capabilities: Institutions must be part of a consortium to develop digital tools and materials, including open educational resources, that provide students with high-quality, low-cost materials.

- **Benefits:** Institutions should seek to harness their own intellectual property to create and adapt learning materials for their students. This can reduce the cost to students and may provide revenue opportunities by offering tools and materials to other institutions.
- **Nature of recommendation:** Institutional, with opportunity for statewide collaboration
- **Other considerations:** If all Ohio institutions were part of the same collaborative, our public colleges and universities could more easily share materials and tools. The task force recognizes that institutions may have already made a variety of choices on this front, but it encourages collaboration across the state's colleges and universities.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

- **Implementation plan:** Institutions should tap the expertise of chief information officers at Ohio institutions to determine whether a single consortium offers a cost-effective solution. Each institution must then consider whether to participate or use an alternative system and report its decision to its board of trustees.

Textbook affordability recommendations												
Focus areas	Scope			Type of institution			Time frame			Type of action		
	Statewide	Regional	Institutional	All	4-year	2-year	Immediate	1-3 years	3-5 years	Collaboration	Institution	Statutory
Negotiate cost			✓	✓			✓				✓	
Standardize materials			✓	✓			✓				✓	
Develop digital capabilities	✓		✓	✓			✓			✓	✓	

Case studies:

- **Negotiate cost:** The University of Cincinnati employs negotiators from its Division for Administration and Finance as well as experts from its bookstore to support faculty in negotiating textbook prices. These tactics have paid off in savings to students that average \$100 per course. For fall semester of 2015, UC students are expected to save \$400,000 to \$500,000 compared to list prices for electronic materials in certain high-enrollment courses. The cost is included in students' tuition and fees, so students automatically have access to these materials. Professors report a significant educational benefit because this structure means no students skip or delay buying materials.
- **Consider cost:** Columbus State Community College students have saved \$2.3 million since July 2013 through a variety of measures, including learning seminars to educate faculty about options to make course materials more affordable. Other strategies include the development of digital content, price negotiations, textbook rentals and expanded availability of used materials.
- **Develop digital capabilities:** The Ohio State University is a member of Unizin, a nonprofit consortium owned by universities that develops digital resources and tools for higher education. By virtue of Ohio State's membership in Unizin, other colleges and universities in Ohio can join for an annual fee. Members can make use of shared tools and materials that Unizin develops or acquires based on level of entry into the consortium.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Recommendation | **Time to degree**

Background: One of the most effective ways that colleges and universities can lower costs for students is to ensure that students complete their degrees in an efficient manner. While students can use college to investigate possible career paths and interests, that intellectual exploration must be balanced against the cost.

Students can save thousands of dollars by completing their degrees on time — the result of taking the appropriate number of credit hours per term, with smart scheduling to ensure they are on track to meet their program requirements. Avoiding costs associated with an extra term or two is a powerful way to avoid student debt.

Recommendation 7A | Education campaign: Each institution must develop a coordinated campaign to educate its full-time undergraduates about the course loads needed to graduate on time (two years for most associate degrees and four years for most bachelor's degrees).

- **Benefits:** Undergraduates who take 12 credit hours in a semester are considered full time based on federal financial aid rules, but they would need to take an average of 15 credit hours per semester to graduate on time in most programs. Nearly half the full-time students at Ohio's community colleges, regional campuses and university main campuses took fewer than 15 credit hours in the fall semesters of 2011-13.⁹
- **Nature of recommendation:** Institutional, with opportunity for statewide collaboration
- **Other considerations:** This campaign would be explicitly aimed at full-time undergraduates. Working adults and other part-time students may not be able to accelerate their studies because of job, family or other pressures, so advising and other strategies will be needed to encourage their progress toward a degree. Also, some full-time programs require more than 15 credit hours per semester to stay on track.
- **Implementation plan:** Each institution must implement a campaign with its students by incorporating messages during the advising process and at regular touch points throughout their college careers. Institutions should consider working together to develop a standard "tool kit" that each institution could customize to its needs. This collaboration could save time and money — and provide a standard message across the state.

Recommendation 7B | Graduation incentive: Institutions should consider establishing financial incentives to encourage full-time students to take at least 15 credits per semester.

- **Benefits:** Ohio institutions that have implemented incentive programs report that their students have increased progress toward degree completion. Increased success rates may also benefit institutions because Ohio's success-based funding formula awards State Share of Instruction dollars as a result of their students' progress to degree.

Time to degree | Page 31

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

- **Nature of recommendation:** Institutional
- **Other considerations:** Incentive programs are less likely to have a big impact on student choice at institutions with high on-time graduation rates and instead may be rewarding existing behavior. Therefore, each institution should evaluate the potential benefit of these programs to improving time to degree for students.

The upfront costs of these programs may be balanced by increased state support through the subsidy model, but the actual cost/benefit will vary by institution. Therefore, a broad expansion of these programs may not be sustainable without state support.

- **Implementation plan:** The leadership of each institution should consider the applicability to its campus.

Recommendation 7C | Standardize credits for degree: Institutions should streamline graduation requirements so that most bachelor's degree programs can be completed within four years or less and most associate degree programs can be completed in two years or less. Exceptions should be allowed because of accreditation or quality requirements.

- **Benefits:** The requirements of academic programs obviously affect the amount of time that students spend earning a degree. Streamlining the requirements — when permitted both on the academic needs of the program and accreditation rules — would allow students to more quickly move from school to work.
- **Nature of recommendation:** Institutional
- **Other considerations:** The benefits of streamlining course requirements must always be measured against the legitimate academic needs of each program.

The Ohio Department of Higher Education recently updated its program review manual, which includes mandatory reviews when bachelor's degree programs exceed 126 hours and associate degree programs exceed 65 hours. Institutions are already recalibrating credit requirements to these rules, and that work should continue.

- **Implementation plan:** Academic leaders at each institution should continue to review the graduation requirements of programs that exceed the standard levels established by the state Department of Higher Education.

Recommendation 7D | Data-driven advising: Institutions should enhance academic advising services so that students benefit from both high-impact, personalized consultations and data systems that proactively identify risk factors that hinder student success.

- **Benefits:** Predictive analytics have the potential to prevent problems before they occur, by identifying early signals of problems or opportunities to course-correct during a

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

student's academic career. When combined with proactive advising — sometimes called “intrusive advising” to reflect that advisors take the initiative to interact with students — this process can help guide students through their academic careers.

- **Nature of recommendation:** Institutional, with opportunity for statewide collaboration
- **Other considerations:** The cost of implementation and training for academic advisers will create a significant upfront investment of time and money. Also, proactive advising will need to be carefully applied to show students the best path forward in their chosen academic careers — not to create roadblocks to a challenging field.
- **Implementation plan:** Each institution must implement a data-driven analytics system, as well as training for advisers on how to use the data to provide high-impact interventions. A statewide contract, perhaps in conjunction with OARnet and/or financial support from the state, could lower the cost to make this kind of system accessible across Ohio's public colleges and universities. Institutions should consider working collaboratively through a group of chief information officers and Inter-University Council Purchasing Group to negotiate a statewide contract.

Recommendation 7E | Summer programs: Each campus must develop plans to evaluate utilization rates for summer session and consider opportunities to increase productive activity. In particular, institutions should consider adding summer-session options for high-demand classes and bottleneck courses that are required for degree completion.

- **Benefits:** Too many campus resources are lightly used during the summer, and too many in-demand courses are unavailable during the standard fall-spring academic year. Increasing summer activity could address both issues.
- **Nature of recommendation:** Institutional
- **Other considerations:** Even with more summer availability, some students will not be able to take advantage because of their need to work or gain professional experience. Others may see adverse consequences to financial aid packages. Faculty schedules will also need to be addressed, since many focus on research during the summer.

Last, any increase in academic offerings will need to consider the impact on capital improvement plans for student housing and other facilities. This work often takes place during the summer session, when it is less disruptive to students.

- **Implementation plan:** The board of trustees of each institution should identify opportunities to expand the number of high-demand and core courses available during summer session.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Recommendation 7F | Pathway agreements: Ohio institutions should continue to develop agreements that create seamless pathways for students who begin their educations at community or technical colleges and complete them at universities.

- **Benefits:** Programs that have articulation agreements help students succeed by providing them with an academic roadmap that spells out the appropriate coursework they should take at a college that will fulfill requirements needed to complete their bachelor's degree at a university. In these agreements, the institutions ensure that their academic requirements are aligned. Students benefit from a clear pathway to a degree as well as cost savings by starting at a less-expensive institution.
- **Nature of recommendation:** Institutional collaborations
- **Other considerations:** In developing articulation agreements, colleges and universities must ensure that they have aligned quality and content issues to enhance student success.
- **Implementation plan:** Institutions should work collaboratively to increase the number of articulation agreements, such as 2+2 arrangements, among Ohio colleges and universities.

Recommendation 7G | Competency-based education: Institutions should consider developing or expanding programs that measure student success based on demonstrated competencies instead of through the amount of time students spend studying a subject.

- **Benefits:** Competency-based programs can help students, particularly working adults or other nontraditional students, complete degrees more efficiently by allowing them to work at their own pace instead of on a classroom schedule. These programs are typically more affordable for students because they use technology, including online modules, in the educational process.
- **Nature of recommendation:** Institutional
- **Other considerations:** Institutions will need to ensure that the quality of competency-based programs meets their standards. Competency-based programs also tend to be more prevalent in certain kinds of fields.

As part of the state budget bill for fiscal years 2016 and 2017, institutions are encouraged to work with the chancellor of the Department of Higher Education to consider offering competency-based programs and present plans by July 1, 2016.

- **Implementation plan:** Each institution should evaluate opportunities to develop or expand competency-based programs, in consultation with the Department of Higher Education.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Time to degree recommendations												
Focus areas	Scope			Type of institution			Time frame			Type of action		
	Statewide	Regional	Institutional	All	4-year	2-year	Immediate	1-3 years	3-5 years	Collaboration	Institution	State/Statutory
Education campaign	✓		✓	✓			✓				✓	
Graduation incentive			✓	✓			✓				✓	
Standardize credits			✓	✓				✓			✓	
Data-driven advising	✓			✓				✓		✓	✓	
Summer programs			✓	✓				✓			✓	
Pathway agreements			✓	✓			✓			✓	✓	
Competency-based education			✓	✓			✓				✓	

Case studies:

- Graduation incentive:** Since fall 2013, Cleveland State University has offered a 2 percent tuition rebate and \$200 textbook credit to students who take at least 30 credit hours over three semesters and meet success and enrollment requirements. In the first two years of the program, an average of 2,865 undergraduate students qualified, and the program cost \$1.14 million annually, funded through Cleveland State's operating budget. This program will continue through the conclusion of students' fourth year of enrollment. Freshmen who entered in the fall of 2015 are the last eligible class for the program.

Starting in fall 2015, Cuyahoga Community College began offering a graduation incentive to students taking at least 15 credit hours in fall or spring semesters. The incentive equates to a 50 percent discount on any credit hours over 12 in these semesters, so a student taking 15 credit hours would receive \$156.81 per semester. To redeem the incentive, students must enroll in the subsequent semester for at least 12 credit hours and maintain at least a 2.0 grade point average.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

- **Competency-based education:** Sinclair Community College received federal funds from the Department of Labor to launch Accelerate IT, an online program that allows information-technology students to earn certificates and degrees by working at their own pace. Sinclair and partner institutions that received the grant expect that the program will allow them to serve more students in these fields.¹⁰

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Recommendations | **Duplicative programs**

Background: Low-enrollment and duplicative programs have long been a concern in Ohio because these academic programs are considered costly to maintain.

Most recently, the state legislature directed institutions to study low-enrollment programs by January 2016 and every five years thereafter to identify opportunities for collaboration with other institutions that are geographically nearby.

That provision in the state budget for fiscal years 2016 and 2017 focuses on low-enrollment programs but does not address duplicative programs.

Recommendation 8 | Program review: Institutions should consider consolidating programs that are duplicated at other colleges and universities in their geographic area.

- **Benefits:** Colleges and universities could reduce administrative costs while honing their academic focus by consolidating duplicative programs that do not create a distinct advantage for their institutions. On co-located campuses, reducing duplication could particularly provide benefits for students.
- **Nature of recommendation:** Institutional collaborations
- **Other considerations:** Where there are high-demand programs across the state, duplication may make sense as a way of serving Ohio students and the state economy. However, there may be other areas where duplication is not serving the distinct missions of each school. There, consolidation would allow each institution to focus on what it does best while still providing an option for students in the region.
- **Implementation plan:** The Department of Higher Education should identify duplicative programs within each region of the state, with particular attention to co-located campuses. Institutions should then review any programs not covered by the current low-enrollment review ordered by the legislature to identify opportunities to consolidate.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Duplicative programs recommendation												
Focus areas	Scope			Type of institution			Time frame			Type of action		
	Statewide	Regional	Institutional	All	4-year	2-year	Immediate	1-3 years	3-5 years	Collaboration	Institution	Statutory
Review duplication			✓	✓				✓		✓	✓	

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Recommendations | **Co-located campuses**

Background: On seven campuses throughout Ohio, two- and four-year schools are co-located. In each instance, a community or technical college shares a campus with a regional campus of a university.

As of the fall semester of 2014, these campuses served 45,070 students, with two-thirds of the enrollment at community colleges.¹¹

Over the years, groups have repeatedly called on these institutions to work better together. For instance, the Co-located Campuses Review Project Report said in 2004 that operations should be “reviewed regularly to identify unnecessary duplication, better control expenses and identify new opportunities to share infrastructure and resources.”

Yet, state higher education leaders agree that co-located campuses demonstrate an uneven record of success in working together. While campuses across the state should be working more closely together to reduce costs and improve the educational offerings to their students, there is a special onus on institutions that share a campus.

Recommendation 9 | Joint oversight boards: The state should establish joint oversight boards for co-located community colleges and regional campuses of universities. This advisory board’s mandate should focus on improving efficiencies and coordination among the institutions.

- **Benefits:** A formalized oversight group that represents both institutions allows each to maintain its distinct mission but can collectively identify areas for streamlining, consolidation, shared services and positions, or other efficiencies. The net effect should be lowered costs for students or improved offerings.
- **Nature of recommendation:** Statutory
- **Other considerations:** Joint coordinating boards should also be encouraged among institutions with similar missions in a geographic region. These groups could identify and recommend shared services and other efficiency measures that could reduce costs for campuses.
- **Implementation plan:** The legislature, working with the state Department of Higher Education, should develop language to identify how these joint oversight boards should work — including the possibility that the state appoints independent members to the oversight board who are not aligned with either institution. Each institution must follow the direction of the Department in naming members to the oversight boards.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Co-located recommendations												
Focus areas	Scope			Type of institution			Time frame			Type of action		
	Statewide	Regional	Institutional	All	4-year	2-year	Immediate	1-3 years	3-5 years	Collaboration	Institution	Statutory
Joint oversight boards	✓			✓			✓					✓

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Recommendations | **Policy reforms**

Background: The task force recognizes that there are debates, both at the state and federal level, about the appropriate role and level of government support for higher education. Those are valid and important discussions.

Instead of wading into that debate, the task force has focused on where it could best add value to the discussion of affordability and efficiency among Ohio's colleges and universities. Our mission was to recommend practical action steps to help Ohio's public colleges and universities better serve their students from a cost and effectiveness perspective.

The task force believes strongly that federal reforms are needed to address a variety of issues related to student loans and debt.

We encourage state leaders and Ohio's congressional delegation to advocate for reforms that support student success — including ensuring that institutions that benefit from federal dollars help students complete credentials that improve their prospects in life. In addition, Congress and the administration should provide more oversight over student loans to ensure responsible borrowing and to ensure the appropriate level of student responsibility.

Recommendation 10A | Financial advising: Students ultimately determine how much to borrow, but the task force calls on Ohio's colleges and universities to help educate students about those choices by providing financial literacy services.

- **Benefits:** The task force heard stories throughout its work about students who took on debt for reasons other than their education because they don't understand the consequences that debt can take after graduation. Financial advising services can help students recognize how debt would affect their lives after college.
- **Nature of recommendation:** Institutional, with opportunities for statewide collaboration
- **Other considerations:** This program could be built into existing academic advising, financial aid, career services or be part of a broader financial literacy program that goes beyond the question of student debt.
- **Implementation plan:** Institutions should develop financial literacy programs aimed at helping students understand the possible consequences of student debt, particularly in light of the earning potential of their chosen field of study. This area is particularly ripe for a collaborative approach to develop a statewide program, including the possibility of offering a basic online service that can be reinforced during in-person sessions with advisors.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Beyond this, we are recommending changes to state laws that inhibit the efficient operations of state institutions of higher education.

Recommendation 10B | Obstacles: The state Department of Higher Education and/or state legislature should seek to remove any obstacles in policy, rule or statute that inhibit the efficiencies envisioned in these recommendations.

- **Benefits:** By carefully removing roadblocks to streamlining and other efficiency measures, the state can support institutions in their efforts to reduce costs and improve the quality of students' education.
- **Nature of recommendation:** Statutory
- **Implementation:** The chancellor of the Ohio Department of Higher Education should review any areas that might prohibit the implementation of recommendations in this report and make recommendations for appropriate remedies. Institutions should take the initiative to highlight any potential reforms.

Recommendation 10C | Real estate sales: State law should be updated to streamline the process for how public colleges and universities sell, convey, lease or enter into easements of real estate. Institutions should be able to transfer property with the approval of their board of trustees and the chancellor of the Ohio Department of Higher Education, while still ensuring legislative oversight/approval by requiring certain transactions be approved by the state Controlling Board.

- **Benefits:** Current state law surrounding real-estate sales and easements is cumbersome and can limit opportunities to negotiate the most advantageous deals for colleges and universities. Under current state law, Ohio's public colleges and universities cannot enter into easements or sell, convey or lease real estate without having legislation passed by the Ohio General Assembly, which can hinder effective negotiations and/or discourage potential buyers who are unwilling to wait for a bill.

Updating this process would provide significant administrative efficiencies while improving institutions' ability to maximize our assets.

- **Nature of recommendation:** Statutory
- **Other considerations:** Parameters could allow more flexibility for smaller transactions while maintaining executive and legislative oversight on larger ones — for instance, a dollar threshold below which boards and the chancellor's office could approve real-estate transactions.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

- **Implementation plan:** The Department of Higher Education should propose recommendations to the state legislature to streamline the process of disposing of real estate and/or easements.

Recommendation 10D | Insurance pools: Most state universities buy their property and casualty insurance on a group basis through the IUC Insurance Consortium, which in FY15 saved members more than \$5 million. This function could be handled more effectively through a different legal framework. Therefore, existing statute should be modified to more closely resemble the authority granted to political subdivisions (in ORC 2744.081).

- **Benefits:** Updating ORC 3345.202 would confirm that: The IUC-IC is an insurance pool and not an insurance company; the IUC-UC is exempt from all state and local taxes; and each member institution is not liable under a joint self-insurance pool for any amount in excess of amounts payable pursuant to the written pooling agreement.
- **Nature of recommendation:** Statutory
- **Implementation:** The chancellor of the Ohio Department of Higher Education and the General Assembly should review proposed legislation to facilitate the work of the IUC Insurance Consortium. In addition, the IUC-IC should form a not-for-profit entity to protect member institutions from legal entanglements.

Policy recommendations												
Focus areas	Scope			Type of institution			Time frame			Type of action		
	Statewide	Regional	Institutional	All	4-year	2-year	Immediate	1-3 years	3-5 years	Collaboration	Institution	State/Statutory
Financial education			✓	✓				✓		✓	✓	
Obstacles	✓			✓			✓					✓
Real estate	✓			✓			✓					✓
Insurance pools	✓			✓			✓					✓

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Implementation | **How to move forward**

As this report indicates, there is no simple panacea that would improve the affordability and efficiency of higher education in Ohio.

Instead, it will take creativity and drive among our public colleges and universities to provide high-quality education at a cost that doesn't drive students into crippling debt. The state will need to support these efforts, both through legislative relief and other means.

Collaboration among all the stakeholders will become increasingly important to share information, resources and best practices that can spread among Ohio's public colleges and universities.

To ensure that our recommendations can be translated into action, the task force has worked to distribute responsibility to the appropriate parties. We have purposely avoided spelling out all the details for our recommendations under the belief that goals are more effective than strict mandates which can hamper creative approaches.

We see three main actors in carrying out our recommendations:

- **Boards of trustees:** For work to be done at the institution level, we are asking boards of trustees to direct and/or review the progress of these endeavors.
- **The Department of Higher Education:** The Department can use its statewide reach and cross-institutional impact to share best practices, connect colleges and universities to one another, and provide resources to support our institutions.
- **The Inter-University Council Purchasing Group (including members of the Ohio Association of Community Colleges):** These groups already have developed an infrastructure for our higher education leaders to work together on effective solutions, such as joint procurement, that can lower costs. To that end, we view the IUC and OACC as vital partners who can implement recommendations in a collaborative fashion.

Beyond these organizations, the task force believes that there needs to be a central hub to track recommendations of this report and oversee the areas for which more study is needed.

Recommendation | Implementation: The chancellor of the Ohio Department of Higher Education and the state's public colleges and universities should make use of existing groups and resources to coordinate next steps from these recommendations. In particular:

- The chancellor should utilize the existing Efficiency Advisory Committee¹² (Section 369.540 of Am. Sub. H.B. No. 64) to coordinate next steps.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

- Where results should be reported statewide, information gathering should be incorporated into the existing efficiency survey conducted by the Department of Higher Education.
 - Efficiency councils at each college and university should continue to provide input on the progress of these steps and identify others going forward.
- **Benefits:** This report calls for further study or work in several areas, and the advisory committee already encompasses representatives of all public institutions in Ohio and works with the Department of Higher Education. The Efficiency Advisory Committee could be utilized to coordinate areas that need further study or coordination to ease implementation, such as:
- Standard productivity measure (recommendation 5B)
 - Health-care costs (recommendation 5D)
 - Develop digital capabilities (recommendation 6C)

In addition, the Efficiency Advisory Committee could work with the Inter-University Council Purchasing Group to simplify, standardize and reduce the cost of implementation of the following recommendations:

- Assets and operations reviews (recommendations 4A-C)
- Cost diagnostic (recommendation 5A)
- Space utilization (recommendation 5F)

Each institution, as part of the task force's work process, was asked to either form or assign an existing efficiency council to provide input on topics of interest. These groups were invaluable in providing insights on the most pressing issues facing Ohio institutions and the areas of most potential.

To that end, we recommend that these institutional councils continue to act as sounding boards for statewide collaboration and coordination. Similarly, we recommend that each institution rely on its council to advise and/or implement recommendations for its campuses.

Timeline: The biennial state budget for fiscal years 2016 and 2017 requires the board of trustees for each institution to complete an efficiency review based on this report by July 1, 2016, and an implementation plan within 30 days of submitting that review.

Some work can clearly begin in advance of that July 1 deadline, while other recommendations would take more time to implement.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

The chart below provides a summary of the implementation responsibilities for each recommendation. Where more time is needed to implement, that is reflected.

Implementation matrix			
Recommendation (Deadline if not July 1, 2016)	Boards of Trustees	Dept. of Higher Ed.	IUC Purchasing Group
1: Savings to students (July 1, 2017)	Redeploy new dollars to affordability and quality Report annually to DHE	Develop template, collect data and produce annual reports	
2: Five-year goals	Develop goals through FY2021 for efficiencies and new resources	Develop template, collect data and produce annual reports	
3: Procurement	Mandate on-campus utilization, and participate (or not) in joint purchasing agreements		Joint contracts
4: Assets and operations (Dec. 31, 2016)	Review assets, operations and opportunities for affinity/sponsor relationships		Joint contract?
5A: Cost diagnostic (Dec. 31, 2016)	Produce cost diagnostic		Joint contract?
5B: Productivity measure	Apply measure	Develop measure	
5C: Organizational structure	Order review		
5D: Health care		Convene working group	
5E: Data centers	Develop plan to move		Joint contract?
5F: Space utilization (Dec. 31, 2016)	Order review		Joint contract?
Recommendation (Deadline if not July 1, 2016)	Boards of Trustees	Dept. of Higher Ed./ State legislature	IUC Purchasing Group
6A: Negotiate textbook cost	Assign negotiators		
6B: Standardize materials	Direct academic leaders to develop plan		

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

6C: Develop digital capabilities	Join consortium		
7A: Education campaign	Develop and implement campaign (15 credits)		
7B: Graduation incentive	Study options		
7C: Standardize credits	Order review		
7D: Data-driven advising	Implement		Statewide contract?
7E: Summer programs (Dec. 31, 2016)	Develop plan		
7F: Pathway agreements	Develop agreements		
7G: Competency-based education	Consider programs		
8: Duplicative programs (Dec. 31, 2016)	Consider consolidation	Identify programs	
9: Co-located campuses		Develop legislation	
10: Policy reforms	Financial education	Develop legislation Remove obstacles	

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Other topics of interest

Individual members of the task force and other stakeholders expressed interest in other topics that could not be explored in the time frame available.

These are among the areas that were identified:

- **Alumni support:** In framing affordability and efficiency goals, institutions should consider the role that alumni could play in enhancing those efforts. Institutions that demonstrate strong participation from alumni in this regard could leverage those results to obtain additional support.
- **Benefits:** Beyond the health-care benefits to be addressed by a work group (Recommendation 5D), Ohio institutions should consider a broader study of other non-pension benefits where coordination may lead to efficiencies.
- **College Credit Plus:** Expansion and refinement of this program, so that more students can earn college credits while in high school, would reduce the cost of higher education and enhance students' ability to complete their degrees on time.
- **Construction reform:** In 2011, the state enacted construction reforms that benefitted higher education. The new methodologies allowed for greater efficiencies and ease of completion, thereby saving time and money. But many other opportunities exist to reduce the cost of capital projects and allow for greater efficiencies.
- **Differentiated tuition:** Currently, institutions are required to set a single tuition rate for all students, without the ability to differentiate by class rank. More flexibility on this front might allow institutions to lower costs for underclassmen (but might increase costs for upperclassmen).
- **Energy efficiencies:** Institutions could drive down energy costs and become more sustainable through conservation efforts. The task force was impressed by many of the efforts at the University of Cincinnati to creatively attack this problem, including finding opportunities during unrelated capital projects to improve building sustainability.
- **Enterprise resource planning (ERP) systems:** Institutions would benefit from economies of scale and operational efficiencies if more operated on the same ERP systems. Given the complexity and scale of these systems, a statewide approach would be a daunting project across Ohio's colleges and universities. But there may be opportunities to begin coordination among similar institutions as they update their systems.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

- **Optimizing building assets:** Colleges and universities may be able to better leverage their physical space through partnerships with other institutions of higher education as well as government, civic organizations and other groups.
- **Part-time students:** Ohio's colleges serve a variety of students, not just "traditional" students who attend full-time and begin their degree directly after graduating from high school. Some of the recommendations in this report will benefit all students, but a special focus is needed to support the success of part-time students, including working adults.
- **Remediation:** Students enrolled in remedial courses graduate in far fewer numbers and spend more time in school, driving up student debt. Colleges should continue exploring ways to reform current remediation practices and policies so that there are differentiated options for students based upon their needs, including co-requisite and parallel remediation. A program in Tennessee has had promising results by allowing high-school seniors who earn low ACT scores on the math section to receive math mediation while still in high school.¹³
- **3+1 Programs:** Some institutions have developed articulation agreements that allow students to spend three years at a community college and a fourth year at a university to complete a bachelor's degree. As part of the emphasis on multiple pathways to a degree, this concept deserves further study.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY**Appendix A | Executive order**

JOHN R. KASICH
GOVERNOR
STATE OF OHIO

Executive Order 2015-01K**Establishing the Ohio Task Force on Affordability and Efficiency in Higher Education**

WHEREAS, Ohio's future economic growth depends upon a well-educated workforce and college graduates; and

WHEREAS, national figures show that the costs to students and their parents associated with higher education have increased substantially over the last 35 years, rising several times higher than the general rate of inflation over the same period of time; and

WHEREAS, the substantial rise in higher education tuition prices has led to a similar rise in student loan debt. In 2013, outstanding student loan debt nationally was well over \$1 trillion, surpassing—for the first time ever—the amount of outstanding credit card debt (then \$857 billion); and

WHEREAS, increasing operational efficiency in our state-sponsored institutions of higher education can lower their costs of providing post-secondary instruction, which in turn should help them provide an even higher quality of education at a more affordable cost to Ohioans;

NOW THEREFORE, I, John R. Kasich, Governor of the State of Ohio, by virtue of the authority vested in me by the Constitution and the laws of the State of Ohio, do hereby order and direct that:

1. The Ohio Task Force on Affordability and Efficiency in Higher Education (the "Task Force") is hereby established to review and recommend ways in which state-sponsored institutions of higher education, including four-year universities and two-year community colleges, can be more efficient, offering an education of equal or higher quality while at the same time decreasing their costs. This can be done only if institutions of higher education become more efficient and productive in the use of their assets, personnel and resources. The Task Force shall provide me with a report with recommendations regarding how our state institutions of higher education can operate more productively and efficiently, so that, over the long term, tuition prices remain affordable.


TASK FORCE ON AFFORDABILITY AND EFFICIENCY

2. In conducting its review and developing its report with recommendations, the Task Force shall examine the following areas:
 - a. Administrative staffing levels, bureaucracy and related costs;
 - b. Teaching loads for professors not significantly involved in research;
 - c. Organization of departments, with a view toward ways to reduce overhead;
 - d. Space utilization, including space for commercializing innovations that derive from research;
 - e. Opportunities for shared services, energy savings, shared procurement opportunities and other cost-saving efficiencies;
 - f. Low-enrollment and low-performing programs and courses at the graduate and undergraduate levels;
 - g. Asset utilization and opportunities for monetization;
 - h. Other potential sources of revenue that do not result in increased cost for students, such as affinity agreements, commercialization opportunities and intellectual property auctions;
 - i. Standard course requirements for degree completion;
 - j. Use of technology to reduce cost for students; and
 - k. Best practices for Ohio's community colleges that are located within the same regional campus as a university.
 3. The Task Force shall be comprised of nine members, five members to be appointed by the Governor, two to be appointed by the Speaker of the Ohio House of Representatives, one representative from each party, and two to be appointed by the President of the Ohio Senate, one senator from each party. The Governor shall designate the Chairperson of the Task Force from among the appointed members.
 4. Staff support and resources necessary for the Task Force to fulfill its obligations as outlined in this Executive Order shall be provided through the Ohio Board of Regents (Ohio Department of Higher Education). This shall include space to gather and consider information necessary for developing the recommendations and report called for in this Order. The Chairperson and members of the Task Force shall serve without compensation for their work on the Task Force, but may be reimbursed for their reasonable and necessary travel expenses in the conduct of Task Force business.
 5. In gathering information to prepare its report, the Task Force shall engage presidents and members of boards of trustees of state-sponsored institutions of higher education for their perspectives on the topics listed above, and may seek advice and input from such other persons or entities as the Task Force finds helpful to its work as outlined in this Order.
-

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

- The Task Force shall assemble as often as its members deem necessary to facilitate timely completion of the report with recommendations in the areas specified by this Order. The Task Force shall submit its report to the Governor and the General Assembly by October 1, 2015. The report with recommendations shall be shared with presidents and boards of trustees of state-sponsored institutions of higher education.

I signed this Executive Order on February 10, 2015, in Columbus, Ohio, and it will expire upon the submission of the Task Force's report and recommendations pursuant to this order.



John R. Kasich, Governor

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Appendix B | Our process

To develop our recommendations, the task force sought insights and experiences of higher education leaders throughout the state as well as national experts.

- **Meetings:**
 - June 23 (in Columbus): Priority-setting and data review
 - July 21 (at Cuyahoga Community College): Procurement and time to degree
 - Aug. 17 (at the University of Cincinnati): Assets, academic efficiencies and productivity
 - Sept. 2 (at Bowling Green State University): Administrative efficiencies, IT, co-location
 - Sept. 23 (at Columbus State Community College): Finalize recommendations
- **Speakers:** 23 people offered their insights. They represented universities, community colleges, regional campuses as well as national experts.
- **Data:** Analyzed savings opportunities, particularly with regard to procurement
- **Insights:** Coordinated with the Department of Higher Education to collect data and insights
- **Institutional surveys:** Asked institutional efficiency councils to provide suggestions for possible action steps throughout the task force process.
- **Feedback:** Consulted with a statewide Advisory Panel, representing public colleges and universities, to obtain feedback throughout the process.

Information about all task force meetings was published online at www.ohiohighered.org/ae.

TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Appendix C | Acknowledgements

This report would not be possible without the work of a team of people who supported the task force:

Inter-University Council of Ohio

- President Bruce Johnson
- Cindy McQuade

Ohio Association of Community Colleges

- President Jack Hershey
- Tom Walsh

Ohio Department of Higher Education

- Chancellor John Carey
- Eli Faes
- Joel Husenits
- John Magill
- Charles See
- Matt Whatley

Ohio Governor's Office

The Ohio State University

- Brian Perera
- Kelly Des Roches
- Rob Messinger

Presenters

- Brandon Carrus, McKinsey & Co.
- David Creamer, Miami University
- Jenifer Cushman, Ohio University Zanesville
- John Ellinger, Bowling Green State University

- Gigi Escoe, University of Cincinnati
- Adam Fennel, Huron Education
- Scott Friedman, Huron Education
- Andy Grant, IUC Purchasing Group and Bowling Green State University
- Steve Golding, Ohio University
- Joe Harrell, University of Cincinnati
- David Harrison, Columbus State Community College
- President Alex Johnson, Cuyahoga Community College
- Para Jones, Stark State College
- Cynthia Leitson, IUC Purchasing Group and Cuyahoga Community College
- John Lin, McKinsey & Co.
- Tim Long, Cleveland State University
- Mary Ellen Mazey, Bowling Green State University
- Santa Ono, University of Cincinnati
- Gregory Rose, The Ohio State University at Marion
- Jennifer Spielvogel, Cuyahoga Community College
- Sherideen Stoll, Bowling Green State University
- Laura Yaeger, Huron Education

TASK FORCE ON AFFORDABILITY AND EFFICIENCY**Appendix D | Sources**

¹ The College Board, Tuition and Fees by Sector and State over Time, <http://trends.collegeboard.org/college-pricing/figures-tables/tuition-fees-sector-state-time>

² Lumina, "A Stronger Nation through Higher Education," http://www.luminafoundation.org/stronger_nation

³ Section 369.560 of Am. Sub. H.B. No. 64: "Upon submission of the Ohio task force on affordability and efficiency in higher education report as established by governor's executive order, all boards of trustees for state institutions of higher education as defined in section 3345.011 of the Revised Code, shall complete, by July 1, 2016, an efficiency review based on the report and recommendations of the task force, and provide a report to the Director of Higher Education within 30 days of the completion of the efficiency review that includes how each institution will implement the recommendations and any other cost savings measures." <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA131-HB-64>

⁴ Huron Consulting Group analysis, https://www.ohiohighered.org/sites/ohiohighered.org/files/uploads/affordability-efficiency/Huron-OhioSystemOpportunities_072115.pdf

⁵ NSCC & Terra Combine Administrative Support, <http://northweststate.edu/nscc-terra-combine-administrative-support/>

⁶ The College Board, Average Undergraduate Estimated Budgets 2014-15, <http://trends.collegeboard.org/college-pricing/figures-tables/average-estimated-undergraduate-budgets-2014-15>

⁷ General Accountability Office, Enhanced Offerings Appear to Drive Recent Price Increases, <http://www.gao.gov/assets/250/247332.pdf>

⁸ General Accountability Office, Students Have Greater Access to Textbook Information, <http://www.gao.gov/assets/660/655066.pdf>

⁹ Ohio Department of Higher Education analysis

¹⁰ Mathematica Policy Research, "Developing Competency-Based Program Models in Three Community Colleges," http://www.mathematica-mpr.com/~media/publications/PDFs/education/compentency-based_program_models.pdf

¹¹ Ohio Department of Higher Education, Higher Education Information System

¹² Section 369.540 of Am. Sub. H.B. No. 64. Ohio Department of Higher Education, www.ohiohighered.org/efficiency

¹³ Pearson, "Tennessee Community Colleges Take Innovative Approach to Remediate High School Math Students," www.pearsoned.com/education-blog/tennessee-community-colleges-take-innovative-approach-to-remediate-high-school-math-students/

Action Steps to Reduce College Costs
Ohio Task Force on Affordability and Efficiency

Recommendation	Responsible Person	Action Plan	Status of Action Plan
<p>Master Recommendation One-</p> <p>All savings must be directed to students. Allowable uses are: reduction in the cost of attendance, student financial aid, student success services, affordability and efficiency investments, and improvements to high demand/high value programs.</p>	<p>David Creamer David Ellis Fiscal Priorities</p>	<p>Budget office will work with the Fiscal Priorities Committee to develop a tracking and monitoring system. Guidance from the Department of Higher Education will need to be incorporated into this system.</p>	
<p>Master Recommendation Two-</p> <p>Each university must set a five year efficiency savings and new resources goal to be accomplished for fiscal years 2017-2021.</p> <p>An efficiency review must be completed by July 1, 2016 with an implementation plan adopted by the Board of Trustees within 30 days. Redeployable dollars are to be tracked and reported annually to the Department of Higher Education (HB 64 Sec. 369.560).</p>	<p>David Creamer Ted Pickerill Fiscal Priorities</p>	<p>A. David Creamer will work with Fiscal Priorities to develop the goal that also must align with the 2020 Plan.</p> <p>B. Several schools are engaging consultants to assist with the assessment. Our plan is to build on the Accenture study working with the responsible persons for each recommendation to analyze all of the identified area and in conjunction with Fiscal Priorities to consolidate the individual activities into a single assessment report and implementation plan.</p>	
<p>Strategic Procurement- Campus Contracts 3A</p> <p>Each university must require that its employees use prime contracts for good and services that are purchased.</p>	<p>David Creamer Bill Shawver Fiscal Priorities</p>	<p>Policy will be developed for BOT approval in June. Update on the progress toward the assessment and the implementation plan will be provided to the Finance and Audit Committee at the February and April meetings.</p>	<p>Procurement is researching policies at other universities and working with accounts payable on enforcement strategies.</p>
<p>Strategic Procurement- Collaborative Contracts 3B</p> <p>Ohio's public colleges and universities must develop new and/or strengthen joint purchasing agreements for copier/printer services, computer hardware, travel services, outbound shipping, scientific supplies and equipment, and office supplies and equipment.</p>	<p>David Creamer Bill Shawver IUC Purchasing Group</p>	<p>The IUC Purchasing Group is leading this initiative.</p>	<p>Several meetings have been conducted by the Purchasing Group and an initial implementation plan has already been offered for consideration.</p>

Action Steps to Reduce College Costs
Ohio Task Force on Affordability and Efficiency

Recommendation	Responsible Person	Action Plan	Status of Action Plan
<p>Assets and Operations- Asset Review 4A</p> <p>Each institution must conduct an assessment of its non-core assets to determine their market value if sold, leased or otherwise repurposed.</p>	<p>David Creamer Cody Powell Bill Shawver</p>	<p>A. The first assesment will be done internally.</p> <p>B. Selective consulting services may be needed to fully accomplish this expectation.</p>	<p>The initial focus is on determining the merits for retaining the Elm Street building, airport, properties not contiguous to campus, and the power plant. Housing assessment was previously completed.</p>
<p>Assets and Operations- Operations Review 4B</p> <p>Each institution must conduct an assessment of non-academic operations that might be run more efficiently by a regional cooperative, private entity, or other entity.</p> <p>The review must include dining, housing, student health insurance, child care, IT help desk, janitorial, landscaping, facility maintenance, real-estate management and parking.</p>	<p>David Creamer Peter Natale Cody Powell Kim Kinsel John McCandless Dawn Fahner</p>	<p>Most of these operations will need to be assessed independent of each other.</p> <p>A. Industry benchmarks will be evaluated with the help of a vendor for janitorial, landscaping, and facility maintenance.</p> <p>B. Health Center(including insurance) and child care already contracted with providers.</p> <p>C. Assessment plans need to be developed for parking and real estate management.</p>	<p>The Compass group is currently working with the administration to assess A. It is too early to know if this will be sufficient.</p>
<p>Assets and Operations- Affinity Partnerships and Sponsorships 4C</p> <p>Institutions must, on determining assets and operations that are to be retained, evaluate opportunities for affinity relationships and sponsorships that can support students, faculty and staff.</p>	<p>David Creamer (?)</p>	<p>Action plan still needs to be developed. Opportunities are unclear.</p>	

Action Steps to Reduce College Costs
Ohio Task Force on Affordability and Efficiency

Recommendation	Responsible Person	Action Plan	Status of Action Plan
<p>Administrative Cost Reforms-Cost Diagnostic 5A</p> <p>Each university must produce a cost diagnostic to identify the cost drivers along with priority areas that offer the best opportunities for increased efficiencies.</p> <p>This diagnostic must over a ten year period identify key drivers of cost and revenue by administrative function and academic programs; distribution of employee costs among units; changes in revenue sources; span of control for managers; and priority steps that would reduce overhead costs while preserving quality.</p>	<p>David Creamer David Ellis Dawn Fahner Fiscal Priorities</p>	<p>A. Financial data for ten years will be assembled for evaluation as requested. It will be compiled and evaluated by functional areas and by expense object.</p> <p>B. David Creamer will work with Fiscal Priorities to analyze the data and identify opportunities.</p> <p>C. The 2020 productivity expectations and targets will be included in the priority steps.</p> <p>D. The Accenture span of control study will be used as the starting point for the span of control review. Fiscal Priorities will assist with analyzing the data and identifying possible initiatives.</p>	<p>A. The cost data has been compiled but needs to be displayed in a more useful format.</p>
<p>Administrative Cost Reforms-Productivity Measure 5B</p> <p>The Ohio Department of Higher Education is to develop a common measurement of administrative productivity that can be adopted across Ohio's public colleges and universities.</p>	<p>Vice Chancellor IUC</p>	<p align="center">N/A</p>	<p align="center">N/A</p>
<p>Administrative Cost Reforms- Organizational Structure 5C</p> <p>Each university is to review its organizational structure in line with best practices to identify opportunities to streamline and reduce costs including the adoption of shared services.</p>	<p>David Creamer Fiscal Priorities</p>	<p>A. The Accenture study will serve as the starting point.</p> <p>B. Miami organizational structure will be compared to other structures for comparable universities.</p> <p>C. Fiscal Priorities will assist with the analysis and recommendations.</p>	

Action Steps to Reduce College Costs
Ohio Task Force on Affordability and Efficiency

Recommendation	Responsible Person	Action Plan	Status of Action Plan
<p>Administrative Cost Reforms- Data Centers 5E</p> <p>Each university must develop a plan to move their primary or disaster recovery data centers to the State of Ohio Computer Center.</p>	Peter Natale	Still needs to be developed.	
<p>Administrative Cost Reforms- Space Utilization 5F</p> <p>Each university must study the utilization of its campus and employ a system that encourages optimization of physical spaces.</p>	Phyllis Callahan David Creamer Lindsay Carpenter Cody Powell David Sauter	This is an area where a consultant is likely needed.	Consultants specializing in this area are being identified.
<p>Textbook Affordability- Negotiate Cost 6A</p> <p>Professional negotiators must be assigned to assist faculty in obtaining the best deals. Faculty must consider both cost and quality in selecting course materials.</p>	Jen Bazeley Jen Waller David Creamer Kim Kinsel	More information is needed about this approach at the University of Cincinnati	Open Educational Resources Committee has been formed. RFP issued for online bookstore partner.
<p>Textbook Affordability- Standardize Materials 6B</p> <p>Institutions must encourage academic departments to choose common materials, including digital materials, for courses serving large enrollments.</p>	Jen Bazeley Jen Waller David Creamer Kim Kinsel	To be developed.	Open Educational Resources Committee has been formed.
<p>Textbook Affordability- Digital Capabilities 6C</p> <p>Institutions must participate in a consortium to develop digital tools and materials including open educational resources.</p>	Phyllis Callahan Jen Bazeley Jen Waller	To be developed.	Open Educational Resources Committee has been formed.
<p>Time to Degree- Education Campaign 7A</p> <p>Each university must develop a coordinated campaign to educate its full-time undergraduates about the course loads needed to graduate on time (4 years).</p>	Phyllis Callahan Michael Kabbaz		This recommendation was also made by Miami's Efficiency Advisory Committee this past summer.

Action Steps to Reduce College Costs
Ohio Task Force on Affordability and Efficiency

Recommendation	Responsible Person	Action Plan	Status of Action Plan
<p>Time to Degree- Graduation Incentive 7B</p> <p>Universities should consider establishing financial incentives to encourage full-time students to take at least 15 credit hours per semester.</p>	<p>Phyllis Callahan Michael Kabbaz David Creamer</p>	<p>N/A</p>	<p>The University's Efficiency Advisory committee rejected this idea this past summer. An incoming freshman student already takes 15.7 credit hours on average.</p>
<p>Time to Degree- Standardize Credits for Degree 7C</p> <p>Institutions should streamline graduation requirements so that most bachelor's degree programs can be completed within four years or less with exceptions allowed for accreditation or quality considerations.</p>	<p>Phyllis Callahan</p>		<p>A. The reduction in the required Miami Plan credit hours has already been approved by the University Senate.</p> <p>B. Process for reducing the number of credit hours to graduate in most majors is already underway.</p>
<p>Time to Degree- Data-driven Advising 7D</p> <p>Institutions should enhance academic advising services so that students benefit from both high impact, personalized consultations and data systems that broadly identify risk factors that hinder student success.</p>	<p>Phyllis Callahan Michael Kabbaz</p>		<p>Tools have been acquired that support this recommendation and are being implemented.</p>
<p>Time to Degree- Summer Programs 7E</p> <p>Each campus must develop plans to evaluate utilization rates for summer sessions and consider opportunities to increase activity. In particular, universities should consider adding summer-session options for high demand classes and bottleneck courses.</p>	<p>Phyllis Callahan Michael Kabbaz</p>		
<p>Time to Degree- Pathway Agreements 7F</p> <p>Ohio's public universities should continue to develop agreements that create seamless pathways for students who begin their education at community or technical colleges.</p>	<p>Michael Kabbaz</p>		

Action Steps to Reduce College Costs
Ohio Task Force on Affordability and Efficiency

Recommendation	Responsible Person	Action Plan	Status of Action Plan
<p>Time to Degree- Competency Based Education 7G</p> <p>Institutions should consider developing or expanding programs that measure student success based on demonstrated competencies instead of the amount of time students spend studying a subject.</p>	<p>Phyllis Callahan IUC- Provosts</p>		
<p>Duplicative Programs- Program Review 8</p> <p>Universities should consider consolidating programs that exist at other colleges and universities in their geographic area.</p>	<p>Phyllis Callahan IUC- Provosts</p>		
<p>Co-Located Campuses 9</p> <p>Miami does not have a regional campus that is co-located with an Ohio public community or technical college.</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>
<p>Policy Reform- Financial Advising 10A</p> <p>Students ultimately determine how much to borrow, but universities must help to better educate students about their choices by providing financial literacy services.</p>	<p>Michael Kabbaz Brent Shock</p>		<p>A similar recommendation was made by the University's Efficiency Advisory Committee this past summer.</p>
<p>Policy Reform- Obstacles 10B</p> <p>The Ohio Department of Higher Education and/or the Ohio General Assembly should seek to remove any obstacles in policy, rule or statute to reduce costs and improve the quality of a student's education.</p>	<p>Ohio Department of Higher Education Ohio General Assembly IUC</p>	<p>N/A</p>	<p>N/A</p>
<p>Policy Reform- Real Estate Sales 10C</p> <p>Ohio law should be updated to streamline the process for public universities to sell, convey, lease or enter into real estate easements.</p>	<p>Ohio General Assembly IUC</p>	<p>N/A</p>	<p>N/A</p>

Action Steps to Reduce College Costs
Ohio Task Force on Affordability and Efficiency

Recommendation	Responsible Person	Action Plan	Status of Action Plan
<p>Policy Reform- Insurance Pools 10D</p> <p>The IUC- Insurance Consortium can be administered more efficiently through an improved legal framework. Ohio law should be modified to provide the authority granted to political subdivisions (ORC2744.081).</p>	<p>IUC-IC IUC- General Counsels Ohio General Assembly</p>	<p>N/A</p>	<p>N/A</p>

DRAFT					
Forward Twelve Month Agenda					
<u>Agenda Item</u>	<u>February Winter Meeting</u>	<u>April Spring Meeting</u>	<u>June End of Year Meeting</u>	<u>September Beginning of Year Meeting</u>	<u>December Fall Meeting</u>
<u>Committee Structure:</u>					
• Committee Priority Agenda	x	x	x	x	x
• Committee Self-Assessment			x		
<u>Strategic Matters and Significant Topics Affecting Miami:</u>					
• Annual Campaign Update		x			
• Annual Report on the State of IT		x			
• Health Benefit Strategic Indicators		x			
• Guaranteed Tuition					x
• Strategic Update on Enrollment Planning				x	
• New Revenue Initiatives	x				
• Governor's Task Force Report on Affordability and Efficiency	x	x	x		
<u>Regular Agenda Items:</u>					
• Enrollment Report	x	x	x	x	x
• Report on Year-to-Date Operating Results	x	x	x		x
• Approval of Minutes of Previous Meeting	x	x	x	x	x
• Annual Report on Operating Results				x	
<u>Finance and Accounting Agenda:</u>					
• Budget Planning for New Year	x	x			
• Ten Year Budget Plan	x				
• Appropriation Ordinance (Budget)			x		
• Tuition and Fee Ordinance			x		x
• Miscellaneous Fee Ordinance		x			
• Room and Board Ordinance					x
• Review of Financial Statements				x	x
• Annual State of Ohio Fiscal Watch Report		x	x		
• PMBA Tuition Proposal					
• Regional Campuses Long-term Budget Plan			x	x	
• Update the Long-term Budget Plan--Oxford Campus	x		x	x	
<u>Audit and Compliance Agenda:</u>					
• Planning Meeting with Independent Auditors		x			
• Management Letter and Other Required Communications					x
• Annual Planning Meeting with Internal Auditor					x
• Annual Report by Internal Auditor			x		
• Annual Compliance Report		x			
• Risk Assessment Report		x			

(over)

DRAFT					
Forward Twelve Month Agenda					
<u>Agenda Item</u>	<u>February Winter Meeting</u>	<u>April Spring Meeting</u>	<u>June End of Year Meeting</u>	<u>September Beginning of Year Meeting</u>	<u>December Fall Meeting</u>
<u>Investment Agenda:</u>					
• Semi-Annual Review of Investment Performance		X		x	
• Non-Endowment Return Objectives			x		
<u>Facilities Agenda:</u>					
• Approval of Six-Year Capital Plan (every other year)				x	
• Facilities Condition Report		x			
• Annual Report of Gift-Funded Projects				x	
• Status of Capital Projects	x	x	x	x	x
<u>Routine Reports:</u>					
• University Advancement Update	x	x	x	x	x
• Cash and Investments Report	x	x	x	x	x
• Lean Project Summary	x	x	x	x	x

Board of Trustees

February 19, 2016



MIAMI UNIVERSITY

University Advancement Report

Tom Herbert, J.D.

*Vice President, University Advancement
Executive Director, Miami University Foundation*



MIAMI UNIVERSITY

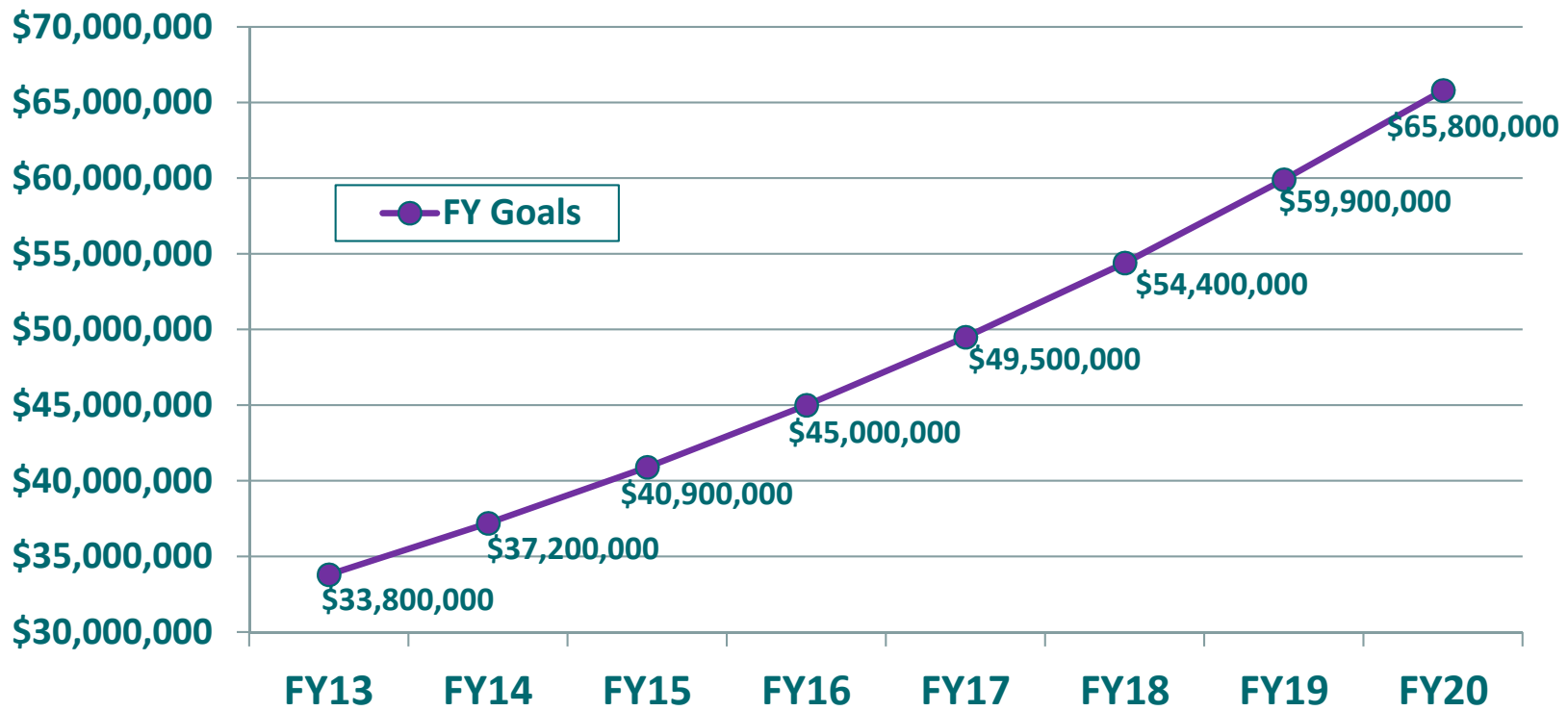
Topics

- 2020 Plan Fundraising Update
- Fundraising Focus in FY'16
- Update of New Advancement Initiatives

2020 Plan Fundraising Update



2020 Plan Fundraising Update



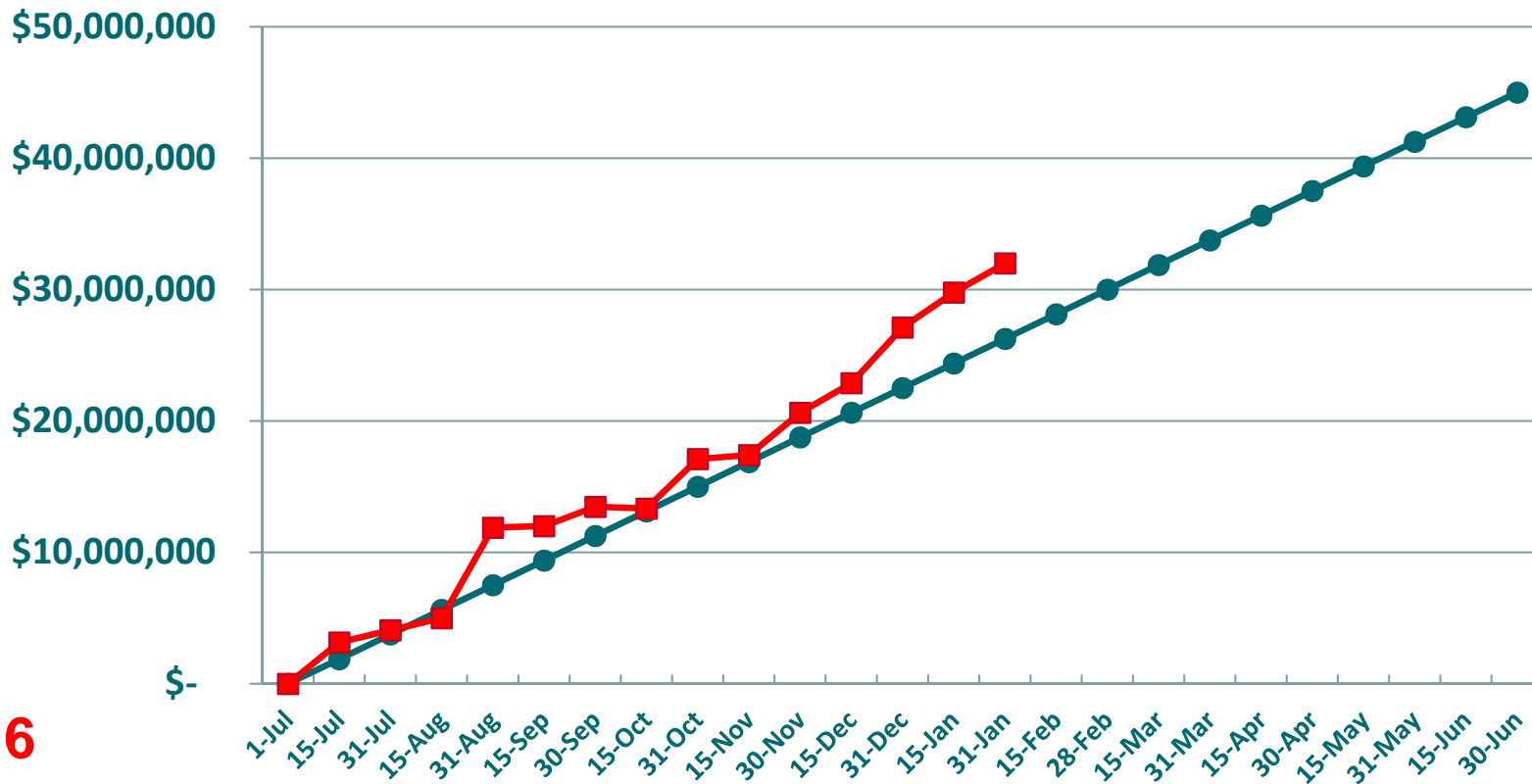
2020 Plan Fundraising Update

FY'16:

- Goal : \$45,000,000
- Raised to date: \$32,000,000 (71% of goal)

2020 Plan Fundraising Update

FY'16



Fundraising Focus FY'16

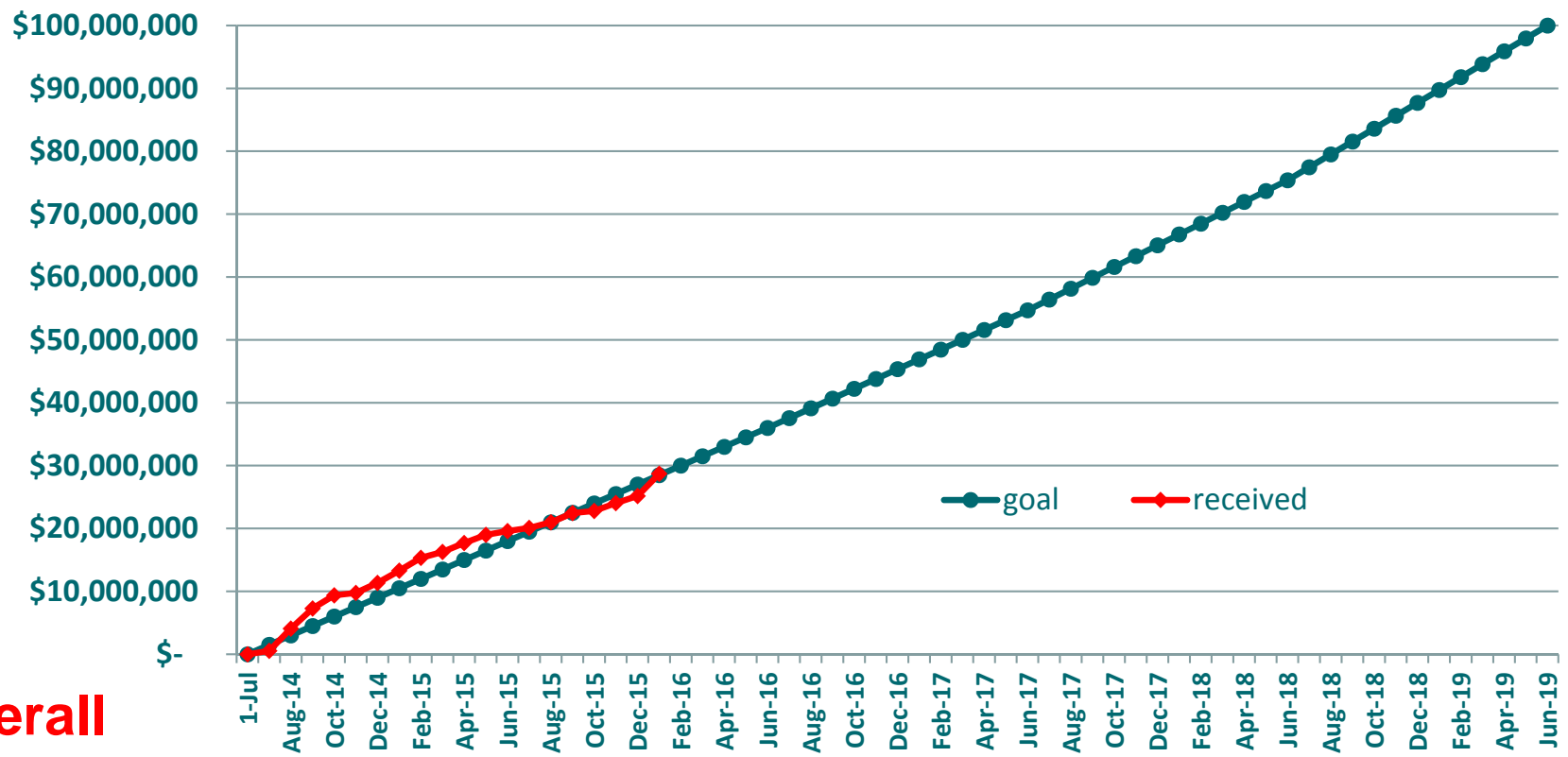


Miami Promise Scholarship Campaign goals

- FY'15: \$18.0 million -- \$19.8 million raised
- FY'16: \$18.0 million -- \$8.7 million received to date
- FY'17: \$18.7 million
- FY'18: \$20.7 million
- FY'19: \$24.6 million

Miami Promise Scholarship Campaign

Overall

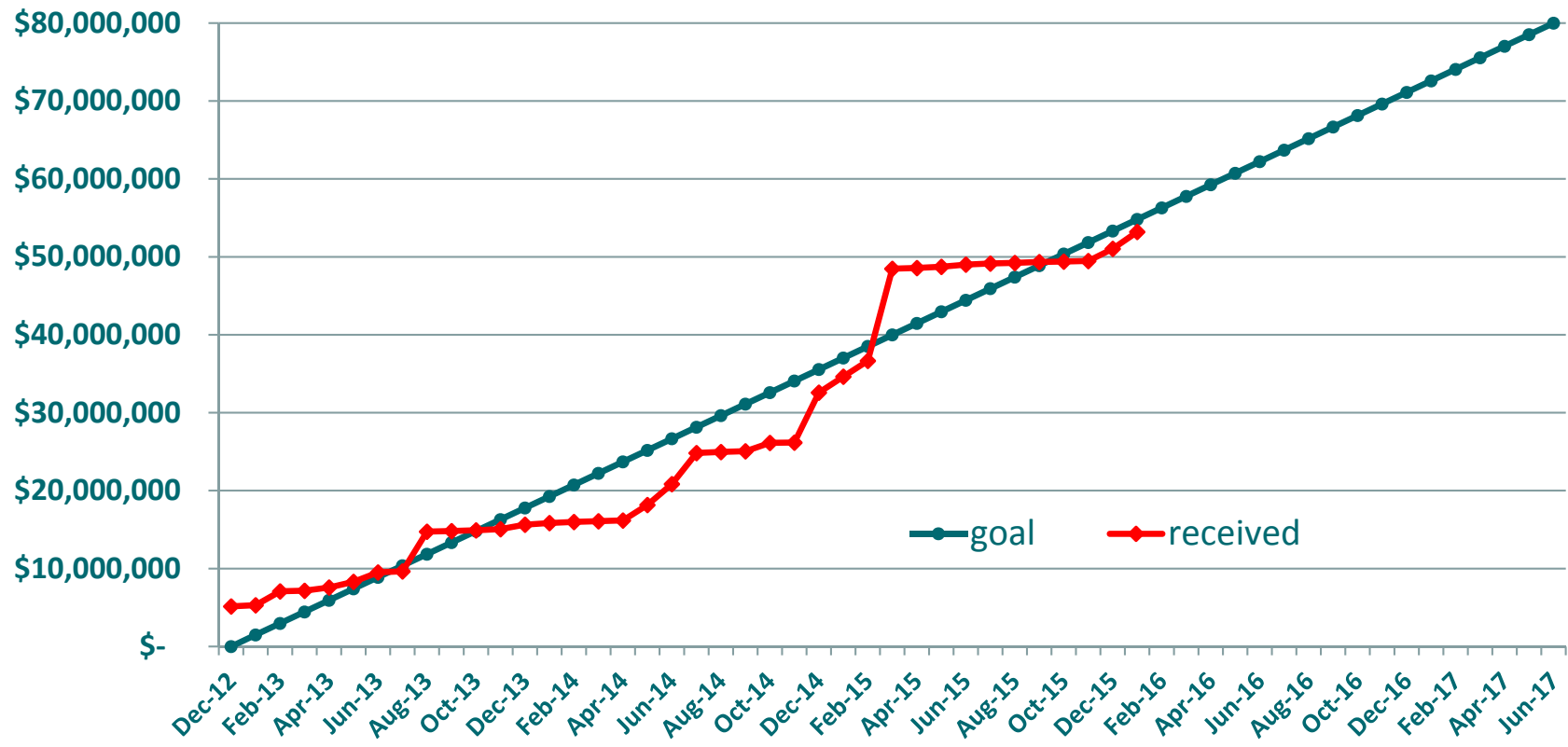


Campaign for Intercollegiate Athletics

- \$80 million campaign publicly announced
- Raised \$53.2 million to date



Campaign for Intercollegiate Athletics



Armstrong Student Center East Wing

- Fundraising target: \$6 million for East Wing
- \$7.2 million raised to date

The Humanities Center

- Fundraising target: \$1.5 million (NEH Challenge Grant, by July 2019)
- FY'15 Fundraising goal of \$150,000 achieved
- Raised to date: \$312,000
- Goal to qualify for \$150,000 FY'16 match: \$450,000

New Advancement Initiatives

- What is next?
 - Wealth Screening
 - Refreshed database prospect/donor information
 - First phase complete
 - Crowdsourcing Implementation
 - Beta testing currently
 - Staff Additions
 - IT, Alumni Relations, Communications – in process

Pride of Case V Awards

#MoveInMiami

- Gold/Platinum finalist – Best Practices in Fundraising
- Gold – Best Program in Annual Giving

Graduating Champions Campaign Case Statement

- Gold – Best Program in Cultivation Publications

Be Mine Miami, tumblr

- Gold – Best Use of Social Media

Pride of Case V Awards

#MUThankU (Day Without Donors)

- Bronze – Best Collaborative Program

Endowment Annual Report

- Bronze – Best Program in Donor Recognition

Giving Tribute

- Bronze – Best Tabloid/Newsletter

Thank you!



Reporting Update
Item 2

ADMISSION UPDATE

Board of Trustees Meeting February 16, 2016

Finance and Audit Committee



Key Enrollment Goals

Fall 2016

First-Year Objectives

- » 3,650 first-year target
- » Manage divisional enrollment targets
- » Maintain quality
- » Increase selectivity
- » Increase non-resident enrollment
- » Increase ethnic/racial diversity

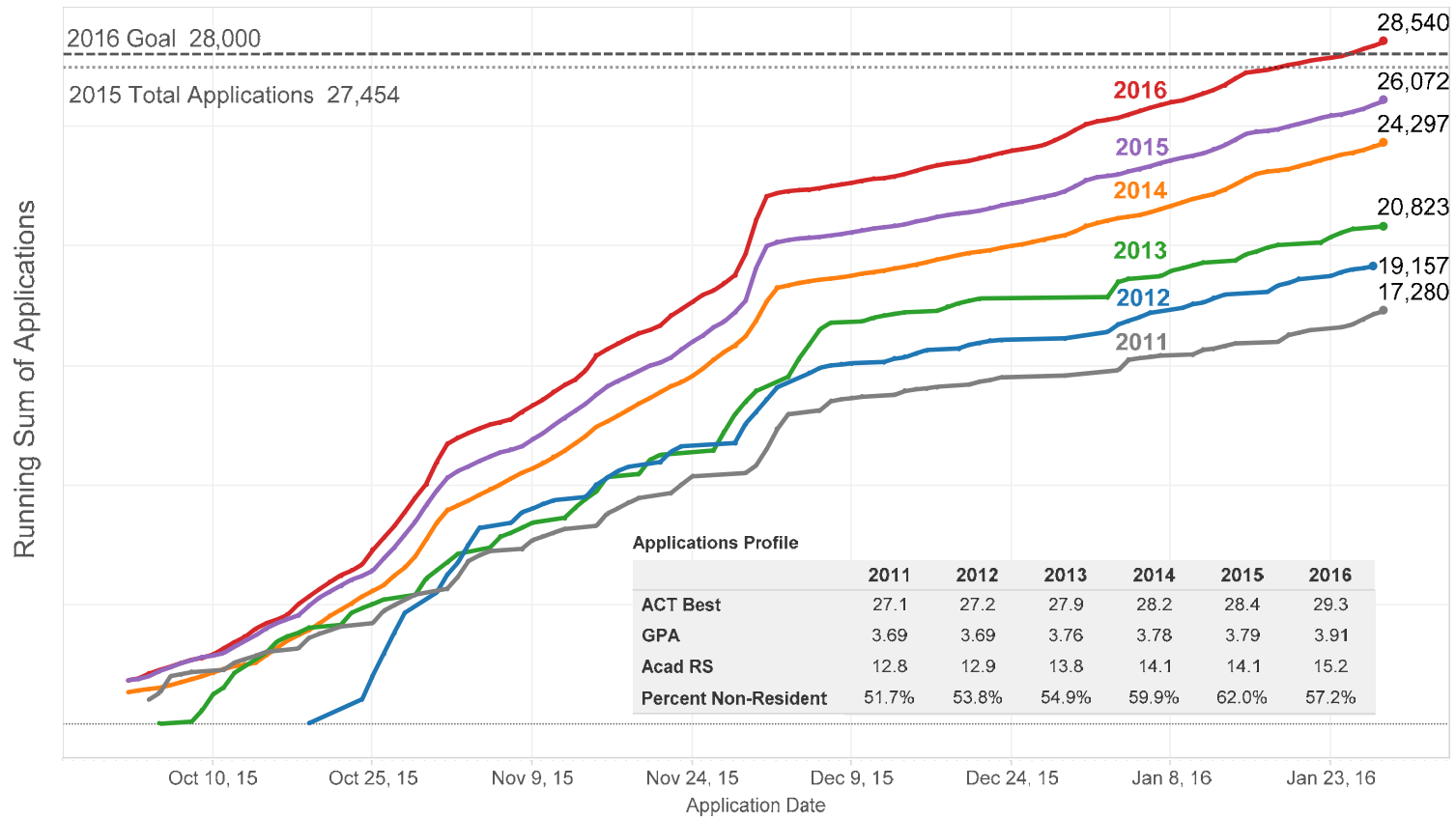
Other Enrollment Objectives

- » Maintain ACE Program enrollment
- » Maintain transfer enrollment
- » Spring Admit Program
- » Meet Net Tuition Revenue targets



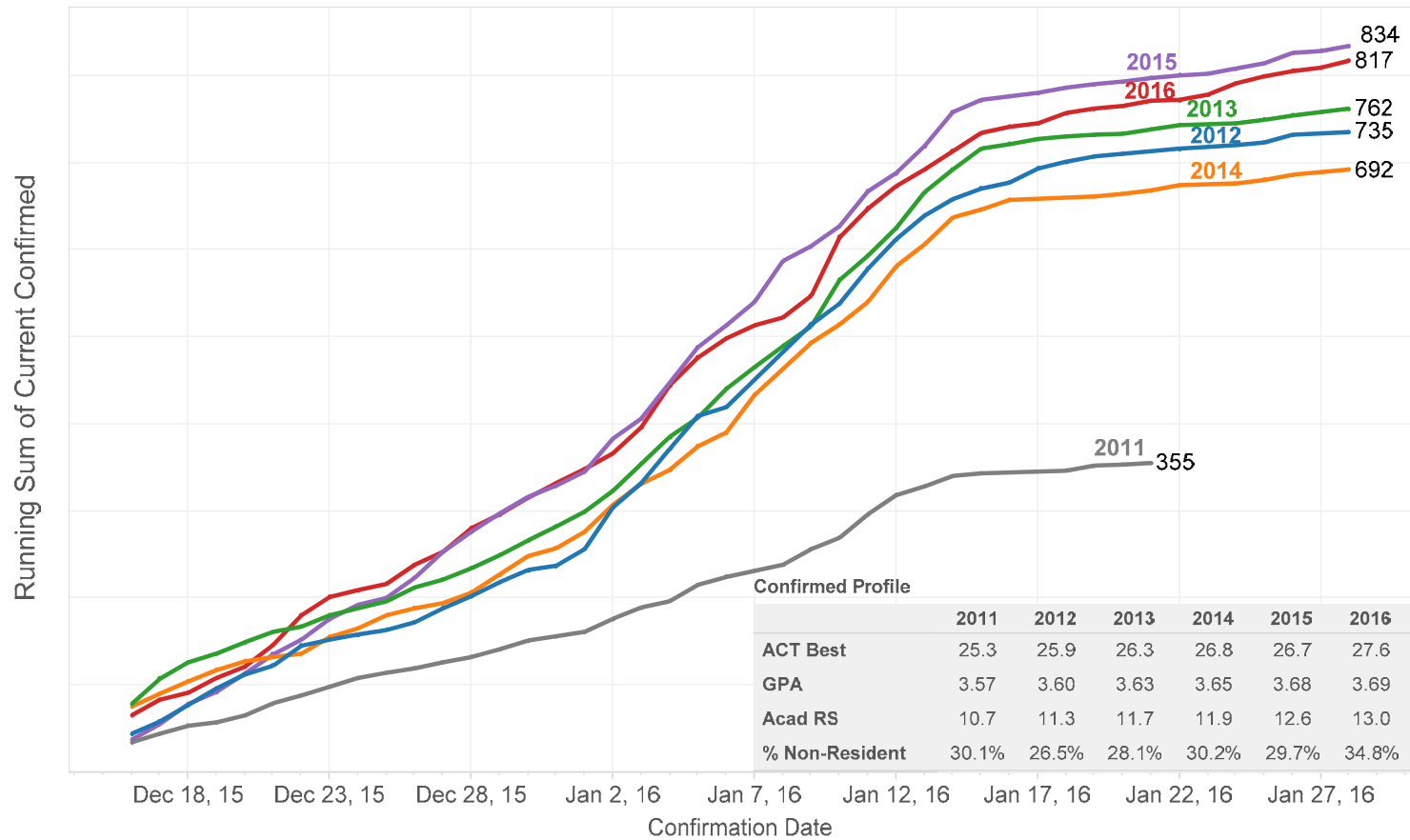
Application and Key Indicator History

Fall 2016



Confirmations and Key Indicator History

Fall 2016



To: Finance and Audit Committee *Barbara K. Jena*

From: Barbara K. Jena, Director of Internal Audit and Consulting Services

Subject: **Internal Audit & Consulting Services** - High Risk Reporting Update

Date: January 29, 2016

Two of the four IT issues were closed and one was added. The IT Network Penetration Testing issue was closed and replaced by the IT Vulnerability Management issue 1/2016. The End User Device Inventory issue was also closed as further described on page 6. This leaves three current IT issues: two from the 1/2015 Securing Confidential Information report that pertain to 1) IT security training and 2) detecting and correcting exposed personally identifiable information; and the 1/2016 IT Vulnerability Management issue. IT Services has made a business case (referred to as the "IT Security Controls proposal") requesting funding to deal with all these issues.

The Registrar has been addressing the four issues that arose in the 7/2015 audit of academic record updates as further described on pages 3-4.

Audit Issue Status

Risk Level	Open audit	Added	Closed	Open audit
	issues			issues
	11/6/2015			1/29/2016
High	8	1	2	7

Attachment

Cc: David K. Creamer

Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
1	117.1 - Securing Confidential Information-Procedure Review- 1/2015	1/16/2015	4/30/2016	High	IT Services	<p>It is recommended that IT Services work with Human Resources and Academic Personnel management to:</p> <ol style="list-style-type: none"> 1. require that all new employees (including students) receive appropriate training regarding Miami's information security practices; 2. require that all employees (including students) receive appropriate updates on information security annually; 3. provide appropriate employees with clear documentation detailing the approved mediums for communicating Personally Identifiable Information; and, 4. establish procedures to hold employees who have received training accountable by receiving appropriate disciplinary action for violating Miami's information security practices. 	Joe Bazeley, Assistant VP for Security, Compliance & Risk Management	Management concurs. Funding to address objectives one and two has been requested in the IT Security Controls proposal. Objectives three and four are being addressed in the MU Confidential Data Guidelines and Technical Standards document, in draft as of 1/2016. Implementation will take 2 months after funding is received. As of 1/25/16, no funding has been made available. Funding is expected by 2/29/16. If that does not occur, the due date will need to be pushed back.
2	117.2 - Securing Confidential Information- Procedure Review- 1/2015	1/16/2015	6/30/2016	High	IT Services	<p>It is recommended that IT Services management continue to investigate and implement methods to detect and correct exposed Personally Identifiable Information (PII). IT Services should work with General Counsel to define PII.</p>	Joe Bazeley, Assistant VP for Security, Compliance & Risk Management	Management concurs. Funding to address this issue has been requested in the IT Security Controls proposal. Implementation will take 4 months after funding is received. As of 1/25/16, no funding has been made available. Funding is expected by 2/29/16. If that does not occur, the due date will need to be pushed back.
3	137.1 - IT Vulnerability Management - 1/2016	1/9/2016	6/30/2016	High	IT Services	<p>A process should be in place to detect, classify by risk level, and timely remediate vulnerabilities to Miami-owned computing devices. IACS recommends IT Services fully establish and maintain a process to timely remediate vulnerabilities to Miami-owned computing devices.</p>	Joe Bazeley, Assistant VP for Security, Compliance & Risk Management	<p>Management concurred and made the following points:</p> <ol style="list-style-type: none"> 1. The University's current security protocol, which relies on open source tools to enable still largely manual processes, must be upgraded to enterprise-capable technologies that automatically scan and identify potential vulnerabilities. Along with technology, in order to achieve sustainable capability improvements, the investment in security must include on-going training for dedicated information security practitioners. 2. Information Security will continue to partner with Finance in advancing these critical investment requests through the appropriate University processes. In the meantime, IT Services will continue to leverage available capabilities (e.g. data center firewall, perimeter firewall, intrusion prevention system, and other manual vulnerability management practices) to mitigate the University's vulnerability risk. 3. For those technology owners who have chosen to retain management responsibility, Vulnerability Management Standards have been developed and shared with division-level technology leaders (i.e. the Academic Directors of Technology). 4. The Vulnerability Management Standards will be fully operationalized by the end of March 2016, and we should have sufficient data to be audited for compliance against those standards by the end of June 2016.

Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
4	104.1 - Audit of Academic Record Updates - 7/2015	7/28/2015	2/29/2016	High	Enrollment Management & Student Success	IACS recommends that the Office of the University Registrar work with the Office of Student Financial Assistance to revise current procedures for determining withdrawal dates to align with federal regulation 34 CFR § 668.22. The University Registrar should work with the Office of the Provost to enforce the procedures as needed.	David Sauter, University Registrar	<p>Management concurred 7/2015 stating, "The Office of the University Registrar concurs with the finding that current procedures are insufficient to comply with the regulation to determine withdrawal dates."</p> <p>In a 10/2015 update, management stated, "(1) Photorooster (faculty class list) provides information as to student (a) attending or (b) last attended/never attended; (2) University Lean Initiative will provide policy and process changes to require one online form, notification and signatory workflow, and process improvements across the University for all academic and medical withdrawals." The Lean initiative is an IT project and there is no estimate of when it will be placed into production.</p> <p>Management reported 11/2015 that interim measures for determining withdrawal dates in alignment with federal regulation were put in place 9/10/2015 and that changes in other withdrawal procedures resulted in a 60% drop in instances requiring follow-up with faculty. IACS has a follow-up audit scheduled for 2/2016 to determine if appropriate action has been taken to resolve this issue.</p>
5	104.2 - Audit of Academic Record Updates - 7/2015	7/28/2015	8/31/2016	High	Enrollment Management & Student Success	IACS recommends that appropriate policies and procedures be established to document if a student began attendance in any class. In order to obtain and maintain such documentation consistently and timely, the Office of the University Registrar should work with the Office of Student Financial Assistance and the Office of the Provost in designing and enforcing the policies and procedures.	David Sauter, University Registrar	<p>Management concurred 7/2015 stating, "The Office of the University Registrar concurs with the finding that current procedures are insufficient to comply with the regulation to determine if a student began attendance in a class."</p> <p>In a 10/2015 update, management stated that policies and procedures are under development that will document if a student began attendance in any class. More specifically, plans are to discontinue student web class drops once classes begin in order to record attendance information from faculty, using the photo roster drop process. From 11/2015, the proposed new drop date policy and class attendance policy has been under review by Academic Affairs and issues arose with proposed implementation August 2016. In the interim, management stated 11/2015 that manual mitigating measures were in place contacting faculty to determine if a student began attendance in a class and that changes in other withdrawal procedures resulted in a 60% drop in instances requiring follow-up with faculty.</p> <p>IACS has a follow-up audit scheduled for 2/2016.</p>

Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
6	104.3 - Audit of Academic Record Updates - 7/2015	7/28/2015	4/30/2016	High	Enrollment Management & Student Success	<p>IACS recommends the Office of the University Registrar:</p> <p>a. Standardize and improve withdrawal policies and procedures as follows:</p> <p>i. Create a standardized withdrawal form for all campuses and withdrawal scenarios. The form should include information such as reason for withdrawal, last date of attendance or never attended information, registrar's date of receipt, processor and date posted. This form should be completed by registrar staff if not provided otherwise and supporting documentation attached.</p> <p>ii. Retain all withdrawal documents in a central location either electronically or in paper form.</p> <p>iii. Process withdrawal requests in the timeframe required by departmental procedures.</p> <p>b. Define Withdrawal and Enrollment Status codes and their use to improve input accuracy and consistency.</p> <p>c. Retrain employees who process withdrawals, including the Office of Student Financial Assistance and Global Initiatives, to gain proficiency in the established policies and procedures, and to minimize inaccurate input, incomplete documentation and non-execution of required procedures.</p>	David Sauter, University Registrar	<p>Management concurred 7/2015 stating, "The Office of the University Registrar concurs with the finding that current withdrawal policies and procedures are insufficient and need to be standardized and improved. As stated in Management Response #1, a Lean initiative...will automate and standardize the University withdrawal process."</p> <p>In a 10/2015 update, management reported: a.i. and a.ii. Per 104.1, the University LEAN project will include a standardized on-line form, stored electronically for appropriate University access. The Lean initiative is an IT project and there is no estimate of when it will be placed into production.</p> <p>a.iii. Processing will occur within a timeframe established during the LEAN project and in accordance with federal regulations. Based on the current draft LEAN project, the process will require a time length appropriate to secure various signatures and, last dates of attendance, and notifications. This is under discussion by the LEAN project participants as they acknowledge the various types of withdrawals across the University.</p> <p>b. Banner codes have been updated and are stored in the appropriate Banner table.</p> <p>c. Three senior level managers will be re-trained, and each in turn will re-train her/his staff.</p> <p>Management stated 1/2016 that implementation of manual improvements is under consideration, given the delay in the automated solution.</p>
7	104.4 - Audit of Academic Record Updates - 7/2015	7/28/2015	4/30/2016	High	Enrollment Management & Student Success	<p>IACS recommends the Office of the University Registrar continue working with IT Services to automate the grade change process. The automated process should be used by all campuses and include these features:</p> <p>a. email confirmations to the student and the instructor of record</p> <p>b. workflow approvals</p> <p>c. required fields such as the reason for the change</p> <p>d. capability to attach supporting documentation if applicable</p> <p>e. audit trail data such as registrar's date of receipt, processor and date posted</p> <p>f. trend analysis to detect possible fraud</p>	David Sauter, University Registrar	<p>Management concurred 7/2015 stating, "The Office of the University Registrar concurs with the finding that the process of automating grade changes continues until completed and that it be used across the University. This automation has been under development and with minor adjustments will be put into production. The automated process includes workflow approvals, fields to indicate reason(s) for the change, Google document capability, and audit trail data. The process concludes by sending both the instructor and the student e-mail notification that the grade has been changed for a class. Trend analysis can be reviewed via Business Intelligence model under development, either academic-unit-specific (e.g., department, individual faculty member) or administrative offices (e.g., Provost). Full compliance is anticipated early Fall 2015."</p> <p>In a 1/2016 update, management reported that EMSS submitted the grade change automation project request to IT Services on 10/26/2015. It is on the EMSS priority list and awaits assignment of IT resources. As an alternative, internal EMSS resources may be used.</p>

Closed Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Closed	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
1	95.1 - Network Penetration Testing - 3/2014	3/20/2014	1/9/2016	High	IT Services	IACS outsourced a network vulnerability assessment and penetration test to CBTS. The goal of the assessment was to identify gaps in controls and defenses that could allow an attacker to compromise Miami University's systems, expose sensitive data, and cause damage to the University. One high level recommendation was to require that all servers be managed by IT Services and updates pushed from a central location. Vulnerabilities were categorized as high, medium, or low and specific recommendations made to address the identified risks.	Joe Bazeley, Assistant VP for Security, Compliance & Risk Management	<p>Management chose not to implement CBTS's high level recommendation to centralize servers, choosing instead a decentralized approach working with the Academic Directors of Technology across campus. As of September 2015, all 85 servers with high or critical vulnerabilities identified by CBTS (out of 900 sampled) had been resolved. IT Services has been scanning the entire network of Miami-owned computing devices and efforts have been directed towards addressing newly detected high and critical vulnerabilities. As such, those categorized as medium by CBTS were not addressed.</p> <p>Given that all the critical or high risk issues raised by CBTS appear resolved, IACS closed this audit issue (95.1) and issued a new audit recommendation (137.1) to address management of newly detected vulnerabilities to Miami-owned computing devices.</p>

Closed Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Closed	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
2	94.1 - End User Device Inventory 4/2014	6/20/2128	1/24/2132	High	IT Services	<p>It is recommended that IT Services explore tracking all University-owned end user devices. Tracking these devices could reduce or avoid cost by enabling IT Services to:</p> <ol style="list-style-type: none"> 1. reduce the risk of copyright infringement as a result of a negative software licensing audit; 2. reduce the risk that devices and any stored data are lost or stolen with employee turnover; 3. increase the efficiency gained through automation of deployment; 4. improve scheduling for replacement devices; and 5. provide management with the data needed to establish a control limiting the number of devices per employee, if management chose to implement such a control. <p>At their 6/2014 Finance and Audit Committee meeting, the Board directed IT Services and Academic Affairs to implement internal control of University-owned end user devices.</p>	J. Peter Natale, Vice President for Information Technology & CIO; Phyllis Callahan, Provost & Exec. VP for Academic Affairs	<p>IACS closed this comment 1/14/2016, given that IT Services has researched options for tracking all University-owned end user devices as recommended by IACS. IT Services plans to address the first two objectives (1. reduce the risk of copyright infringement as a result of a negative software licensing audit; and 2. reduce the risk that devices and any stored data are lost or stolen with employee turnover) by re-scoping the IT Security Controls proposal. The IT Security Controls proposal is also management's planned approach for addressing three other open audit issues (117.1 and 117.2) regarding Securing Confidential Information and (137.1) regarding IT Vulnerability Management. Below is the IT Services management response to this end-user device issue (94.1):</p> <p>"IT Services was tasked with exploring potential options and alternatives for addressing these issues. As a part of that exploration, Management identified a strong opportunity for alignment between the objectives stated above and the scope of a similar audit finding targeting IT Security Controls. In the Management Response to that finding, which is documented in the January 9th IACS Report entitled IT Vulnerability Management, IT Services advanced a proposal which details the tools, training, and staffing required to establish and maintain a robust, sustainable set of security controls for the University; one which would provide better visibility, oversight, and management for the tens of thousands of devices that operate within the University's internal computing environments on a daily basis, along with the operating systems, services, and applications they contain. It is important to note that the scope of this proposal includes all University-owned data sources, any University-owned end user device that connects to our network, and the University-owned services and devices that synchronize data with end user computing devices. We must acknowledge that in the past few years data has gained the ability to easily move from device to device, so we need to focus our protective efforts on identifying and protecting data sources which will then allow us to control which end user devices have access to sensitive data and therefore need additional protection.</p> <p>Further exploration revealed that in addition to scanning for vulnerabilities, the proposed security technology could be used to scan for other types of artifacts, including the presence of specific software and various forms of personally identifiable information, or PII. Through the advancement of the IT Security Controls proposal, Management believes that the first two objectives of the end-user device recommendation can be achieved. And by re-scoping the first two objectives of the IACS recommendation within the IT Security Controls proposal, Management further believes that objectives 3 and 4 can be met through individual Lean projects specifically targeting process improvements within our existing Miami Buyway portal, including both the deployment of new technology and the decommissioning of legacy equipment.</p> <p>It is therefore Management's recommendation is to re-scope the two audit findings as described above, which we believe will yield the desired outcomes in a sustainable manner at a substantially lower cost."</p>

**Lean Project Update
as of 1/4/2016**

MU-Lean Project Status Totals					Completed Projects			
Division	Active	Completed	Future	Total	Cost Avoidance	Cost Reduction	Revenue Generated	Total
Finance and Business Services	164	667	50	881	\$11,269,646	\$5,080,331	\$4,436,282	\$20,786,259
Procurement Realized*					\$8,352,993	\$3,239,808	\$906,727	\$12,499,528
President+Intercollegiate Athletics	1	1	0	2	\$2,540	\$150,000	\$1,015	\$153,555
Advancement	3	8	1	12	\$37,000	\$213,790	\$100,000	\$350,790
Enrollment	11	24	0	35	\$329,878	\$0	\$37,705	\$367,583
Information Technology Services	5	14	1	20	\$433,113	\$0	\$4,180	\$437,293
Provost (including regionals)	9	7	0	16	\$2,338,367	\$0	\$0	\$2,338,367
Lean Project Total - MU	193	721	52	966	\$22,763,537	\$8,683,929	\$5,485,909	\$36,933,375

*Procurement Realized through September 30, 2015. Procurement increment reported quarterly- July 2015 through September 2015.

MU-Lean Project Changes since 9-1-15 report					Newly Completed Projects since 9-1-15 report			
Division	Newly Active	Newly Completed	Newly Future	New Total	New Cost Avoidance	New Cost Reduction	New Revenue Generated	New Total
Finance and Business Services*	3	36	-1	38	\$177,953	\$93,186	\$234,570	\$505,709
Procurement Realized*					\$0	\$0	\$0	\$0
President+Intercollegiate Athletics	0	0	0	0	\$0	\$0	\$0	\$0
Advancement	0	0	0	0	\$0	\$0	\$0	\$0
Enrollment	0	0	0	0	\$0	\$0	\$0	\$0
Information Technology Services	-2	2	0	0	\$12,000	\$0	\$0	\$12,000
Provost (including regionals)	-2	3	0	1	\$2,336,144	\$0	\$0	\$2,336,144
Lean Project Total - MU	-1	41	-1	39	\$2,526,097	\$93,186	\$234,570	\$2,853,853

Miami University

Statements of Net Position
June 30, 2015 and 2014

	Miami University			
	2015	2015 GASB 68	2015 Pre-GASB 68	2014
Assets				
Current Assets				
Cash and cash equivalents (includes bond proceeds of \$35.4 million)	\$ 100,265,940	\$ -	\$ 100,265,940	\$ 222,217,793
Investments	591,269,861	-	591,269,861	486,452,808
Accounts, pledges and notes receivable, net	50,450,366	-	50,450,366	45,083,632
Inventories	3,300,278	-	3,300,278	4,142,695
Prepaid expenses and deferred charges	4,576,134	-	4,576,134	4,540,143
Total current assets	749,862,579	-	749,862,579	762,437,071
Noncurrent Assets				
Restricted cash and cash equivalents	-	-	-	-
Investments	174,444,558	-	174,444,558	179,581,020
Pledges and notes receivable, net	11,385,011	-	11,385,011	9,801,424
Net Pension Asset	250,519	250,519	-	-
Nondepreciable capital assets	132,113,966	-	132,113,966	122,644,547
Depreciable capital assets, net	916,094,419	-	916,094,419	821,001,420
Total noncurrent assets	1,234,288,473	250,519	1,234,037,954	1,133,028,411
Total assets	\$ 1,984,151,052	\$ 250,519	\$ 1,983,900,533	\$ 1,895,465,482
Deferred Outflows of Resources				
Deferred loss on refunding	214,575	-	214,575	277,378
Deferred outflow - actuarial changes	1,683,515	1,683,515	-	-
Deferred outflow - investment gains/losses	4,277,306	4,277,306	-	-
Deferred outflow - changes in proportionate share	783	783	-	-
Deferred outflow - contribution subs.to msmt date	13,627,483	13,627,483	-	-
Total Deferred Outflows of Resources	\$ 19,803,662	\$ 19,589,087	\$ 214,575	\$ 277,378
Liabilities				
Current Liabilities				
Accounts payable	\$ 35,351,593	\$ -	\$ 35,351,593	\$ 34,278,138
Accrued salaries and wages	15,501,467	-	15,501,467	14,457,070
Accrued compensated absences	1,492,386	-	1,492,386	1,473,335
Unearned revenue	10,912,157	-	10,912,157	7,769,989
Deposits	10,721,326	-	10,721,326	12,513,896
Long-term debt - current portion	27,358,064	-	27,358,064	23,443,064
Other current liabilities	-	-	-	-
Total current liabilities	101,336,993	-	101,336,993	93,935,492
Noncurrent Liabilities				
Accrued compensated absences	17,061,788	-	17,061,788	15,640,527
Bonds payable	628,373,926	-	628,373,926	655,613,190
Capital leases payable	2,403,000	-	2,403,000	2,521,800
Federal Perkins loan program	6,552,992	-	6,552,992	6,475,524
Net Pension Liability	254,748,534	254,748,534	-	-
Other noncurrent liabilities	-	-	-	-
Total noncurrent liabilities	909,140,240	254,748,534	654,391,706	680,251,041
Total liabilities	\$ 1,010,477,233	\$ 254,748,534	\$ 755,728,699	\$ 774,186,533
Deferred Inflows of Resources				
Deferred gains on refunding	870,615	-	870,615	-
Deferred inflow - actuarial changes	1,479,732	1,479,732	-	-
Deferred inflow - investment gains/losses	32,351,826	32,351,826	-	-
Deferred inflow - changes in proportionate share	7,414,463	7,414,463	-	-
Total Deferred Inflows of Resources	\$ 42,116,636	\$ 41,246,021	\$ 870,615	\$ 967,350
Net Position				
Investment in capital assets	\$ 564,091,473	\$ -	\$ 564,091,473	\$ 529,298,910
Restricted:				
Nonexpendable	94,117,310	-	94,117,310	97,225,874
Expendable	82,437,918	-	82,437,918	70,578,905
Unrestricted	210,714,144	(276,154,950)	486,869,094	423,485,288
Total net position	\$ 951,360,845	\$ (276,154,950)	\$ 1,227,515,795	\$ 1,120,588,977

FY14 Net Position is shown prior to restatement

Miami University

Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2015 and 2014

	Miami University			
	2015	2015 GASB 68	2015 Pre-GASB 68	2014
Operating Revenues				
Tuition, fees, and other student charges	\$ 416,605,293		\$ 416,605,293	\$ 389,940,924
Less allowance for student scholarships	(79,552,497)		(79,552,497)	(74,745,160)
Net tuition, fees, and other student charges	337,052,796	-	337,052,796	315,195,764
Sales and services of auxiliary enterprises	145,843,355		145,843,355	137,195,505
Less allowance for student scholarships	(5,451,244)		(5,451,244)	(5,121,827)
Net sales and services of auxiliary enterprises	140,392,111	-	140,392,111	132,073,678
Federal contracts	11,520,909		11,520,909	13,577,688
Gifts	-		-	-
Sales and services of educational activities	1,888,479		1,888,479	2,103,301
Private contracts	2,425,950		2,425,950	3,220,402
State contracts	727,481		727,481	480,090
Local contracts	204,709		204,709	(371,758)
Other	10,241,275		10,241,275	9,981,493
Total operating revenues	504,453,710	-	504,453,710	476,260,658
Operating Expenses				
Education and General				
Instruction and departmental research	178,334,980	(1,205,177)	179,540,157	168,592,629
Separately budgeted research	13,789,283	(153,671)	13,942,954	14,226,594
Public service	3,607,350	(28,059)	3,635,409	2,658,744
Academic support	54,723,216	(936,578)	55,659,794	56,332,879
Student services	23,217,533	(474,369)	23,691,902	21,638,029
Institutional support	44,214,921	(795,226)	45,010,147	43,819,367
Operation and maintenance of plant	32,876,467	(415,813)	33,292,280	33,034,431
Scholarships and fellowships	19,283,546	(1,649)	19,285,195	17,975,846
Auxiliary enterprises	107,586,374	(1,135,170)	108,721,544	104,987,844
Depreciation	43,292,502	-	43,292,502	41,000,538
Other	3,942,247	-	3,942,247	6,470,407
Total operating expenses	524,868,419	(5,145,712)	530,014,131	510,737,308
Net operating (loss) income	(20,414,709)	5,145,712	(25,560,421)	(34,476,650)
Non-Operating Revenues (Expenses)				
State appropriations	69,284,263		69,284,263	72,399,116
Gifts, including those from the University Foundation	28,866,651		28,866,651	21,323,618
Federal grants	20,684,821		20,684,821	23,094,957
Net investment income, net of investment expense of \$2,407,107 for the University and \$3,317,961 for the Foundation in F	10,680,607		10,680,607	42,236,848
State grants	1,151,262		1,151,262	1,250,335
Interest on debt	(28,324,275)		(28,324,275)	(21,326,076)
Payments to Miami University	-		-	-
Other non-operating revenues	2,638,482		2,638,482	3,951,074
Net non-operating revenues (expenses)	104,981,811	-	104,981,811	142,929,872
Income before other revenues, expenses, and gains or losses	84,567,102	5,145,712	79,421,390	108,453,222
Other Revenues, Expenses, Gains or Losses				
State capital appropriation	14,558,787		14,558,787	15,719,213
Capital grants and gifts	12,115,252		12,115,252	11,793,811
Additions to permanent endowments	831,390		831,390	593,902
Total other revenues, expenses, gains, or losses	27,505,429	-	27,505,429	28,106,926
Change in net position	112,072,531	5,145,712	106,926,819	136,560,148
Total net position at beginning of year	839,288,314	(281,300,662)	1,120,588,977	984,028,829
Total net position at end of year	\$ 951,360,845	\$ (276,154,950)	\$ 1,227,515,796	\$ 1,120,588,977