



**BOARD OF TRUSTEES  
 MIAMI UNIVERSITY  
 Minutes of the Finance and Audit Committee Meeting  
 June 23, 2016  
 104 Roudebush Hall**

The Finance and Audit Committee of the Miami University Board of Trustees on June 23, 2016 in Roudebush Hall, Room 104, on the Oxford campus. The meeting was called to order by Committee Chair Mark Ridenour at 1:15 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 John Pascoe and Robert Shroder, National Trustees Terry Hershey and Diane Perlmutter, and Student Trustees Alex Boster and Ciara Lawson.

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; and Michael Kabbaz, Vice President for Enrollment Management and Student Success; and Pete Natale, Vice President for Information Technology, were present. Also present were; Robin Parker, General Counsel; Deedie Dowdle, Associate Vice President for Communications and Marketing; Maria Cronley, Associate Provost; 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; Sarah Persinger, Controller; Joe Bazeley, Assistant Vice President for IT, and Information Security Officer; Troy Travis, Assistant Vice President for IT, Enterprise Operations; Dr. Amit Shukla, Chair, Fiscal Priorities and Budget Planning Committee; Rebekah Keasling, Assistant Dean, Farmer School of Business; ; Jeremy Davis, Sr. Director of Operations; Barbara Jena, Director of Internal Audit and Consulting; Randi Thomas, Director of Institutional Relations; Lindsay Carpenter, Manager, Academic Affairs Budgets; Carol Johnson, Assistant Director of University News and Communication; Maggie Reilly, Student Body President; and Ted Pickerill, Secretary to the Board of Trustees.

**Executive Session**

Chair Mark Ridenour welcomed everyone to the meeting. Trustee Bhati then moved, Trustee Budig seconded, and by unanimous vote 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, compensation of public employees, and the purchase or sale of property. Following adjournment of the Executive Session, the Committee returned to public session.

## **Public Business Session**

### **Approval of the Minutes**

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

### **Advancement Update**

Vice President Herbert provided an update on Advancement. He outlined the progress on 2016 focus areas, stating the Miami Promise Scholarships are running ahead of goal, that Graduating Champions has raised \$57.2 million to date towards an \$80 million goal, and that the Humanities Center, qualified for the current match.

He also stated that he has updated the incoming president, discussing the possibilities for any future campaign.

Vice President Herbert's presentation is included as Attachment A.

### **Report on Facilities, Construction and Real Estate**

Associate Vice President Cody Powell, updated the Committee on facilities, and capital project construction. He stated that major projects, such as Armstrong Student Center Phase II, the Gunlock Family Athletic Performance Center, North Quad renovation, and the Shriver Center Phase I, all are on track or ahead of schedule. He also informed the Committee that, with the removal of Withrow Hall, the university will likely need to address the reduction in court space on campus at some point in the future.

Senior Vice President Creamer addressed each of the resolutions. In regard to the Hughes Hall project, he explained there are five phases involved in ensuring the availability of laboratory space on the Oxford Campus as a result of the upcoming renovation of Pearson Hall. The first of these projects is the construction of additional lab space in Hughes Hall that will provide swing space for the upcoming renovation of Pearson Hall and respond to the growing needs of the engineering program. He then informed the Committee that by constructing two North Quad projects at the same time the university will save several million dollars versus constructing them consecutively; also, this will allow for improvement of the pedestrian areas surrounding the site. Funding for the proposed construction will come from existing bond funds.

He was asked, why only 270 beds? He explained the number is constrained by the site, location, ground slope, and maintaining a comparable scale to the surrounding buildings.

The resolutions were then considered. Trustee Gooden moved, Trustee Wilson seconded, and by unanimous voice vote, the Committee recommended approval of the local administration resolution by the full Board of Trustees.

Trustee Gooden moved, Trustee Altman seconded, and by unanimous voice vote, the Committee recommended approval of the Hughes Hall resolution by the full Board of Trustees.

Trustee Altman moved, Trustee Coletti seconded, and by unanimous voice vote, the Committee recommended approval of the tennis court residence hall resolution by the full Board of Trustees.

Trustee Altman moved, Trustee Coletti seconded, and by unanimous voice vote, the Committee recommended approval of the Withrow Hall resolution by the full Board of Trustees.

Trustee Altman moved, Trustee Gooden seconded, and by unanimous voice vote, the Committee recommended approval of the utility easement resolution by the full Board of Trustees.

The associated report and presentation are included as Attachment B. All Finance and Audit Committee resolutions and ordinances, and supporting materials, are included as Attachment C.

### **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 it is expected to be a positive financial year, due to a larger than expected fall 2015, freshman class. He then discussed the State of Ohio budget, which shows negative trends in state tax revenues with rising Medicaid and rising primary and secondary education spending. The trends have the potential to reduce funding available for other areas of the state budget, especially higher education.

The associated materials are included as Attachment D.

### **Response to the Governor's Task Force**

Dr. Creamer provided an overview of the history and charge to Ohio's public universities. He explained how Ohio's public colleges and universities are in different situations as they addressed these mandates, depending on their past actions. Miami was the first university in the State to conduct a serious review by an external consultant, before the mandate required of all universities to do so. Information on these prior reviews is included in the report.

The report includes a \$30 million goal for undergraduate scholarships, participation in statewide purchasing initiatives, a space unitization evaluation, and

executing an e-bookstore model. He added the report will be formatted to meet State specifications.

Dr. Amit Shukla, Chair, Fiscal Priorities and Budget Planning Committee, thanked Dr. Creamer and his staff for their efforts, and added that opportunities for a reduced time to degree will also have a significant impact on the total cost to students.

Trustee Wilson moved, Trustee Bhati seconded, and by unanimous voice vote, the Committee recommended approval of the resolution to adopt the proposed report by the full Board of Trustees.

All Finance and Audit Committee resolutions and ordinances, and supporting materials, are included as Attachment C.

### **FY2017 Budget Appropriation Ordinance**

Senior Vice President Creamer presented the proposed budget. He reviewed the major budget assumptions and the proposed major program improvements, such as a salary pool of 3% for all employees. He also provided a breakdown in the use and changes to the General Fee.

He next reviewed the divisional RCM budgets, and informed the Committee that the College of Engineering no longer required a subvention to achieve a positive variance. Subvention does continue for the College of Creative Arts. He also reviewed the Auxiliary Enterprise budgets, scholarship funding, cost reductions, and changes in employee totals by area.

The long range budget assumptions were presented, showing a steady level of incoming students at 3,700, and annual tuition increases limited to no more than 2% for continuing students.

It was discussed that the budget should not only be balanced but should include a net operating goal of 3%. The regional campus proposed budget and long range budget assumptions were also discussed, along with an examination of the “true up” for balancing credit hour enrollment by Oxford students taking courses on the regional campuses.

Trustee Wilson moved, Trustee Bhati seconded, and the Committee voted to recommend approval of the Budget Appropriation by the full Board of Trustees.

All Finance and Audit Committee resolutions and ordinances, and supporting materials, are included as Attachment C.



### **Annual Endowment Spending Distribution**

Bruce Guiot, Chief Investment Officer, discussed the annual endowment spending distribution formula. He stated it is weighted 70% in inflation (using CPI) and 30% for market value. The distribution will be 4.5%, with underwater funds receiving dividends and interest, rather than the full amount of the distribution.

Trustee Budig moved, Trustee Bhati seconded, and by unanimous voice vote, the Committee recommended approval of the annual distribution formula by the full Board of Trustees.

All Finance and Audit Committee resolutions and ordinances, and supporting materials, are included as Attachment C.

### **Quasi-Endowments**

Mr. Guiot described the five quasi-endowments proposed by the Farmer School of Business.

Trustee Wilson moved, Trustee Gooden seconded, and by unanimous voice vote, the Committee recommended approval of the quasi-endowments by the full Board of Trustees.

All Finance and Audit Committee resolutions and ordinances are included as Attachment C.

### **Internal Audit Update**

Barbara Jena, Director of Internal Audit and Consulting, provided two reports for committee. A status report of audit activities, with all divisions included, and an internal audit issues log.

The status report showed that the items in the audit plan had either been accomplished or were in progress with accomplishment expected. She highlighted the review of academic record updates, including class withdrawal dates, which found recommendations for improvement, and the Provost has now communicated to faculty, the need to get grades entered in a timely manner. She also highlighted Kreger Hall construction, which was found to have complied with all State requirements, and she is now reviewing additional projects funded by the State of Ohio capital appropriation. She reviewed the gift processing audit, which found recommendations for improvement that are now being addressed, one as a Lean project.

She then reviewed the internal audit issues log. Each entry includes the person responsible, with whom Ms. Jena works to correct the issue. The number of open issues has been reduced from 31 to 25, with 19 closed. Seven remaining issues are high risk, with three in IT, but a number of tools have now been purchased to correct these issues.

The other four issues are in Registrar areas; one is related to withdrawals, which is being addressed manually, with a follow-up audit now in progress. The other three Registrar issues require IT support to correct, with Vice President Natale stating university IT lacked sufficient resources to promptly address these corrections, and in cases where IT cannot provide adequate support, outsourcing is recommended. It was noted that the issues involved were high priority, involving federal compliance, and Vice President Kabbaz stated he would make all arrangements to obtain an outside contractor to see the remaining issues corrected.

Ms. Jenna concluded by confirming she is independent, reporting to the Committee as auditor, with administrative support from Finance and Business Services.

The associated materials are included as Attachment E.

### **Forward Agenda and Annual Review**

Chair Ridenour reviewed the forward agenda, there were no comments or questions. The Committee charter was also reviewed, with no corrective suggestions or comments received.

Director of Institutional Relations, Randi Thomas, was then recognized for securing the contract to host Buckeye Boys State, beginning in 2017.

The forward agenda and the Committee Charter are included as Attachment F.

### **Additional Reports**

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

Enrollment Report, Attachment G  
Report on cash and Investments, Attachment H  
Lean Project Update, Attachment I

### **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

# *University Advancement Report*

**Tom Herbert, J.D.**

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



MIAMI UNIVERSITY

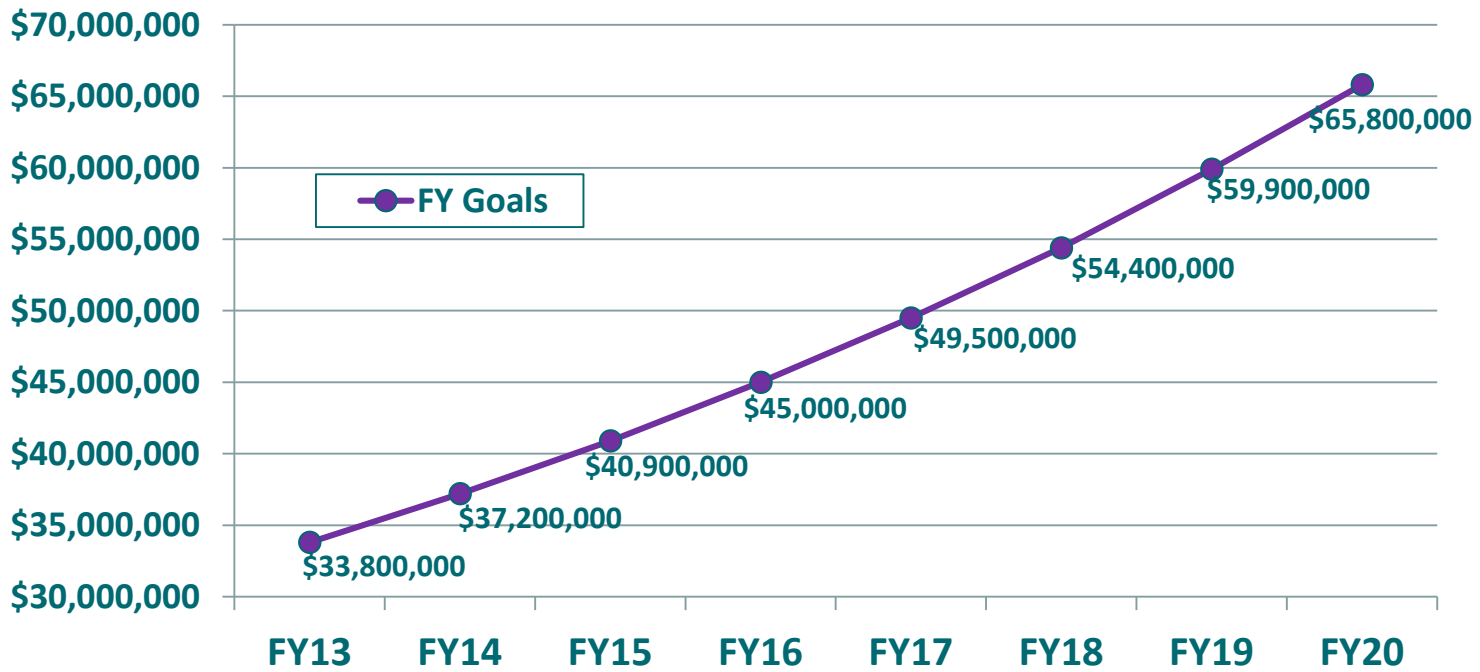
# *Topics*

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

# *2020 Plan Fundraising Update*



# 2020 Plan Fundraising Update



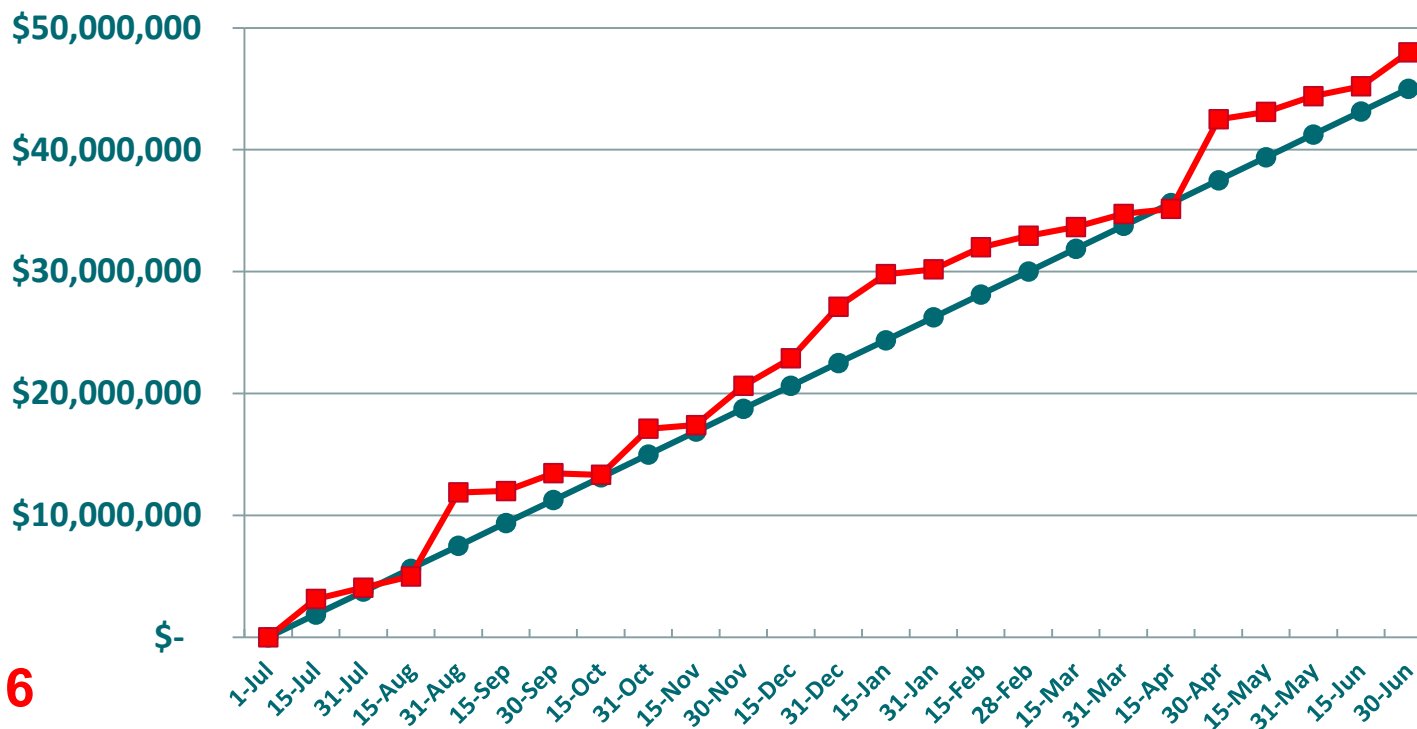
## *2020 Plan Fundraising Update*

### FY'16:

- Goal : \$45,000,000
- Raised to date: \$48,000,000 (107% of goal)

# 2020 Plan Fundraising Update

**FY'16**





# *Fundraising Focus FY'16*

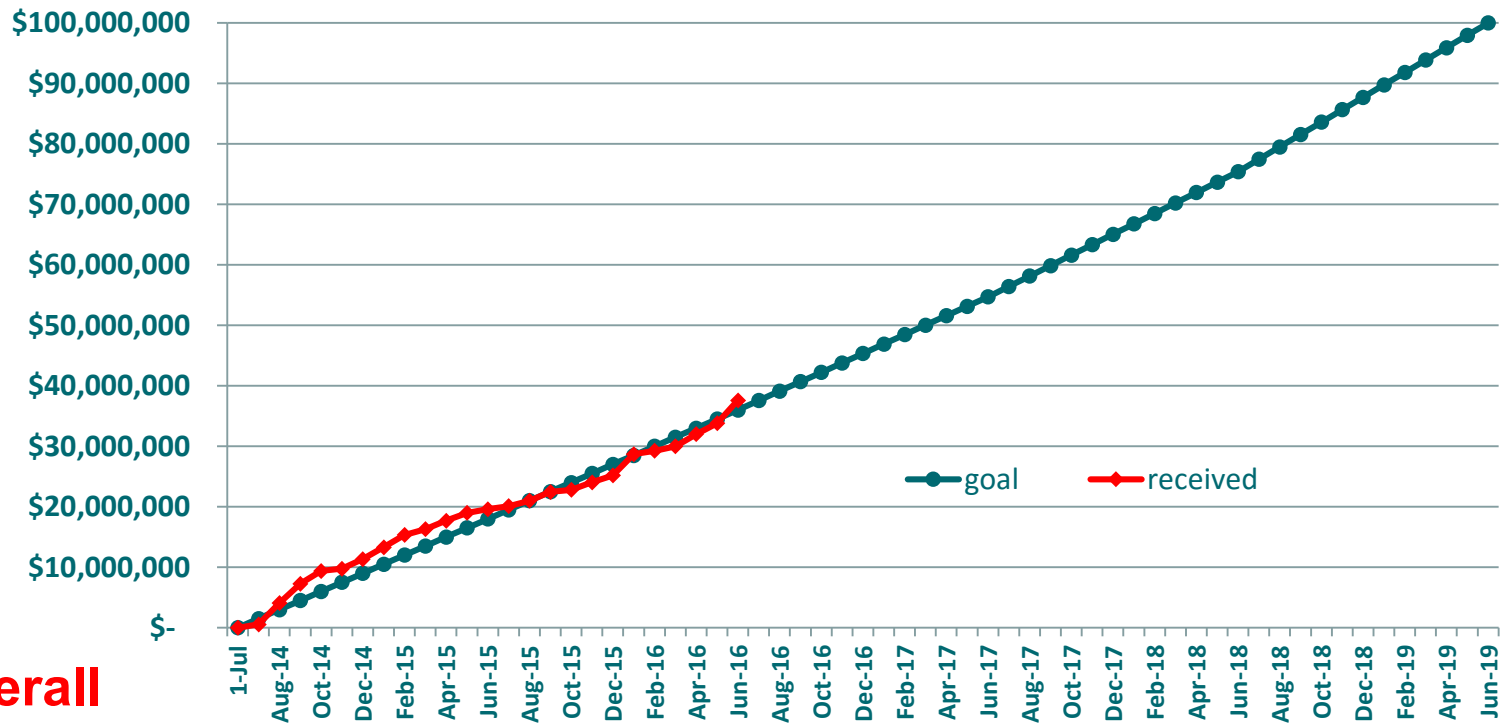


## *Miami Promise Scholarship Campaign goals*

- FY'15: \$18.0 million -- \$19.8 million raised
- FY'16: \$18.0 million -- \$17.8 million received to date
- FY'17: \$18.7 million
- FY'18: \$20.7 million
- FY'19: \$24.6 million

# Miami Promise Scholarship Campaign

**Overall**

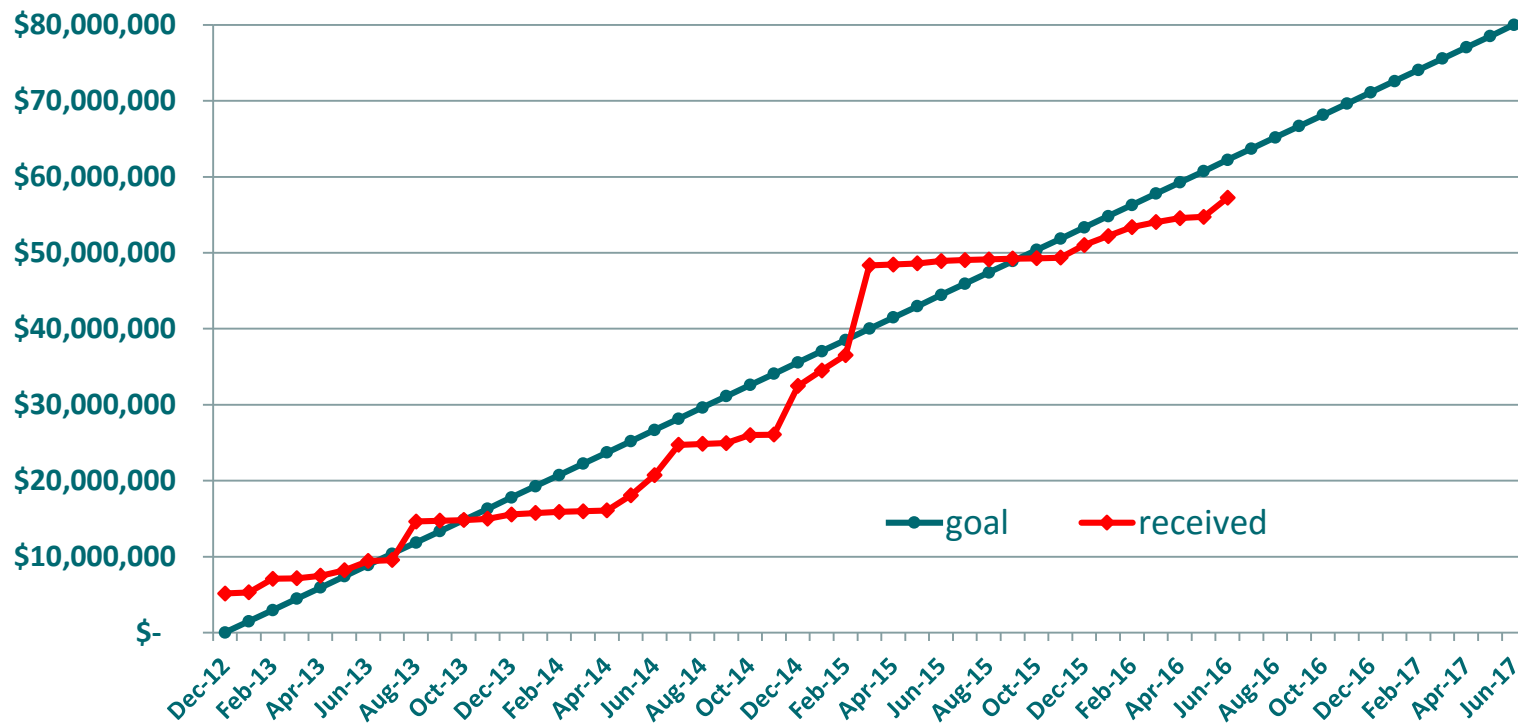


## *Graduating Champions Campaign*

- \$80 million campaign publicly announced
- Raised \$57.2 million to date



# Graduating Champions Campaign



## *The Humanities Center*

- Fundraising target: \$1.5 million (NEH Challenge Grant, by July 2019)
- Goal to qualify for \$150,000 FY'16 match: \$450,000
- Total raised this FY: \$486,000
- Total raised since challenge began: \$636,500

## *Presidential Transition & Campaign Planning*

- President and Renate Crawford “Roll Out”
  - Heavy involvement of volunteers
- Comprehensive Campaign Planning
  - Wealth Screening complete
  - Staffing models being developed
  - Brief our next president on 7/27/16
  - Campaign timing

*Thank you!*





Business Session  
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(513) 529-1732 Fax  
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## Status of Capital Projects Executive Summary June 23, 2016

### 1. Projects completed:

One major project was completed since the last report. The planned deconstruction of Withrow Court necessitated the relocation of University Archives. However, the Libraries took advantage of this situation to improve services and reduce the cost of operation by co-locating University Archives with the Special Collections area within King Library. In addition, the project consolidated and improved the Howe Writing Center space in a prominent location on the first floor of King. The project was completed on time and on budget. Fifteen projects under \$500,000 were completed since the last report.

### 2. Projects added:

Two new major projects and five projects under \$500,000 were added during this reporting period. A new residence hall is being planned on the north end of campus. An addition planned for Clawson Hall and the renovation of Swing Hall were determined to be not cost effective upon further investigation. The loss of these beds, coupled with the continued success in student enrollment have led to the recommendation of the new residence hall. The renovation of Clawson Hall and deconstruction of Mary Lyon on the Western Campus has given us the opportunity to complete the second phase of the Western Walk pedestrian and landscape improvements.

### 3. Projects in progress:

Steel has now been erected between Armstrong Student Center and the building formerly known as Culler Hall – soon to be the East Wing of Armstrong. The project remains on schedule. The North Quad Renovation is nearing completion. Two of the four residence halls have received their certificates of occupancy from the State. The remaining two residence halls are expected to receive their occupancy permits by July 1. The renovation of Martin Dining Hall is also part of the project and is expected to be complete by the end of July. As the North Quad nears completion, Clawson and Hamilton Halls have come off-line to begin renovations. Abatement and demolition has just begun in each of these residence halls. Gunlock Family Athletic Performance Center remains on schedule. The renovation of Shriver Center continues to make good progress with spaces being reconfigured, new mechanical systems being installed, and finishes taking shape. The second phase of the Western Campus Geothermal system is now underway with drilling of the deep wells and piping infrastructure being installed.

Respectfully submitted,

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

Business Session  
Item 3a

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<u>Summary of Active Projects</u>		
	<u>Number of Projects</u>	<u>Value</u>
<b>Under Construction</b>	17	\$231,214,835
<b>In Design</b>	5	\$118,100,000
<b>In Planning</b>	4	\$29,700,000
<b>Projects Under \$500,000</b>	87	\$17,965,070
	<b>113</b>	<b>\$396,979,905</b>

<u>New Projects Over \$500,000</u>	
<b>New Residence Hall – North Quad Withrow Court Site</b>	<b>Page 20, Item 4</b>
<b>Western Walk – Phase II</b>	<b>Page 24, Item 4</b>

<u>Projects Completed Since Last Report</u>	
<b>King Library Improvements</b>	<b>\$1,720,733</b>
<b>Total</b>	<b>\$1,720,733</b>

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

**1. Armstrong Student Center, Phase 2, East Wing: (BOT Sep '15)**

Russell

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 East Wing 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.

Safety for the workers and all those adjacent to the construction site is our prime concern. Work is progressing without incident.

The concrete footings and foundations have been installed for most of the project. The existing auditorium slab on grade (the future Student Senate) has been demolished. Footings for the new, tiered concrete floor have been installed. Concrete shear walls, to reinforce the Culler Hall structure, have been installed. The elevator shaft wall installation is complete. The west wall of Culler Hall has been partially removed and reinforced to open the building to the new Atrium that adjoins phases 1 & 2. The majority of the structural steel erection is complete, including the tie-in to the structure of the Armstrong Student Center, Phase 1. Attic insulation has been installed and the wood rafters are covered with fire-resistant drywall. Ductwork and HVAC components are being installed on all floors. Plumbing rough-in is almost complete. The old windows have been removed and new windows are being installed. The work is progressing on schedule and within budget.



**Armstrong Student Center, Phase 2, East Wing (continued):**

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: 51%  
Construction Complete: 38%  
Project Completion: July 2017

**2. Clawson Hall Renovation: (BOT Feb '16) (Previous Report – In Design)**

Heflin

This project will renovate Clawson Residence Hall as a continuation of the 2010 Housing and Dining Master Plan. Clawson Hall will receive an upgrade in the mechanical systems, fire suppression, energy efficiency, and minor interior renovations.

The design includes improvements in the heating, cooling, electrical, life safety systems and building envelope, and is expected to extend the life of the facility. The limited renovation improves the student experience, but will not address all needs as would a complete renovation or new construction.

The Clawson Hall GMP session was held in early June. Abatement and demolition work have commenced. The project is on schedule and within budget.

Delivery Method: Design-Build

Project Cost	
Design and Administration	\$1,338,417
Cost of Work	\$12,243,583
Contingency	\$1,060,000
Owner Costs	\$358,000
Total	\$15,000,000

Funding Source	
Bond Series 2014	\$14,000,000
Local	\$1,000,000
Total	\$15,000,000

Contingency Balance: 100%  
Construction Complete: 0%  
Project Completion: August 2017



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

Morris

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 connect Yager Stadium to the new Dauch Indoor Sports Center.

Construction is on schedule. Exterior envelope is expected to be dried-in by the end of June 2016. Masonry work is progressing well, with the majority of it completed by the end of summer. Hydrotherapy tubs have been installed. Air handlers, chillers, and water heaters are installed. Interior framing, installation of mechanical and electrical systems, and finishes are ahead of schedule. The curtainwall and storefront are in progress. The geothermal field wells are complete, the vault installed and the ground loop piping complete.



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: 22%  
Construction Complete: 60%  
Project Completion: November 2016

**4. Hamilton Hall Renovation: (BOT Jun '15) (Previous Report – In Design)**

Porchowsky

This project will renovate Hamilton Residence Hall 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.

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.

Abatement is nearing completion and demolition of interior spaces will begin soon. Exterior site work is progressing.

Delivery Method: Design-Build

Project Cost	
Design and Administration	\$1,475,252
Cost of Work	\$18,400,977
Contingency	\$1,830,630
Owner Costs	\$1,293,141
Total	\$23,000,000

Funding Source	
Bond Series 2014	\$23,000,000
Total	\$23,000,000

Contingency Balance: 100%

Construction Complete: 2%

Project Completion: August 2017

**5. North Quad Renovation: (BOT Sep '13)**

Christian

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 on all five buildings is nearly complete. Occupancy certificates for Brandon and Hepburn Halls were issued ahead of schedule on May 20, and are expected on schedule at Hahne and Flower Halls by July 1, and Martin Dining by August 1. For the site work, the hardscape is approximately 75% complete, and final grading and topsoil installation for sod and landscaping is underway. The tunnel top replacement work is expected to be complete from the corner of Tallawanda and Sycamore Streets to the North Chiller Plant by August 17. Unforeseen conditions with electrical and IT cabling inside the tunnels will delay completion of the section in front of the North Chiller Plant until mid-September, but pedestrian access will be maintained on Tallawanda. The underground utility work that was added to the project in support of the new residence hall at the tennis court site is 75% complete.

**North Quad Renovation (continued):**



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: 66%  
 Construction Complete: 90%  
 Project Completion: August 2016

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

Christian

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 develop, 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. An initial submittal of the Phase 2 planning study was completed by the consultants on June 1, and is under review.

Construction of Phase 1 remains on schedule. Interior framing and MEP rough-in is approximately 70% complete. Installation of wall finishes are underway throughout the building, with the 3<sup>rd</sup> floor, west wing being the furthest along at approximately 85%. The installation and activation of three new air handling units is underway and will continue in three-week phases throughout the summer. The passenger elevator cab is under construction, with the service elevator to follow. Completion of the coffee bar in the lower level of the bookstore is on schedule for an August 1 milestone date.



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: 25%  
Construction Complete: 55%  
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.



**7. Western Campus Geothermal Infrastructure, Phase 2: (BOT Feb '16)**

Heflin

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 were 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 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. This project also includes the deconstruction of Mary Lyon Hall, located on the Western Campus.

Well field construction is on schedule. Mechanical systems conversion in Havighurst Hall will be complete by early August 2016. Site piping installation and the electrical infrastructure upgrades are proceeding according to plan. The project is on schedule and within budget.



Delivery Method: Construction Manager at Risk

Project Cost	
Design and Administration	\$929,078
Construction	\$14,050,344
Contingency	\$931,648
Owner Costs	\$688,930
Total	\$16,600,000

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

Contingency Balance: 100%  
Construction Complete: 15%  
Project Completion: July 2017

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

**1. Hamilton Campus Gymnasium Roof Replacement 2016:**

Moss

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.

Construction began in May with a substantial completion expected in August 2016. The contractor is far ahead of schedule. Installation of the roof is approximately 80% complete.

Delivery Method: Single Prime Contracting

Project Cost	
Design and Administration	\$40,000
Cost of Work	\$430,520
Contingency	\$43,000
Owner Costs	\$186,480
Total	\$700,000

Funding Source	
Local	\$700,000
Total	\$700,000

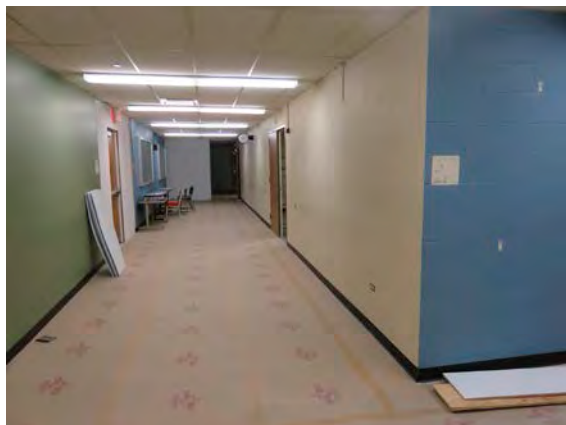
Contingency Balance: 100%  
Construction Complete: 80%  
Project Completion: August 2016

**2. Hughes Hall Laboratories 141/161 Renovation: (Previous Report – In Design)**

Moss

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.

Work began on May 16 with a substantial completion deadline of December 2016. The general contractor is making good progress and is ahead of schedule.



**Hughes Hall Laboratories 141/161 Renovation (continued):**

Delivery Method: Single Prime Contracting

Project Cost	
Design and Administration	\$118,000
Cost of Work	\$807,000
Contingency	\$256,000
Owner Costs	\$219,000
Total	\$1,400,000

Funding Source	
Local	\$1,400,000
Total	\$1,400,000

Contingency Balance: 100%  
Construction Complete: 20%  
Project Completion: December 2016

**3. Irvin Hall Renovations 2016: (Previous Report – In Planning)**

Porchowsky

This project includes a combination of classroom modernization as well as deferred maintenance projects. This work will be completed using single prime contracting as well as state term contractors.

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

HVAC control work, fire alarm system and fire suppression upgrade work is being completed within classrooms and corridors. Once these activities are complete, finishes will be installed.



**Irvin Hall Renovations 2016 (continued):**

Delivery Method: Single Prime Contracting &amp; State Term

<b>Project Cost</b>	
Design and Administration	\$84,500
Cost of Work	\$794,623
Contingency	\$109,000
Owner Costs	\$181,877
Total	\$1,170,000

<b>Funding Source</b>	
Local	\$1,170,000
Total	\$1,170,000

Contingency Balance: 100%  
 Construction Complete: 45%  
 Project Completion: August 2016

**4. Middletown Campus – Gardner Harvey Library Renovation:**

Morris

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

The project began construction immediately following graduation. Demolition is complete. Wall and soffit framing are complete and drywall is underway. MEP and electrical rough-in is in progress. Communication room coordination work is complete. Elevator pit excavation is beginning. Elevator shop drawings were approved and fabrication is in progress.

Delivery Method: Single Prime Contracting

<b>Project Cost</b>	
Design and Administration	\$70,700
Cost of Work	\$661,070
Contingency	\$66,000
Owner Costs	\$82,730
Total	\$880,500

<b>Funding Source</b>	
State	\$877,500
Local	\$3,000
Total	\$880,500

Contingency Balance: 85%  
 Construction Complete: 20%  
 Project Completion: August 2016  
 (Elevator November 2016)



**5. Millett Hall Roof Replacement 2016: (Previous Report – In Design)**

Moss

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.

Work began on May 16 with a substantial completion deadline by November 2016. The work is on schedule.

Delivery Method: Single Prime Contracting

Project Cost	
Design and Administration	\$167,000
Cost of Work	\$1,534,700
Contingency	\$160,000
Owner Costs	\$133,300
Total	\$2,000,000

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

Contingency Balance: 85%

Construction Complete: 20%

Project Completion: November 2016

**6. Ogden Hall Roof Repairs 2016:**

Moss

The copper valleys, flashing, downspouts and gutters in the center core (between the chimneys) are at the end of their useful life and will be replaced with this project. Approximately 20% of the existing barrel tile roof (in the center core between the chimneys) will be replaced. The balance of the roof tile is in good condition and will remain.

Work began on May 16 with a substantial completion deadline of August 2016. The contractor is on schedule and 60% complete.

Delivery Method: Single Prime Contracting

Project Cost	
Design and Administration	\$40,000
Cost of Work	\$365,615
Contingency	\$60,000
Owner Costs	\$284,385
Total	\$750,000

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

Contingency Balance: 100%

Construction Complete: 60%

Project Completion: August 2016

**7. Upham Hall Emergency Generator Replacement and Unit Substation Consolidation:  
(Previous Report – In Design)**

Patterson

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.

Work began in May and is expected to be complete by August 2016.

Delivery Method: Single Prime Contracting

Project Cost	
Design and Administration	\$42,700
Cost of Work	\$652,120
Contingency	\$63,800
Owner Costs	\$6,380
Total	\$765,000

Funding Source	
Local	\$765,000
Total	\$765,000

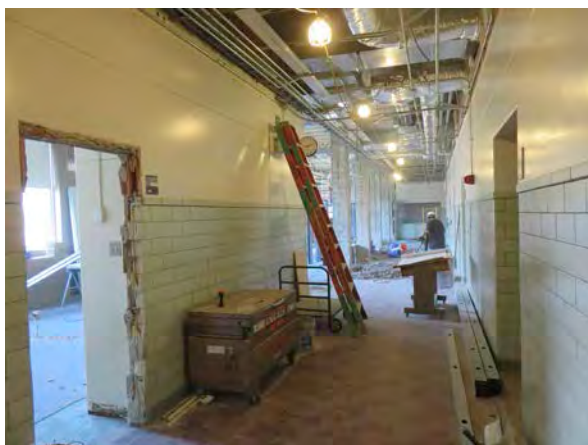
Contingency Balance: 100%  
Construction Complete: 15%  
Project Completion: August 2016

**8. Upham Hall First Floor Renovation:**

Moss

This project will renovate the offices 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.

Work began on May 16 with a substantial completion deadline by August 2016. The work is on schedule.



**Upham Hall First Floor Renovation (continued):**

Delivery Method: Single Prime Contracting

Project Cost	
Design and Administration	\$55,800
Cost of Work	\$546,300
Contingency	\$70,000
Owner Costs	\$178,200
Total	\$850,300

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

Contingency Balance: 100%  
Construction Complete: 50%  
Project Completion: August 2016

**9. Varsity Tennis Courts:**

Dole

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 and viewing area.

The project is on schedule with site utilities, subgrade work, and asphalt paving completed. Court lighting is nearing completion. Chain link court fence and specialty fence installation is ongoing with preparations for concrete flat work underway.



**Varsity Tennis Courts (continued):**

Delivery Method: Design-Build

Project Cost	
Design and Administration	\$350,000
Cost of Work	\$1,450,000
Contingency	\$145,000
Owner Costs	\$55,000
Total	\$2,000,000

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

Contingency Balance: 57%  
Construction Complete: 70%  
Project Completion: July 2016

**10. Yager Site/Infrastructure Improvements:**

Morris

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.

Utility work has been performed in coordination with the foundation and slab of the Gunlock Family Athletic Performance Center. The electric duct bank is complete to provide power to the new tennis facility. IT infrastructure conveyance is complete to the north end of Yager west cable tray. Parking lot completion is anticipated for the summer, in time for fall football season.

Delivery Method: Construction Manager at Risk

Project Cost	
Design and Administration	\$12,000
Cost of Work	\$1,079,000
Contingency	\$25,000
Owner Costs	\$84,000
Total	\$1,200,000

Funding Source	
UEA CR&R	\$200,000
Gifts	\$1,000,000
Total	\$1,200,000

Contingency Balance: 100%  
Construction Complete: 65%  
Project Completion: November 2016

**IN DESIGN  
(Pre-Contract)**

**1. Hughes Hall C-Wing Renovation:**

Porchowsky

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 Design-Builder is currently working on construction documents and GMP negotiations has been scheduled for July 2016.

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

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

**2. Minnich and Scott Halls Renovation:**

Heflin

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.

Program verification is complete and the project is beginning Schematic Design.

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

Funding Source	
TBD	TBD
Total	TBD

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

Christian

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.

Design development is complete. Construction documents are currently being prepared. The GMP budget submission is scheduled for June 2016.

Delivery Method: Construction Manager at Risk  
Estimated Budget: \$38,500,000  
(changed from \$36,500,000)  
Estimated Start: July 2016  
Estimated Completion: July 2018

Funding Source	
Bond Series 2014	\$38,500,000
Total	\$38,500,000

**4. New Residence Hall – North Quad Withrow Court Site: (BOT May '16) (New Project This Report)**

Christian

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 Withrow Court was one of four sites originally identified in the Master Plan. The program calls for approximately 270 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 modified Neo-Georgian architectural style, utilizing materials seen on the other North Quad halls, and incorporating design elements from Withrow Court including replicating the cupola and salvaging selected stone elements for re-use on the main entrance. The project will include minimal hardscape and landscape to connect it to a larger district landscape plan being developed as a separate project. A 2,600 square foot retail space is included in the program in anticipation of a second Starbucks Coffee store.

Schematic Design is complete. An initial GMP budget submission based on the schematic design is scheduled for June 2016.

Delivery Method: Construction Manager at Risk  
Estimated Budget: \$38,500,000  
Estimated Start: July 2016  
Estimated Completion: July 2018

Funding Source	
Bond Series 2014	\$38,500,000
Total	\$38,500,000

**5. Pearson Hall Renovations Phase 1:**

Porchowsky

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 is currently working with user groups to complete design development drawings.

Delivery Method: Design-Build

Estimated Budget: \$30,100,000

Estimated Start: May 2017

Estimated Completion: August 2018

<b>Funding Source</b>	
State Appropriations	\$23,900,000
Local	\$6,200,000
Total	\$30,100,000

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**IN PLANNING  
(Pre-A&E)**

**1. Campus Avenue Building Lower Level Rehab:**

Christian

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.

A planning study for both the initial project scope and a larger plan that includes some reorganization of Enrollment Management has been completed by the consultants and is being reviewed prior to commencing with Schematic Design.

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

**3. TIGER Grant Transportation Improvements:**

Seibert

The University has partnered with the Butler County Regional Transit Authority (BCRTA), the City of Oxford, and the Talawanda School District (TSD) to seek a federal TIGER grant. The project is comprised of regional transportation improvements on two University-owned sites to create a comprehensive public transit system. At Chestnut Fields (the former Talawanda High School site), a new transit center with public lobby, ticketing, BCRTA offices, Talawanda School District bus staff, large vehicle maintenance, bus and large-format vehicle storage and related support spaces will create a new shared transit hub. The site will also have a large-format vehicle wash station, a centralized shared fueling center, and expanded parking for those using the hub. The site planning has been developed to provide a direct link for a future Amtrak platform and stop.

**TIGER Grant Transportation Improvements (continued):**

At Shriver Center, the plan calls for a central bus terminal that serves all outgoing BCRTA bus routes, private apartment shuttles, Barons bus, and visitor buses to an 8+ bus cuing hub, located one story under a new plaza to the south of Shriver Center. The terminal depot also has an underground access drive from Maple Street to Patterson Avenue to reduce pulsing and route times at a point of heavy congestion and density. Directly adjacent to the underground hub and pass thru, the university would take advantage of the site work to co-develop an approximately 300 car parking garage to support the transit hub, Admissions Office move to Shriver, as well as events at the CPA and the Armstrong Student Center.

The grant submission occurred in late April. The awards are recognized in the Fall 2016. If the grant award is successful, the project will use the design-build methodology. The project would require approximately one year for design and would take approximately 18 months to complete construction.

Delivery Method: Design-Build  
Estimated Budget: \$28,000,000  
Estimated Start: November 2017  
Estimated Completion: May 2019

Funding Source	
Federal DOT Grant	\$19,000,000
Local	\$9,000,000
Total	\$28,000,000

**4. Western Walk – Phase II: (New Project This Report)**

Heflin

As part of the Long Range Housing Master Plan, the first phase of the Western Walk was created in 2014. Phase II of this project extends the Western Walk south past Clawson Hall to Boyd and McKee Halls. This also provides an improved connection for students living in Peabody Hall. This plan also establishes a large open commons space for students and continues to improve the aesthetic of the Western Campus.

Delivery Method: Design Build  
Estimated Budget: \$1,700,000  
Estimated Start: Fall 2016  
Estimated Completion: January 2017

Funding Source	
TBD FY 2017	\$1,700,000
Total	\$1,700,000

## COMPLETED PROJECTS

### 1. King Library Improvements:

Heflin

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

The Howe Writing Center opened for use in early March 2016. The Special Collections and Archives renovation was complete in early April 2016. The relocation of the archives materials from Withrow to King Library occurred in late April 2016.

Delivery Method: Single Prime Contracting

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

<b>Project Expense</b>	
Design and Administration	\$205,431
Cost of Work	\$1,312,802
Contingency	\$70,140
Owner Costs	\$85,000
Total	\$1,673,353

Est. Contingency Balance Returned: \$47,360

Est. Contingency Balance Returned Percent of Total: 40%

Est. Bid Savings / VE: \$0

Est. Final Total: \$1,673,353

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

<b>Project</b>	<b>Budget</b>
Airport RSA Grading Project	\$128,320
Alumni Hall – High Bay Roof Replacement	\$250,000
Armstrong Student Center – Stair Tread Replacement	\$107,000
Art Building – Room 011 Photo Darkroom Renovation	\$145,000
Art Building – Room 154 Classroom Renovation	\$139,000
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
Center for Performing Arts – Room 078 Dye Vat Installation	\$147,100
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 – 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 – 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
Havighurst/Clawson-Emergency Generator	\$100,000
Hiestand Hall – Exhaust Improvements	\$70,000
Hiestand Hall - Room 200 - Lab Refresh and Update	\$75,000
HDRBS – HVAC Improvements 2016	\$100,000
HDRBS – MEP Improvements 2016	\$400,000
HDRBS – Residence Halls 2x2 Lighting Retrofit	\$80,000
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 – Sidewalk Remediation	\$235,000
Maplestreet Station – Starbucks Renovation	\$325,000
Marcum Conference Center –Building Window Replacement	\$104,000
McGuffey Drive – Water Line Extension	\$250,000
McGuffey Hall – Multipurpose Learning Center	\$131,680
McGuffey Hall – Room 128 - AV and Computer Equipment Installation	\$85,000
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 Chiller Plant – Roof Replacement	\$200,000
Patterson Place – Exterior Envelope Rehabilitation	\$250,000
Peabody Hall – Lighting and Mechanical Upgrades 2016	\$275,000
Phillips Hall – Entryway Repairs	\$75,000
Phillips Hall – Gymnasium Netting, Room 30 Renovation	\$150,000
Presser Hall Stormwater Pond	\$262,250
Psychology Building – Room 36 Hood and Hall Modifications	\$55,000
Recreational Sports Center – Envelope Evaluation	\$145,000
Recreational Sports Center – Outdoor Pursuits Center	\$90,000
Recreational Sports Center – Scoreboard Replacement	\$500,000
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
Upham Hall – Second Floor Renovation	\$320,000
Utility Group Control Automation Upgrades	\$200,000
Utility Group Network Reconfiguration	\$150,000
VOA – Exterior Repairs	\$100,000
Western Campus – Alumnae Legacy Project	\$340,000
Western Campus Bridge Reconstruction	\$400,000
Western Campus – Water Main Extension	\$332,000
Yager Stadium – Space for Tennis and Golf Teams	\$250,000

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

<b>Project</b>	<b>Original Budget</b>	<b>Returned Funds</b>
Asphalt Maintenance	\$352,000	\$17,770
Farmer School of Business – Room 1036 Classroom Renovation	\$66,000	\$7,000
Farmer School of Business – Room 3075 Renovation	\$53,850	\$0
Farmer School of Business Technology Upgrades	\$126,000	\$0
Hayden Park – FF&E	\$180,000	\$7,400
HDRBS – Exterior Summer Painting 2014	\$50,000	\$1
Maplestreet Station/Etheridge Hall Door Security Additions	\$100,000	\$1,135
Marcum Conference Center Crestron Upgrades	\$85,000	\$35,510
Millett Hall – Carpet Replacement	\$72,500	\$0
Millett Hall – Sub Gym Floor Remediation	\$140,000	\$1,930
Murstein/Glos Electric Service Modification	\$200,000	\$13,350
Parking Garages – Lighting Retrofit	\$140,000	\$3,350
Pearson Hall Laboratory AV Upgrades	\$398,022	\$98,500
Pearson Hall Laboratory Upgrades (267 B-F, G, H)	\$145,850	\$30,000
VOA – AV Upgrades	\$97,000	\$19,150

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## 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.

# Status of Capital Projects Updates

June 23, 2016



# Armstrong Student Center Phase 2

Project Cost: \$23,600,000

Cost of Work: \$18,428,075

Completion Date/% Comp: July 2017/38%

Project Delivery Method: Construction Manager at Risk

Contingency/Balance: \$1,000,000/51%





# Armstrong Student Center Phase 2



# Gunlock Family Athletic Performance Center

Project Cost: \$23,000,000

Cost of Work: \$19,200,000

Completion Date/% Comp: November 2016/60%

Project Delivery Method: Construction Manager at Risk

Contingency/Balance: \$650,000/22%





# Gunlock Family Athletic Performance Center



# North Quad Renovation

Project Cost: \$98,300,000

Cost of Work: \$79,380,873

Completion Date/% Comp: August 2016/90%

Project Delivery Method: Design Build

Contingency/Balance: \$8,397,813/66%





# North Quad Renovation





# North Quad Renovation



# 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 2017/55%

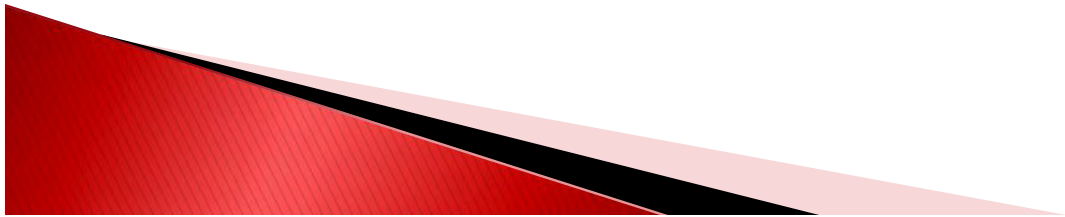
Project Delivery Method: Construction Manager at Risk

Contingency/Balance: \$624,987/25%





# Questions?



Finance and Audit  
June 24, 2016

**RESOLUTION R2016-46**

## Local Administration Competency Certification Program

WHEREAS, the Ohio General Assembly enacted SB310 which appropriated \$23,900,000 to Miami University for capital improvement projects for the 2016-17 biennium; and

WHEREAS, the Local Administration Competency Certification Program allows institutions of higher education to administer state-funded capital facilities projects pursuant to section 3345.51 of the Revised Code without the supervision, control, or approval of the Ohio Department of Administrative Services; and

WHEREAS, the University desires to continue to participate in the Local Administration Competency Certification Program and administer its own capital facilities projects;

THEREFORE, BE IT RESOLVED: that the Miami University Board of Trustees authorizes the university's participation in the Local Administration Certification Program; and

BE IT FURTHER RESOLVED: that the appropriate University officials are directed to take all necessary steps to accomplish that purpose, including, without limitation, giving written notice to the Ohio Board of Regents pursuant to R.C. 3345.51 (A)(2), of the Board's request to administer a capital facilities project within sixty days after the effective date of the section of an act in which the General Assembly initially makes an appropriation for the project; and

BE IT FURTHER RESOLVED: that pursuant to the requirement set forth in R.C. 3345.51(A)(3), the University intends to comply with section 153.13 of the Revised Code, policy and procedure guidelines for contract documents established pursuant to section 153.16 of the Revised Code, and all laws that govern the selection of consultants, preparation and approval of contract documents, receipt of bids, and award of contracts with respect to the applicable project; and

BE IT FURTHER RESOLVED: that pursuant to the requirement set forth in R.C. 123.17 (D)(6), the University agrees to indemnify and hold harmless the State and the Ohio Department of Administrative Services for any claim of injury, loss, or damage that results from the University's administration of a capital facilities project pursuant to the Local Administration Certification Program; and

BE IT FURTHER RESOLVED: that pursuant to the requirement set forth in R.C. 123.17 (D)(5), the University will conduct biennial audits of the University's administration of capital facilities projects in accordance R.C. 3345.51(C); and

BE IT FURTHER RESOLVED: that pursuant to the requirement set forth in R.C. 123.17 (D)(2), the University will select new employees to participate in the Local Administration Certification Program as necessary to compensate for employee turnover.

Approved by the Board of Trustees  
June 24, 2016



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

Finance and Audit  
June 24, 2016

### RESOLUTION R2016-47

WHEREAS, the Hughes Hall C-Wing Renovation project involves the renovation of the second and third floors of the west wing of Hughes Hall creating swing space for the Pearson Hall Renovation and additional space for the College of Engineering and Computing; and

WHEREAS, the project includes the installation of new mechanical, electrical, data, plumbing, life safety systems, code compliance, lab safety improvements and other ADA upgrades to create flexible multidisciplinary lab spaces; and

WHEREAS, Miami University has identified local funds in the amount of \$11,000,000 for the Hughes Hall C-Wing Renovation project; and

WHEREAS, the \$11,000,000 budget includes a cost of work estimate of approximately \$7,875,000; and

WHEREAS, Miami University has determined that reduced costs, speed of implementation, and coordination may be gained by using the Design Build project delivery method; and

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

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

NOW, THEREFORE, BE IT RESOLVED: that the Board of Trustees hereby authorizes the Senior Vice President for Finance and Business Services and Treasurer to proceed with the award of contracts for the Hughes Hall C-Wing Renovation project with a total project budget not to exceed \$11,000,000.

*Approved by the Board of Trustees  
June 24, 2016*



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

Executive Summary  
for the  
Hughes Hall C-Wing Renovation  
June 23, 2016

The Hughes Hall C-Wing Renovation will create swing space supporting the renovation of Pearson Hall. The project will provide flexible interdisciplinary space on the second floor of C-Wing (west wing) to house occupants of the Pearson Hall renovation. The third floor will be renovated to provide shared multidisciplinary lab space with the College of Engineering and Computing. Once the Pearson Hall renovation is complete, the flexible design allows the space to be used by the College of Engineering and Computing.

The project replaces end of useful life mechanical, electrical, data, plumbing, life and lab safety systems. It includes code compliance improvements and other ADA upgrades, to create flexible multidisciplinary lab spaces. The renovation is to be completed by summer 2017 in anticipation of the first phase of renovations beginning at Pearson Hall.

Funding for this project will be a combination of local funds:

Local	\$5,500,000	FY 2015 operating budget surplus
Local	\$5,500,000	Arts & Sciences carry forward

<u>Project component:</u>	<u>Budget:</u>	<u>Funding Source:</u>
Est. Consulting Services:	\$1,050,000	Local Funds
Est. Cost of Work:	\$7,875,000	Local Funds
Est. Owner's Costs (FFE, A/V, etc):	\$1,275,000	Local Funds
Contingency:	<u>\$800,000</u>	Local Funds
 Total:	 \$11,000,000	



Finance and Audit  
June 24, 2016

### RESOLUTION R2016-48

WHEREAS, the Housing Master Plan called for 7100 beds on the Oxford campus upon completion of the plan; and

WHEREAS, on-campus housing demand has continued to grow during implementation of the Housing Master Plan's first and second phases creating overflow conditions and leasing of off-campus housing in excess of 300 beds; and

WHEREAS, a recent Housing Master Plan update anticipates a demand of 8100 beds by fall 2018 generating a shortfall of up to 600 beds on campus; and

WHEREAS, construction of a new residence hall(s) is needed to provide sufficient housing options for students; and

WHEREAS, the New North Quad Tennis Court Site Residence Hall project will provide approximately 340 beds on the existing site of the Inter-Collegiate Athletics varsity tennis courts for occupancy in fall semester 2018; and

WHEREAS, the relocation of the varsity tennis courts to the west side of Yager Stadium will support the Athletic Master Plan and is necessary to complete this project; and

WHEREAS, Miami University has determined that reduced costs, speed of implementation, and coordination may be gained by using the Design Build project delivery method; and

WHEREAS, the Board of Trustees previously approved a budget not to exceed \$3,500,000 in 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 \$38,500,000 for the New North Quad Tennis Court Site Residence Hall 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 a contract for the New North Quad Tennis Court Site Residence Hall project with a total project budget not to exceed \$38,500,000.

*Approved by the Board of Trustees  
June 24, 2016*



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

Executive Summary  
for the  
New Residence Hall  
June 23, 2016

The Housing Master Plan included new residence halls on campus providing swing space for renovating existing residence halls. Upon completion of the multi-year plan, the housing capacity was expected to provide 7100 beds – essentially the same capacity prior to plan implementation. This was considered aggressive at the time given the incoming class had declined significantly over the previous year. Success in enrollment goals since then, improved student retention, growth of new international programs, and continued interest of upper-class students living in on-campus housing has required modification to the original bed count plan as enrollment on campus has reached a record level.

Throughout the implementation of the earlier phases of the Housing Master Plan, additional beds have been designed into the projects. In the East Quad Renovations, nearly 100 additional beds were added beyond the original Housing Master Plan estimates (nearly 50 of these beds were achieved by converting Erickson Dining Hall into residence hall space). The Board of Trustees also approved an addition to Hahne Hall (nearing completion now) as part of the North Quad Renovation project adding over 100 beds.

Efforts have also been made to reduce the need for new beds by creating triples where appropriate sized rooms are available (approximately 75 were incorporated into the three new residence halls on Western Campus). Availability of on-campus housing for upper-class students has been reduced at times to accommodate the increased demand by freshman and sophomores. Finally, modest use of off-campus apartments has enabled the increased demand to be accommodated when necessary. Unfortunately, leasing beds next to campus has not always been possible requiring some students to be housed almost 2 miles from campus.

Current housing demand is nearing 7700 beds, and it is anticipated that 8100 beds will be needed by the fall semester of 2018 creating a shortfall of up to 600 beds.

Several potential building sites were evaluated for constructing a new residence hall to meet the demand. The location of the Inter-Collegiate Athletics tennis courts allows for the construction of an approximately 340-bed facility within the time constraints necessary. The proposed site is adjacent to the North Quad, which is currently off-line for renovations. Necessary utility improvements to accommodate a new residence hall are now being made and will not require further disruption. The site offers close proximity to Martin Dining Hall (currently under renovation with The North Quad Renovations project) and the Garden Commons dining facility. The Campus Planning Committee has approved this location for the construction of a new residence hall.

Funding for this project will be bond funds for the Long Range Housing Master Plan.

<u>Project component:</u>	<u>Budget:</u>	<u>Funding Source:</u>
Est. Consulting Services:	\$3,100,000	Bond Series 2014
Est. Cost of Work:	\$32,000,000	Bond Series 2014
Est. Owner's Costs:	\$1,300,000	Bond Series 2014
Owner's Contingency:	\$2,100,000	Bond Series 2014
Total:	\$38,500,000	Bond Series 2014

**RESOLUTION R2016-49**

WHEREAS, the Housing Master Plan called for 7100 beds on the Oxford campus upon completion of the plan; and

WHEREAS, on-campus housing demand has continued to grow during implementation of the Housing Master Plan's first and second phases generating unfavorable overflow conditions and leasing of off-campus housing in excess of 300 beds in the fall of 2015; and

WHEREAS, it is not cost effective to renovate Swing Hall or construct an addition to Clawson Hall as originally planned; and

WHEREAS, the Housing Master Plan now anticipates a demand of 8100 beds by fall 2018 generating a shortfall of up to 270 beds even with the construction of a new residence hall on the tennis court site; and

WHEREAS, construction of a new residence hall(s) is required to provide sufficient housing options; and

WHEREAS, the New North Withrow Hall Site Residence Hall project involves the construction of a new 270(+)-bed residence hall on the existing site of Withrow Court for occupancy in fall semester 2018; and

WHEREAS, Miami University has determined that reduced costs, speed of implementation, and coordination may be gained by using the Design Build project delivery method; and

WHEREAS, the Board of Trustees previously approved a budget not to exceed \$2,500,000 in 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 \$37,000,000 for the New North Withrow Hall Site Residence Hall 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 New North Withrow Hall Site Residence Hall project with a total project budget not to exceed \$37,000,000.

*Approved by the Board of Trustees  
June 24, 2016*



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

Executive Summary  
for the  
North Quad Withrow Hall Site Residence Hall  
June 23, 2016

Completion of the Housing Master Plan anticipated providing 7100 beds on campus – essentially the same capacity prior to plan implementation. Success in enrollment goals since then, improved student retention, growth of new international programs, and continued interest of upper-class students living in on-campus housing has required modification to the original bed count plan as enrollment on campus has reached a near record level.

Current housing demand is nearing 7700 beds, and it is anticipated that 8100 beds will be needed by the fall semester of 2017 creating a shortfall of up to 600 beds with approximately 330 of the bed shortfall to be addressed by the new residence hall on the tennis court site. It is not feasible for a new residence hall to be constructed and ready for occupancy for the fall semester of 2017.

Throughout the implementation of the earlier phases of the Housing Master Plan, additional beds have been designed into the projects. In the East Quad Renovations, nearly 100 additional beds were added beyond the original Housing Master Plan estimates. An addition to Hahne Hall (nearing completion now) as part of the North Quad Renovation project is adding over 100 beds.

Efforts have also been made to reduce the need for new beds by creating triples where appropriate sized rooms are available (approximately 75 were incorporated into the three new residence halls on Western Campus). Availability of on-campus housing for upper-class students has been reduced at times to accommodate the increased demand by freshman and sophomores. Finally, modest use of off-campus apartments has enabled the increased demand to be accommodated when necessary. Unfortunately, leasing beds next to campus has not always been possible requiring some students to be housed almost 2 miles from campus.

As shared with the Board in February, a 100-bed addition to Clawson Hall was not a cost effective solution. Review of upcoming hall modernizations in the Housing Master Plan found that Swing Hall is not cost effective to renovate. The Long Range Housing Master Plan has always included the deconstruction of some existing residence halls. Mary Lyon will be deconstructed in the summer of 2016 contributing to the fall 2017 bed shortfall. Wilson Hall is intended to be removed from the housing stock, but is not planned for deconstruction at this time. This creates the need for an additional 270 beds to reach the necessary 8100 beds on campus.

Several potential building sites were evaluated for constructing a new residence hall to meet the demand. The site where Withrow Hall is slated to be deconstructed this summer presents the best opportunity for a new residence hall. The location of the site is considered favorable for several reasons. The location of Swing Hall, adjacent to the site, remains very attractive to our students. The close proximity to key academic buildings, various dining opportunities, athletic venues and events have been identified as important to our students. Further, the site offers significant economy of scale by allowing a single construction manager at risk (CMR) to construct a new residence hall on this proposed site in conjunction with the tennis court site. Coordination of sub-contractors, offering larger bid packages, balancing of dirt between the sites, and reduced overhead costs all contribute to more than \$2 million in savings. Delaying the project for two years until the tennis court building has been completed would also add about \$2 million to the cost of the project while also foregoing the additional room income.

Developing this prominent location does have both advantages and disadvantages. The current design incorporates a large retail dining and gathering space in a desirable and accessible location. The cost to construct this space adds nearly \$3 million to the project estimate, but is an advantageous amenity. The Campus Planning Committee (CPC) has approved the deconstruction of Withrow Court, using the site for the construction of a new residence hall, and the potential

deconstruction of Swing Hall. However, the CPC has noted that using this site requires a design and architectural features complimenting the buildings removed and fitting of the prominent location along Tallawanda Street. The design team has found that the appropriate size of the proposed residence hall should be less than 300 beds in this location. While this bed count is responsive to addressing the shortage we are currently experiencing, there are inherent inefficiencies in constructing smaller residence halls. Finally, using the footprint of a deconstructed building has both advantages and disadvantages to construction on a greenfield site. For this location, some of the savings are offset by the need to use engineered fill around the foundation. All of these factors contribute to higher cost of constructing a building in this particular location.

Considering the totality of the information and circumstances, it is recommended to pursue construction in this location.

Funding for this project will be bond funds for the Long Range Housing Master Plan.

<u>Project component:</u>	<u>Budget:</u>	<u>Funding Source:</u>
Est. Consulting Services:	\$2,301,750	Bond Series 2014
Est. Cost of Work:	\$31,500,000	Bond Series 2014
Est. Owner's Costs:	\$1,248,250	Bond Series 2014
Owner's Contingency:	\$1,950,000	Bond Series 2014
Total:	\$37,000,000	Bond Series 2014

Finance and Audit  
June 24, 2016

**RESOLUTION R2016-50**

WHEREAS, the City of Hamilton is proceeding with a new road and intersection project providing a direct link between US 127 and Miami's Hamilton Campus ("US 127 Project"); and

WHEREAS, the US 127 Project requires a relocation of existing overhead electrical power facilities; and

WHEREAS, the relocation requires the University to grant a new utility easement to Duke Energy of Ohio, Inc. to construct, reconstruct 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.

*Approved by the Miami University Board of Trustees  
June 24, 2016*



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

## **GRANT OF EASEMENT**

Pt. Parcel # P6461012000001

In consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, **THE PRESIDENT AND TRUSTEES OF THE 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, towers, poles, underground ducts, conduits, wires, cables, manholes, pullboxes, pipes, guy wires with anchors, grounding systems, counterpoises, and all other appurtenances, fixtures and equipment (hereinafter referred to as the “Facilities”), for the transmission and distribution of electrical energy and for technological purposes (including but not limited to telecommunications), both overhead and underground, in, upon, over, along, under, through and across the following described real estate:

Situate in Section 1, Town 1, Range 3 and Section 6, Town 1, Range 2 and being part of Lot 26072 of the revised list of lots in the Sixth Ward of the City of Hamilton, Butler County, Ohio: being part of a tract of land conveyed to the President and Trustees of the Miami University from the City of Hamilton, Ohio by deed dated November 4, 1966, recorded in **Official Record Book 856, Page 382 (Instrument Number 6815)**, in the Office of the Recorder of Butler County, Ohio (hereinafter referred to as “Grantor’s Property”).

Said easement area being described and shown on a survey drawing marked Exhibit “A” attached hereto and becoming a part hereof (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 (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. Any telecommunications equipment installed by Grantee on Grantee's Facilities shall support the operation of the Grantee's electric facilities.

4. To the best of Grantor's knowledge the Easement Area has never been used to discharge, generate or store any toxic, hazardous, corrosive, radioactive or otherwise harmful substance or material. Grantee acknowledges that the Easement Area is part of a manufacturing site and previous operations in some areas may have resulted in contamination of soil in the Easement Area. Notwithstanding anything to the contrary contained in this paragraph, Grantor shall be responsible to dispose of any contaminated disturbed soil, in compliance with applicable government regulations. Grantor shall be deemed the generator of such contaminated disturbed soil, and shall therefore be responsible to arrange for disposal of any such contaminated disturbed soil, and to sign any shipping papers or waste manifests associated with said disposal.

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 and obstructions as provided herein, any physical damage to the surface area of the Easement Area and the adjoining land of Grantor's Property 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 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.

10. Grantor warrants that it has the necessary authority and title to Grantor's Property to grant this easement to Grantee, and shall defend and hold Grantee harmless from the claim of any third party that Grantor does not have such authority or title.

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.

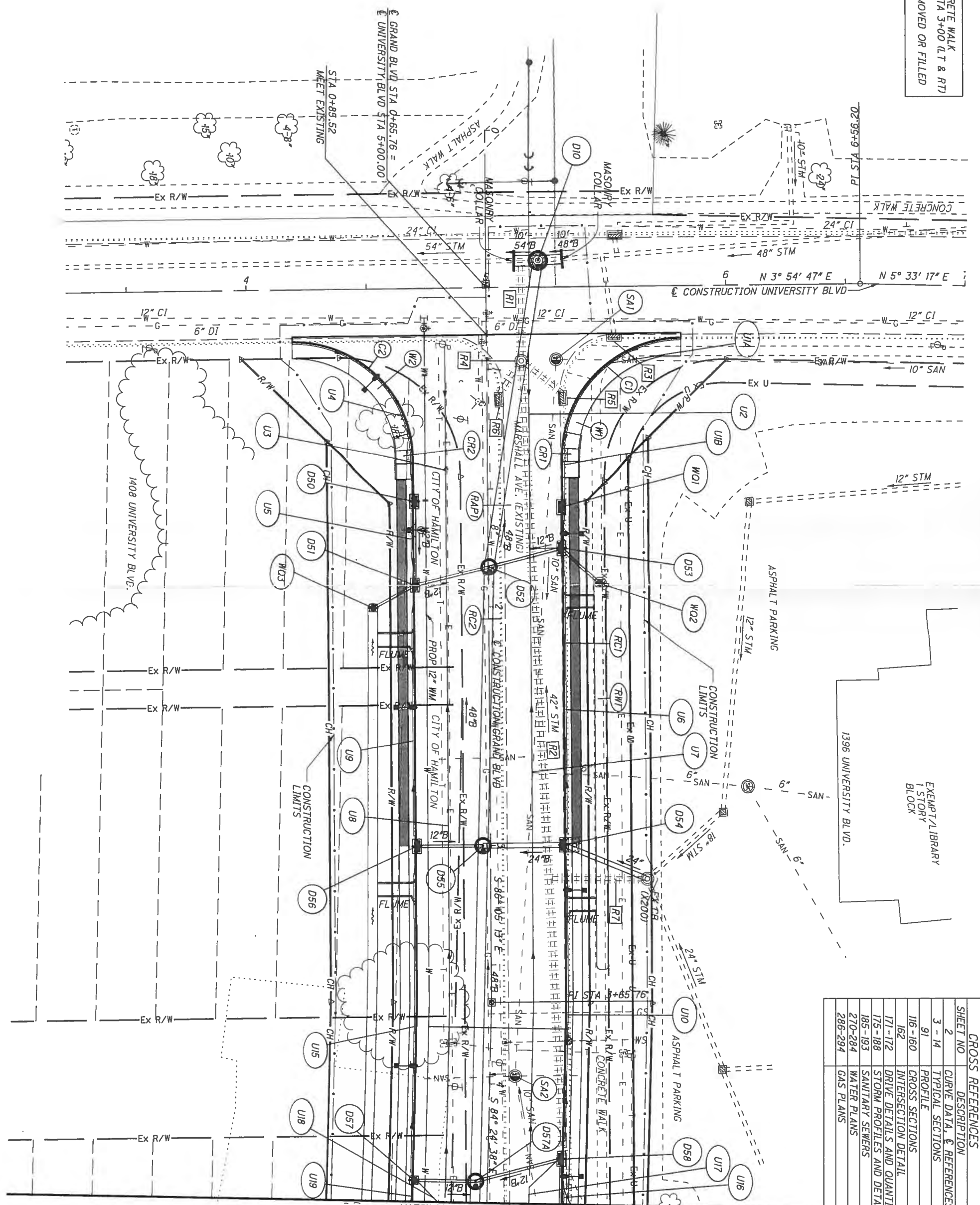
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**LEGEND**

	PERVIOUS CONCRETE WALK STA 1+48+ TO STA 3+00 (LT & RT)
	CONDUIT REMOVED OR FILLED



CROSS REFERENCES	DESCRIPTION
SHEET NO	
3 - 14	CURVE DATA, & REFERENCES & BENCHMARKS
91	TYPICAL SECTIONS
116 - 160	PROFILE
162	CROSS SECTIONS
171 - 172	INTERSECTION DETAIL
175 - 188	DRIVE DETAILS AND QUANTITIES
185 - 193	STORM PROFILES AND DETAILS
270 - 284	SANITARY SEWERS
286 - 294	WATER PLANS
	GAS PLANS

**BUT-SOUTH HAMILTON CROSSING**

90  
386

**PLAN - GRAND BLVD  
STA 0+00 TO STA 4+50**

CALCULATED JLJG  
CHECKED

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HORIZONTAL SCALE IN FEET

# FY 2017 Budget Presentation

June 23, 2016

# FY2017 Key Budget Assumptions

	<u>Oxford</u>	<u>Hamilton &amp; Middletown</u>
Fall Class – First Time Students	3,700	1,077
Fall Class & Other Incoming Students	807	576
Enrollment Mix - Non-Resident (first year)	45%	N/A
Tuition Increase – Undergraduate & Graduate Resident	0%	0%
Tuition Increase – Undergraduate & Graduate Non Resident	2%	2%
Tuition Increase – Tuition Promise Resident	2.9%	N/A
Tuition Increase – Tuition Promise Non Resident	4.87%	N/A
State Share of Instruction - Change from FY16 Actuals	8.6%	(6.9%)
Change in Investment Income	\$1 M	No Change
Salary Increment Pool	3%	3%
Staff Benefit Rate	No Change	No Change
Health Care Trend	3%	3%
Utilities Trend	3%	3%
Undergraduate Scholarships (Increase)	\$12.5 M	No Change
Strategic Priorities Initiatives		
New Revenue	\$6,734,435	\$119,639
Productivity Improvements	(\$2,635,199)	(\$11,824)

# Oxford Fall Class

Fall Class – First Time Students	
First Time Attending Post Secondary Education	3,700
Fall Class – Other Incoming Students	
Transfer Students	215
Relocated Students	252
American Culture & English (ACE) Students	<u>300</u>
Total Fall Class – Other Incoming Students	767
Total Fall Class	4,467
Other – Oxford Pathway (TOP) Program Students	<u>40</u>
Total Fall Class & Other Students	4,507

# FY 2017 Major Program Improvements

	Oxford Campus	Regional Campuses
<b>Commitments:</b>		
Salary & Benefit Increment	\$ 7,084,814	\$ 890,578
Promotion & Tenure	\$ 369,515	\$ 88,515
Additional Faculty Salary Market Increase	\$ 1,011,600	\$ -
Increased Credit Hour Faculty Compensation	\$ 615,390	\$ 733,950
Fair Labors Standards Act	\$ 2,000,000	\$ 245,647
Classified Pay Band Adjustments	\$ 153,737	\$ 16,318
<b>Sub-Total Commitments</b>	<b>\$ 11,235,056</b>	<b>\$ 1,975,008</b>
<b>New Investments:</b>		
Academic Productivity Investments	\$ 1,458,754	\$ -
Legal Counsel, Government Relations & Communications	\$ 410,260	\$ -
Sexual Assault & Crisis Services	\$ 103,500	\$ -
Disability Services	\$ 91,718	\$ -
Internship Outreach & Coordination	\$ 101,300	\$ -
EMSS Strategic Administration & Student Success Software	\$ 262,859	\$ -
IT Security	\$ 214,100	\$ -
Academic Division Programming	\$ 2,050,005	\$ -
Financial Aid Diversity Scholarship Cohort	\$ 1,600,000	\$ -
<b>Sub-Total New Investments</b>	<b>\$ 6,292,496</b>	<b>\$ -</b>
<b>FY17 Major Program Improvements</b>	<b>\$ 17,527,552</b>	<b>\$ 1,975,008</b>



# FY 2017 Expenditure Budget Adjustments

	Oxford	Hamilton	Middletown	VOALC	FY17 Total
<b>FY16 Base Expenditure Budget</b>	\$ 424,099,144	\$27,128,112	\$18,663,293	\$1,189,765	\$ 471,080,314
Program Improvements:					
Salary Increment	\$ 7,084,814	\$ 502,261	\$ 378,582	\$ 9,735	\$ 7,975,392
Other Compensation Commitments	\$ 4,150,242	\$ 564,144	\$ 520,286	\$ -	\$ 5,234,672
New Investments	\$ 6,292,496	\$ -	\$ -	\$ -	\$ 6,292,496
<b>Total University Program Improvements</b>	<b>\$ 17,527,552</b>	<b>\$ 1,066,405</b>	<b>\$ 898,868</b>	<b>\$ 9,735</b>	<b>\$ 19,502,560</b>
Other Changes:					
Allowance for Unspent Salaries	\$ -	\$ (48,591)	\$ (226,678)	\$ -	\$ (275,269)
Allowance for Benefit Recovery	\$ -	\$ (290,404)	\$ (209,596)	\$ -	\$ (500,000)
Other Personnel Adjustments	\$ 255,481	\$ 37,412	\$ 22,135	\$ -	\$ 315,028
Change in Financial Aid (UG & GR)	\$ 14,680,277	\$ -	\$ -	\$ -	\$ 14,680,277
Strategic Initiatives & Savings	\$ (653,635)	\$ -	\$ -	\$ (5,897)	\$ (659,532)
Change in Utilities	\$ (72,730)	\$ -	\$ -	\$ -	\$ (72,730)
Non-Personnel Support & Other	\$ (1,122,517)	\$ 107,232	\$ 109,689	\$ (2,375)	\$ (907,971)
Casualty & Property Insurance	\$ 80,340	\$ -	\$ -	\$ -	\$ 80,340
Middletown Transfer Support	\$ -	\$ (1,827,697)	\$ -	\$ -	\$ (1,827,697)
Adjustments to Debt	\$ 2,661,477	\$ -	\$ 19,702	\$ -	\$ 2,681,179
Adjustments to CR&R	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to Other Transfers	\$ 1,051,051	\$ 366	\$ -	\$ -	\$ 1,051,417
Adjustments to General Fee Transfer	\$ 15,757,584	\$ -	\$ -	\$ -	\$ 15,757,584
Adjustments to Admin. Service Charge	\$ (486,323)	\$ (89,822)	\$ 153,394	\$ -	\$ (422,751)
<b>Total Other Changes</b>	<b>\$ 32,151,005</b>	<b>\$ (2,111,504)</b>	<b>\$ (131,354)</b>	<b>\$ (8,272)</b>	<b>\$ 29,899,875</b>
<b>Total Adjustments</b>	<b>\$ 49,678,557</b>	<b>\$ (1,045,099)</b>	<b>\$ 767,514</b>	<b>\$ 1,463</b>	<b>\$ 49,402,435</b>
<b>FY17 Base Expenditure Budget</b>	<b>\$ 473,777,701</b>	<b>\$26,083,013</b>	<b>\$19,430,807</b>	<b>\$1,191,228</b>	<b>\$ 520,482,749</b>

<b>Changes in General Fee Funding Following Implementation of Miami Tuition Promise</b>					
	FY16 Budget		FY17 Budget		Change from FY16 to FY17
	Amount	Transaction Type	Amount	Transaction Type	
<b>Auxiliaries</b>					
Intercollegiate Athletics	17,370,318	Transfer	17,930,300	Transfer	559,982
Recreational Sports Center	3,754,534	Transfer	3,890,157	Transfer	135,623
Goggin Ice Center	2,201,527	Transfer	2,275,739	Transfer	74,212
Armstrong Student Center	841,160	Transfer	861,256	Transfer	20,096
Shriver Center	872,081	Transfer	913,124	Transfer	41,043
Millett Assembly Hall	361,878	Transfer	402,273	Transfer	40,395
Transportation Services	199,000	Transfer	200,854	Transfer	1,854
Total Auxiliaries	\$ 25,600,498		\$ 26,473,703		\$ 873,205
<b>Plant Funds &amp; Other</b>					
Student Facilities CR&R	250,000	Transfer	250,000	Transfer	0
Intercollegiate Athletics CR&R	558,416	Transfer	558,416	Transfer	0
Contingency - Other	3,743,014	Transfer	3,909,628	Transfer	166,614
Total Plant Funds	\$ 4,551,430		\$ 4,718,044		\$ 166,614
<b>Educational &amp; General</b>					
Student Assoc. Student Government	1,071,463	General Fund	1,071,463	Transfer	0
Student Affairs Council / Services	630,000	General Fund	630,000	Transfer	0
Lectures and Artists	234,200	General Fund	234,200	General Fund	0
Music Organizations	196,000	General Fund	196,000	Transfer	0
Other Student Activities	255,667	General Fund	255,667	General Fund	0
Total Educational & General	\$ 2,387,330		\$ 2,387,330		\$ -
Sub-Total Basic General Fee	\$ 32,539,258		\$ 33,579,077		\$ 1,039,819
<b>Other General Fees</b>					
Technology Fee	3,700,000	Prior to the Tuition Promise, these fees were individually assessed and revenues were deposited directly in designated and auxiliary funds.	4,310,994	These fees have been incorporated into the general fee and will be deposited in the general fund then transferred to designated and auxiliary funds.	610,994
Facilities Fee	1,926,360		2,010,300		83,940
Transit Fee	2,141,824		2,300,100		158,276
Armstrong Student Center Fee	3,814,382		3,998,932		184,550
Matriculation Fee (Previously orientation, alcohol education and graduation fees)	632,000		199,976		(432,024)
Total Other General Fees	\$ 12,214,566		\$ 12,820,302		\$ 605,736
<b>TOTAL</b>	\$ 44,753,824		\$ 46,399,379		\$ 1,645,555
Total Designated Fund Revenue Directly Deposited	12,214,566		-		(12,214,566)
Total Transfers	30,151,928		45,909,512		15,757,584
Total General Fund	2,387,330		489,867		(1,897,463)
Total General Fee & Uniformly Assessed Fees	\$ 44,753,824		\$ 46,399,379		\$ 1,645,555

# FY 2017 RCM Divisional Budgets

Revenue/Expense Description	College of Arts & Science	College of Education, Health & Society	Farmer School of Business	College of Engineering & Computing	College of Creative Arts	Total Oxford	Regional Campuses	Total All Campuses
Total Net Instructional Revenue	\$ 130,900,987	\$ 32,365,842	\$ 56,937,777	\$ 16,047,437	\$16,053,415	\$ 252,305,458	\$29,503,030	\$ 281,808,488
State Appropriations**	\$ 33,578,158	\$ 12,345,306	\$ 10,052,261	\$ 5,757,624	\$ 3,898,172	\$ 65,631,521	\$11,451,432	\$ 77,082,953
Total Other E&G Revenue	\$ 5,802,938	\$ 1,972,021	\$ 2,100,742	\$ 812,618	\$ 839,141	\$ 11,527,460	\$ 2,052,174	\$ 13,579,634
Total Revenue Sources	\$ 170,282,083	\$ 46,683,169	\$ 69,090,780	\$ 22,617,679	\$20,790,728	\$ 329,464,439	\$43,006,636	\$ 372,471,075
Divisional Direct Expense Budgets	\$ 85,105,171	\$ 21,956,057	\$ 31,484,308	\$ 10,253,757	\$15,114,939	\$ 163,914,232	\$40,117,301	\$ 204,031,533
Allocation of Support Center Expense*	\$ 68,314,512	\$ 19,219,568	\$ 29,077,146	\$ 7,531,923	\$ 9,062,433	\$ 133,205,582	\$ 3,032,890	\$ 136,238,472
Total Expense Sources	\$ 153,419,683	\$ 41,175,625	\$ 60,561,454	\$ 17,785,680	\$24,177,372	\$ 297,119,814	\$43,150,191	\$ 340,270,005
Revenue Less Expense (E&G)	\$ 16,862,400	\$ 5,507,544	\$ 8,529,326	\$ 4,831,999	\$ (3,386,644)	\$ 32,344,625	\$ (143,555)	\$ 32,201,070
Transfers, Renewal & Replacement Expense	\$ 9,745,416	\$ 2,353,416	\$ 4,174,822	\$ 1,311,374	\$ 1,220,823	\$ 18,805,852	\$ 794,169	\$ 19,600,021
Ending Balance Before Subvention	\$ 7,116,984	\$ 3,154,128	\$ 4,354,504	\$ 3,520,624	\$ (4,607,467)	\$ 13,538,773	\$ (937,724)	\$ 12,601,049
Subvention	\$ (2,983,044)	\$ (839,248)	\$ (959,220)	\$ -	\$ 4,781,513	\$ 0	\$ -	\$ -
Ending Balance After Subvention	\$ 4,133,940	\$ 2,314,879	\$ 3,395,284	\$ 3,520,624	\$ 174,046	\$ 13,538,773	\$ (937,724)	\$ 12,601,049
*Auxiliary Operations are budgeted to pay \$5,552,400 in support center expenses.								
** Includes Regional PSEOP								

# FY 2017 Auxiliary Enterprise Budgets

	Armstrong	Aviation	Goggin Ice	Intercollegiate	Marcum	Millet	
	Student Center	Services	Center	Athletics	Conference	Assembly Hall	
Revenue	\$110,500	\$143,006	\$1,711,300	\$7,075,535	\$1,531,274	\$33,662	
Designated Revenue	\$0	\$0	\$1,160,000	\$488,820	\$20,000	\$0	
Restricted Revenue	\$3,000	\$0	\$2,000	\$1,477,805	\$3,000	\$0	
General Fee Support	\$4,860,188	\$0	\$4,286,039	\$17,930,301	\$0	\$960,689	
Expenses	\$1,434,876	\$208,215	\$3,574,374	\$25,150,448	\$1,513,802	\$511,662	
Expense Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	
Designated Expenses	\$0	\$0	\$1,160,000	\$488,820	\$20,000	\$0	
Restricted Expenses	\$3,000	\$0	\$2,000	\$1,477,805	\$3,000	\$0	
Debt Service Interest	\$1,261,239	\$0	\$288,895	\$0	\$0	\$49,058	
Net Before Facility Renewal & Transfers	\$2,274,573	(\$65,209)	\$2,134,070	(\$144,612)	\$17,472	\$433,631	
Estimated Facility Renewal Change	(\$2,470,058)	\$0	(\$1,774,880)	(\$3,523,038)	(\$701,124)	(\$3,458,104)	
Debt Service Principal	\$1,188,761	\$0	\$1,539,054	\$0	\$0	\$353,215	
Transfer to CR&R	\$944,652	\$0	\$547,016	\$0	\$17,472	\$80,416	
Other Transfers In/Out	(\$141,160)	\$65,209	(\$48,000)	\$144,612	\$0	\$0	
Net	(\$580,754)	\$0	(\$680,848)	(\$3,523,038)	(\$666,180)	(\$3,297,272)	
	Recreational	Residence &		Student	Transportation	Utility	
	Sports Center	Dining Halls	Shriver Center	Health Services	Services	Enterprise	Total Auxiliary
Revenue	\$3,231,940	\$107,255,472	\$23,338,675	\$2,641,260	\$2,270,000	\$0	\$149,342,624
Designated Revenue	\$45,000	\$0	\$0	\$0	\$0	\$0	\$1,713,820
Restricted Revenue	\$50,000	\$105,000	\$30,000	\$0	\$0	\$0	\$1,670,805
General Fee Support	\$3,890,157	\$0	\$913,124	\$0	\$2,500,954	\$0	\$35,341,452
Expenses	\$6,352,580	\$60,485,349	\$22,439,975	\$2,627,588	\$2,699,830	\$15,778,333	\$142,777,032
Expense Recoveries	\$0	\$0	\$0	\$0	\$0	(\$23,935,761)	(\$23,935,761)
Designated Expenses	\$45,000	\$0	\$0	\$0	\$0	\$0	\$1,713,820
Restricted Expenses	\$50,000	\$105,000	\$30,000	\$0	\$0	\$0	\$1,670,805
Debt Service Interest	\$0	\$18,943,479	\$13,537	\$0	\$342,163	\$709,152	\$21,607,523
Net Before Facility Renewal & Transfers	\$769,517	\$27,826,644	\$1,798,287	\$13,672	\$1,728,961	\$7,448,276	\$44,235,282
Estimated Facility Renewal Change	(\$2,322,865)	(\$26,882,270)	(\$1,523,904)	\$0	(\$2,213,596)	(\$14,531,611)	(\$59,401,450)
Debt Service Principal	\$0	\$14,965,280	\$33,682	\$0	\$1,238,859	\$1,655,516	\$20,974,367
Transfer to CR&R	\$725,517	\$12,597,496	\$1,773,605	\$13,672	\$1,040,102	\$5,792,760	\$23,532,708
Other Transfers In/Out	(\$44,000)	(\$263,868)	\$9,000	\$0	\$550,000	\$0	\$271,793
Net	(\$871,831)	(\$1,687,278)	\$2,023,306	\$27,344	(\$133,392)	(\$2,946,091)	(\$12,336,034)

# Total FY 2017 Proposed Revenue Budget

## Operating Funds – All Funds

	Oxford	Hamilton	Middletown	VOALC	FY17 Total	FY16 Total
Student Tuition & Other Fees	414,985,952	18,726,880	14,181,382	-	447,894,214	420,026,252
Less Tuition Discounts	<u>72,274,305</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,274,305</u>	<u>58,947,656</u>
Net Tuition & Fees	342,711,647	18,726,880	14,181,382	-	375,619,909	361,078,596
State Appropriations	65,631,521	6,726,272	4,725,160	-	77,082,953	70,376,996
Other General Fund Revenue	6,699,000	96,000	120,402	35,000	6,950,402	6,020,402
Transfer In	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,156,228</u>	<u>1,156,228</u>	<u>2,982,462</u>
<b>Total General Fund</b>	<b>\$ 415,042,168</b>	<b>\$25,549,152</b>	<b>\$19,026,944</b>	<b>\$1,191,228</b>	<b>\$ 460,809,492</b>	<b>\$ 440,458,456</b>
Designated Funds	42,023,211	1,018,800	957,741	-	43,999,752	41,086,371
Restricted Funds	48,870,805	7,925,000	3,895,000	-	60,690,805	62,454,403
Auxiliary Funds	<u>185,510,897</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>185,510,897</u>	<u>178,586,492</u>
<b>Total Designated, Restricted and Auxiliary Funds</b>	<b>\$ 276,404,913</b>	<b>\$ 8,943,800</b>	<b>\$ 4,852,741</b>	<b>\$ -</b>	<b>\$ 290,201,454</b>	<b>\$ 282,127,266</b>
<b>Total Revenues</b>	<b>\$ 691,447,081</b>	<b>\$34,492,952</b>	<b>\$23,879,685</b>	<b>\$1,191,228</b>	<b>\$ 751,010,946</b>	<b>\$ 722,585,722</b>

# FY 2017 Proposed Expenditure Budget

## Operating Funds – All Funds

	Oxford	Hamilton	Middletown	VOALC	FY17 Total	FY16 Total
Salaries	179,281,324	14,360,731	10,108,531	237,885	203,988,471	191,489,834
Benefits	66,396,059	4,596,095	3,251,095	96,344	74,339,593	70,104,735
Other Scholarships & Financial Aid	44,783,131	723,638	865,638	-	46,372,407	44,977,737
Utilities	13,177,636	673,000	412,500	59,900	14,323,036	14,524,044
Support (non-personnel)	33,154,883	5,005,031	4,071,655	277,424	42,508,993	42,484,838
Debt Service & Transfers Out	64,710,363	724,518	721,388	519,675	66,675,944	60,766,036
<b>Total General Fund</b>	<b>\$ 401,503,396</b>	<b>\$26,083,013</b>	<b>\$19,430,807</b>	<b>\$ 1,191,228</b>	<b>\$ 448,208,444</b>	<b>\$ 424,347,224</b>
Designated Funds	42,023,211	1,018,800	957,741	-	45,713,572	41,086,371
Restricted Funds	48,870,805	7,925,000	3,895,000	-	62,361,610	62,454,403
Auxiliary Funds	185,510,897	-	-	-	185,510,897	178,586,492
<b>Total Designated, Restricted and Auxiliary Funds</b>	<b>\$ 276,404,913</b>	<b>\$ 8,943,800</b>	<b>\$ 4,852,741</b>	<b>\$ -</b>	<b>\$ 293,586,079</b>	<b>\$ 282,127,266</b>
<b>Total Expenditures</b>	<b>\$ 677,908,309</b>	<b>\$35,026,813</b>	<b>\$24,283,548</b>	<b>\$ 1,191,228</b>	<b>\$ 741,794,523</b>	<b>\$ 706,474,490</b>
<b>Net (Deficit)</b>		<b>\$ (533,861)</b>	<b>\$ (403,863)</b>	<b>\$ -</b>	<b>\$ (937,724)</b>	
<b>Transfer From Fund Balance</b>	<b>\$ -</b>	<b>\$ 533,861</b>	<b>\$ 403,863</b>	<b>\$ -</b>	<b>\$ 937,724</b>	<b>\$ -</b>
<b>Net Surplus / (Deficit)</b>	<b>\$ 13,538,772</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,538,772</b>	<b>\$ 16,111,232</b>

# Cost Reduction Efforts

## FY 2010 through FY 2017

University Division	FY2010-FY2011	FY2012-FY2013	FY2014	FY2015	FY2016	FY2017	Total
Executive	\$ 1,140,482	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,140,482
Academic Affairs	\$ 10,850,940	\$ 4,024,998	\$ 3,536,202	\$ 3,206,923	\$ 132,787	\$ -	\$ 21,751,850
Finance and Business	\$ 8,297,001	\$ 3,331,726	\$ 963,260	\$ 818,000	\$ -	\$ -	\$ 13,409,987
Healthcare		\$ 4,039,091	\$ 821,062	\$ 800,000			\$ 5,660,153
Information Technology	\$ 3,815,930	\$ -	\$ 1,146,573	\$ 360,921	\$ 125,620	\$ 66,886	\$ 5,515,930
Advancement	\$ 871,042	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 871,042
Student Affairs	\$ 896,071	\$ 540,000	\$ 180,000	\$ 180,000	\$ -	\$ -	\$ 1,796,071
Centrally Budgeted	\$ -	\$ 5,607,030	\$ 455,720	\$ 537,250	\$ -	\$ -	\$ 6,600,000
<b>Total</b>	<b>\$ 25,871,466</b>	<b>\$ 17,542,845</b>	<b>\$ 7,102,817</b>	<b>\$ 5,903,094</b>	<b>\$ 258,407</b>	<b>\$ 66,886</b>	<b>\$ 56,745,515</b>

- Reductions in FY10 & FY11 were implemented in response to the Great Recession.
- In addition to the reductions in the general operating budget, no salary increases were provided in FY10 and FY11 and \$6.2 million in planned capital and new initiatives were suspended.
- Strategic Priorities initiatives were implemented from FY12 through FY17. The reductions totaled \$30.8M compared to a target of \$31.1M.
- Miami 2020 includes a 0.5% productivity goal ~\$1.4M per year.

# Faculty & Staff Changes By Vice President Area and Academic Division Fall 2008 to Fall 2015

	<u>Fall 2008</u>	<u>Fall 2015</u>	<u>Change</u>
President	229	234	5
Provost & Academic Affairs			
Faculty (FT only)	867	949	82
Tenured/Tenure-Eligible	667	603	(64)
Lecturer/Clinical Faculty	34	188	74
Not-Tenurable Instructional Staff	166	238	72
Non-Instructional Staff	610	561	(49)
Enrollment Management & Student Success	133	133	0
Finance & Business Services	1,456	1,127	(329)
Information Technology	188	113	(75)
Student Affairs	139	137	(2)
University Advancement	84	90	6
<b>Total</b>	<b>3,706</b>	<b>3,344</b>	<b>(362)</b>



# Oxford Campus

## Long Range Budget Assumptions

Assumption	FY2017	FY2018	FY2019 to FY2023
<b>Enrollment</b>			
<b>Incoming Class – First Time Students</b>	<b>3,700</b>	<b>3,700</b>	<b>3,700</b>
Enrollment mix – Non-Resident	45%	45%	45%
Other Incoming Students	807	807	807
<b>Expenses</b>			
Salary Increment Pool	3%	3%	3%
Health Care Trend	3%	3%	3%
Utilities Trend	3%	3%	3%
Non-Personnel Inflation	2%	2%	2%
<b>Program Improvements</b>	<b>\$17.3M</b>	<b>\$17.8M</b>	<b>\$14.4M</b>
Staff Benefit Rate	No Change	N/A	N/A
<b>Undergraduate Tuition</b>			
Continuing Non-Resident	2%	2%	2%
<b>Continuing Resident</b>	<b>0%</b>	<b>2%</b>	<b>2%</b>
Tuition Promise Non-Resident	4.87%	2%	2%
Tuition Promise Cohort Resident	2.9%	2%	2%
<b>Graduate Tuition</b>			
Non-Resident	2%	2%	2%
Resident	0%	2%	2%
<b>Other Revenues</b>			
Change in Investment Income	\$1.0M	\$0	\$0
<b>State Share of Instruction</b>	<b>8.6%</b>	<b>0%</b>	<b>2%</b>
Winter Term	Reaches capacity	Tuition growth only	Tuition growth only
Other student charges	2%	2%	2%
<b>Incremental revenue from Initiatives</b>	<b>\$6,734,435</b>	<b>\$4,720,228</b>	<b>\$2,288,389</b>

# Long Range Budget Assumptions

## Program Improvements

### Oxford Campus

	FY18	FY19	FY20-FY23 4 Year Total
<b>Compensation:</b>			
Salary & Benefit Increment	\$ 7,476,176	\$ 8,002,949	\$ 35,521,162
Promotion & Tenure	\$ 680,161	\$ 700,565	\$ 3,018,832
Additional Faculty Salary Market Increase	\$ 1,011,600	\$ 1,011,600	\$ -
Unclassified Pay Adjustments	\$ 1,000,000	\$ 1,000,000	\$ -
Classified Pay Band Adjustments	\$ 296,916	\$ 372,387	\$ -
<b>Sub-Total Compensation</b>	<b>\$ 10,464,853</b>	<b>\$ 11,087,501</b>	<b>\$ 38,539,994</b>
<b>New Investments:</b>			
Academic Productivity Investments	\$ 723,911	\$ 720,292	\$ 2,845,331
E-Learning	\$ 1,200,011	\$ -	\$ -
EMSS Strategic Administration	\$ 102,256	\$ 54,542	\$ 56,034
Academic Division Programming	\$ 2,744,091	\$ -	\$ -
New Investments	\$ 1,000,000	\$ 1,000,000	\$ 4,000,000
Financial Aid Diversity Scholarship Cohort	\$ 1,600,000	\$ 1,600,000	\$ -
ERP Replacement	\$ -	\$ -	\$ -
<b>Sub-Total New Investments</b>	<b>\$ 7,370,269</b>	<b>\$ 3,374,834</b>	<b>\$ 6,901,365</b>
<b>Total Program Improvements</b>	<b>\$ 17,835,122</b>	<b>\$ 14,462,335</b>	<b>\$ 45,441,359</b>

FY 2016 - FY 2020						
	FY 2016 Budget	FY 2016 Est	FY 2017	FY 2018	FY 2019	FY 2020
<b>Revenue</b>						
<b>Undergraduate Net Instructional Revenue</b>						
UG Total Instructional Fee	\$ 304,320,069	\$ 315,802,767	\$ 329,899,586	\$ 343,932,990	\$ 355,821,544	\$ 359,859,527
UG Total Financial Aid	\$ 71,556,414	\$ 71,867,478	\$ 85,668,243	\$ 91,894,606	\$ 99,362,799	\$ 103,739,226
UG Total Net Instructional Revenue	\$ 232,763,655	\$ 243,935,289	\$ 244,231,343	\$ 252,038,385	\$ 256,458,745	\$ 256,120,301
<b>Graduate Net Instructional Revenue</b>						
GR Total Instructional Fee	\$ 35,369,320	\$ 34,570,276	\$ 35,075,482	\$ 36,841,799	\$ 37,578,635	\$ 38,330,207
GR Total Financial Aid	\$ 30,283,225	\$ 29,874,570	\$ 31,389,193	\$ 31,978,090	\$ 32,611,430	\$ 33,223,994
GR Total Net Instructional Revenue	\$ 5,086,095	\$ 4,695,706	\$ 3,686,289	\$ 4,863,708	\$ 4,967,205	\$ 5,106,213
<b>Total Net Instructional Revenue</b>						
Total Instructional Fee	\$ 339,689,389	\$ 350,373,043	\$ 364,975,069	\$ 380,774,789	\$ 393,400,178	\$ 398,189,734
Total Financial Aid	\$ 101,839,639	\$ 101,742,048	\$ 117,057,436	\$ 123,872,696	\$ 131,974,229	\$ 136,963,220
Total Net Instructional Revenue	\$ 237,849,750	\$ 248,630,995	\$ 247,917,633	\$ 256,902,093	\$ 261,425,949	\$ 261,226,513
<b>Other Student Revenue</b>						
UG General Fees	\$ 30,656,224	\$ 31,458,897	\$ 43,270,797	\$ 44,572,986	\$ 45,591,439	\$ 45,922,622
GR General Fees	\$ 1,878,677	\$ 2,098,827	\$ 3,128,583	\$ 3,128,583	\$ 3,128,583	\$ 3,128,583
State Support	\$ 58,489,038	\$ 60,413,643	\$ 65,631,521	\$ 65,631,521	\$ 66,944,151	\$ 68,283,034
Investment Income	\$ 4,325,000	\$ 4,325,000	\$ 5,325,000	\$ 5,325,000	\$ 5,325,000	\$ 5,325,000
Other Student Charges	\$ 3,601,500	\$ 3,800,000	\$ 3,611,500	\$ 3,611,500	\$ 3,611,500	\$ 3,611,500
All other Revenue	\$ 1,444,000	\$ 1,281,214	\$ 1,374,000	\$ 1,381,080	\$ 1,408,702	\$ 1,436,876
<b>Total Revenue Sources</b>	<b>\$ 338,244,189</b>	<b>\$ 352,008,576</b>	<b>\$ 370,259,033</b>	<b>\$ 380,552,763</b>	<b>\$ 387,435,325</b>	<b>\$ 388,934,129</b>
<b>Expense &amp; Transfers</b>						
Salaries	\$ 162,103,356	\$ 155,495,989	\$ 174,147,957	\$ 184,602,445	\$ 196,887,417	\$ 205,954,052
Promotion & Tenure and Faculty Market Increase	\$ 1,190,000	\$ 1,190,000	\$ 983,000	\$ 1,204,100	\$ 1,218,623	\$ 513,582
Health Care	\$ 29,811,722	\$ 27,513,763	\$ 30,615,198	\$ 32,635,996	\$ 34,869,500	\$ 36,582,099
Other Benefits	\$ 32,214,076	\$ 30,363,470	\$ 34,099,962	\$ 35,198,286	\$ 36,355,369	\$ 36,681,497
Utilities	\$ 13,381,375	\$ 13,314,644	\$ 13,177,636	\$ 13,572,965	\$ 13,980,154	\$ 14,399,559
Non-Personnel Expenses	\$ 32,133,319	\$ 41,087,213	\$ 32,304,288	\$ 33,796,471	\$ 35,012,657	\$ 36,205,452
Other Transfers	\$ 1,427,110	\$ 1,427,110	\$ 2,937,161	\$ 2,937,161	\$ 2,937,161	\$ 2,937,161
Debt Service - Interest	\$ 2,455,672	\$ 2,455,672	\$ 2,699,295	\$ 2,500,659	\$ 2,285,723	\$ 2,084,911
General Fee Allocation	\$ 30,151,928	\$ 30,151,928	\$ 45,909,512	\$ 47,211,701	\$ 48,230,155	\$ 48,561,338
Sub-Total Expense	\$ 304,868,558	\$ 302,999,789	\$ 336,874,010	\$ 353,659,785	\$ 371,776,758	\$ 383,919,650
Productivity Savings	\$ (522,965)	\$ (522,965)	\$ (586,747)	\$ (583,814)	\$ (580,895)	\$ (577,990)
Academic Affairs New Investments from Productivity	\$ -	\$ -	\$ 1,458,754	\$ 1,923,922	\$ 720,292	\$ 716,690
Academic Affairs Other Commitments & Investments	\$ 2,058,225	\$ 2,058,225	\$ 615,390	\$ -	\$ -	\$ -
Non Academic Affairs Commitments & Investments	\$ 3,110,146	\$ 3,110,146	\$ 3,144,456	\$ 2,399,172	\$ 2,426,929	\$ 1,056,034
New Investments - Academic Divisional	\$ 1,581,125	\$ 1,581,125	\$ 2,050,005	\$ 3,483,413	\$ -	\$ -
<b>Total Expenses &amp; Transfers</b>	<b>\$ 311,095,089</b>	<b>\$ 309,226,320</b>	<b>\$ 343,555,866</b>	<b>\$ 360,882,478</b>	<b>\$ 374,343,085</b>	<b>\$ 385,114,384</b>
<b>Surplus / (Deficit) Before Plant Activity</b>	<b>\$27,149,100</b>	<b>\$ 42,782,256</b>	<b>\$ 26,703,167</b>	<b>\$ 19,670,285</b>	<b>\$ 13,092,240</b>	<b>\$ 3,819,745</b>
Estimated Facility Renewal		\$ (43,791,158)	\$ (42,473,705)	\$ (43,747,916)	\$ (45,060,353)	\$ (46,412,164)
Capital Appropriation		\$ 11,950,000	\$ 11,950,000	\$ 11,950,000	\$ 11,950,000	\$ 11,950,000
Budgeted CR&R	\$ 7,980,000	\$ 7,980,000	\$ 7,980,000	\$ 7,980,000	\$ 7,980,000	\$ 7,980,000
Debt Service - Principal	\$2,766,541	\$2,766,541	\$5,184,394	\$5,334,883	\$5,554,913	\$5,457,620
<b>Operating Surplus/(Deficit)</b>	<b>\$ 16,402,559</b>	<b>\$ 194,557</b>	<b>\$ (16,984,932)</b>	<b>\$ (25,442,515)</b>	<b>\$ (33,553,026)</b>	<b>\$ (44,080,039)</b>
Estimated Carry Forward		\$ 11,500,000	\$ 11,500,000	\$ 11,500,000	\$ 11,500,000	\$ 11,500,000
<b>Net After Carry Forward</b>		<b>\$ 11,694,557</b>	<b>\$ (5,484,932)</b>	<b>\$ (13,942,515)</b>	<b>\$ (22,053,026)</b>	<b>\$ (32,580,039)</b>
Net Operating Goal (3% of Revenue)		\$ 10,560,257	\$ 11,107,771	\$ 11,416,583	\$ 11,623,060	\$ 11,668,024
<b>Net After Operating Surplus Goal</b>		<b>\$ 1,134,300</b>	<b>\$ (16,592,703)</b>	<b>\$ (25,359,098)</b>	<b>\$ (33,676,086)</b>	<b>\$ (44,248,063)</b>

# 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
<b>Net Income (Loss)</b>	<b>\$ 3,073,896</b>	<b>\$ 6,666,381</b>	<b>\$ 9,089,096</b>	<b>\$ 10,469,630</b>	<b>\$ 16,387,786</b>	<b>\$ 16,122,173</b>	<b>\$ 23,201,184</b>	<b>\$ 19,107,599</b>	<b>\$ 27,921,412</b>	<b>\$ 21,987,611</b>	<b>\$ 29,434,312</b>
7. Winter Term	\$ 6,321,903		\$ 7,586,626		\$ 8,870,034		\$ 8,791,071		\$ 8,791,071		\$ 8,791,071
<b>Net Income (Loss) Including Winter Term</b>	<b>\$ 9,395,799</b>		<b>\$ 16,675,722</b>		<b>\$ 25,257,820</b>		<b>\$ 31,992,255</b>		<b>\$ 36,712,483</b>		<b>\$ 38,225,383</b>
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			
<b>Net Income (Loss)</b>	<b>\$ 24,262,251</b>	<b>\$ 29,734,145</b>	<b>\$ 26,077,220</b>	<b>\$ 30,270,024</b>	<b>\$ 27,557,520</b>	<b>\$ 30,599,886</b>	<b>\$ 28,159,175</b>	<b>\$ 30,909,802</b>			
7. Winter Term		\$ 8,791,071		\$ 8,791,071		\$ 8,791,071		\$ 8,791,071			
<b>Net Income (Loss) Including Winter Term</b>		<b>\$ 38,525,216</b>		<b>\$ 39,061,095</b>		<b>\$ 39,390,957</b>		<b>\$ 39,700,873</b>			

<b>Regionals Long Range Budget Assumptions</b>				
	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>
<b>Revenues</b>				
Enrollment - All First Time Students	1,652	1,652	1,652	1,652
Enrollment - Continuing	2,580	2,502	2,458	2,437
Undergraduate Resident Tuition	0%	2%	2%	2%
Undergraduate Non Resident Tuition	2%	2%	2%	2%
Graduate Tuition	0%	2%	2%	2%
<b>State Subsidy</b>	<b>-6.9%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Expenses</b>				
<b>Salaries</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>
Benefits	3%	3%	3%	3%
Healthcare	3%	3%	3%	3%
Operations	0%	0%	0%	0%
Utilities	2%	2%	2%	2%
Scholarships	3%	3%	3%	3%
Indirect Charge (% of revenues)	7%	7%	7%	7%
Program Improvements	\$ -	\$ -	\$ -	\$ -

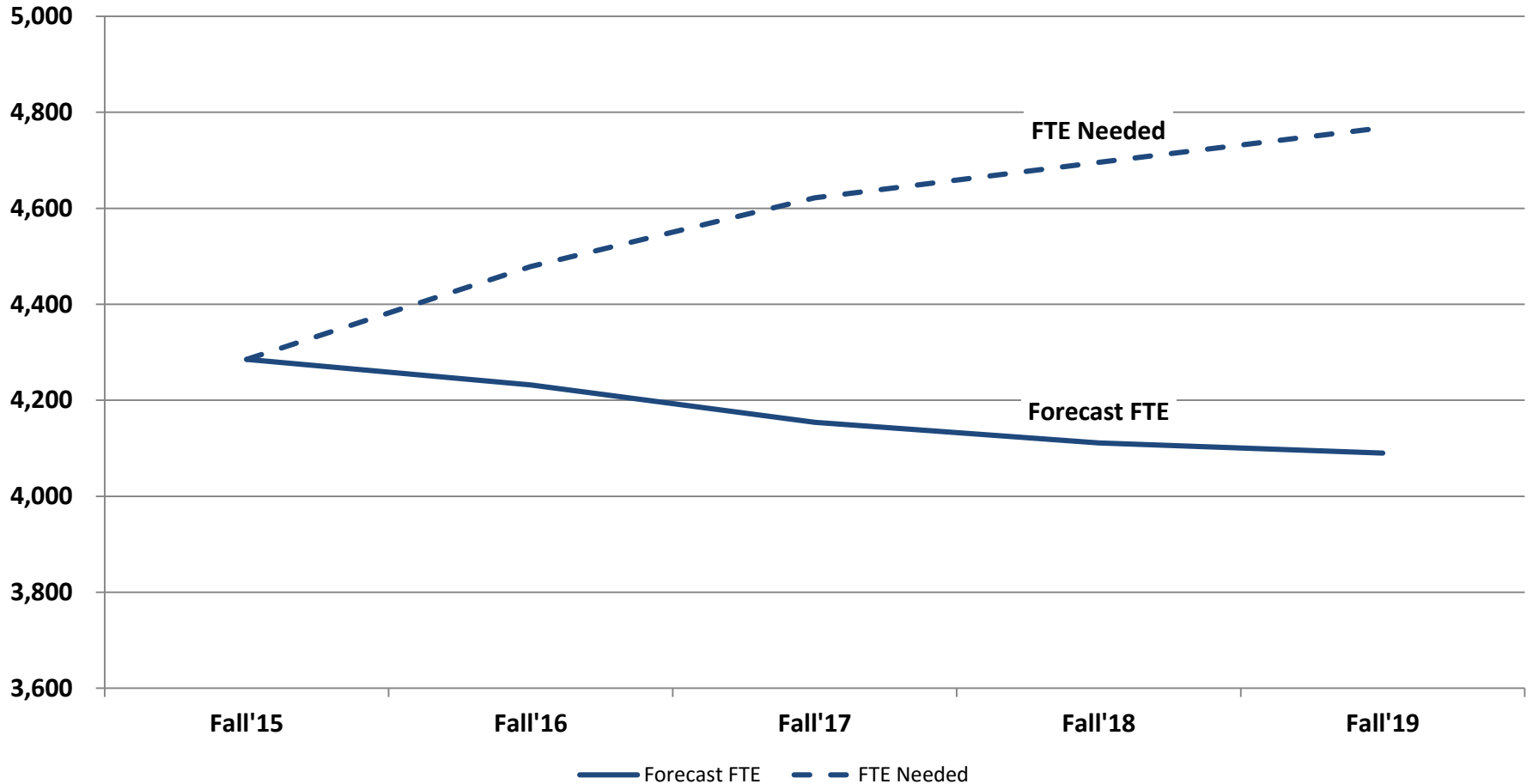
**Combined Campus - College of Professional Studies and Applied Sciences**

**Miami University - College of Professional Studies and Applied Sciences (Regional Campuses) 5 Year Budget Plan**

	Budget	Projection				
	FY16	FY16	FY17	FY18	FY19	FY20
<b>Revenue</b>						
Instructional	24,848,948	25,040,483	22,842,091	22,720,866	22,896,317	23,278,567
Non-Resident Surcharge	654,506	1,819,082	1,893,417	1,927,083	1,965,625	2,004,937
Cross Campus Revenue	2,506,760	3,477,232	3,400,000	3,400,000	3,400,000	3,400,000
ELC -- Special Rate	1,537,612	1,635,200	2,956,800	3,091,200	3,158,400	3,203,200
Sub-Total Instructional and Surcharge	29,547,826	31,971,997	31,092,308	31,139,149	31,420,341	31,886,704
General Fee	1,702,521	1,596,985	1,508,255	1,493,656	1,508,656	1,535,312
<b>Total Tuition</b>	<b>31,250,347</b>	<b>33,568,982</b>	<b>32,600,563</b>	<b>32,632,805</b>	<b>32,928,998</b>	<b>33,422,016</b>
Scholarships and Waivers	1,589,276	2,368,843	1,589,276	1,621,062	1,653,483	1,686,552
Net Tuition Revenue	29,661,071	31,200,139	31,011,287	31,011,743	31,275,515	31,735,464
Other Student Fees	274,200	274,200	274,200	279,684	285,278	290,983
State Investment in Instruction	11,162,958	11,569,788	10,726,432	10,726,432	10,726,432	10,726,432
Other from State (PSEOP)	725,000	725,000	725,000	725,000	725,000	725,000
Other Revenue	284,902	284,902	284,902	284,902	284,902	284,902
<b>Total Revenue</b>	<b>42,108,131</b>	<b>44,054,029</b>	<b>43,021,821</b>	<b>43,027,761</b>	<b>43,297,127</b>	<b>43,762,781</b>
<b>Expenditures &amp; Transfers</b>						
Salaries	24,934,039	24,934,039	26,436,023	27,229,103	28,045,976	28,887,356
Allowance for Unspent Salaries	(1,529,952)	(2,037,706)	(1,728,880)	(1,780,746)	(1,834,169)	(1,889,194)
Benefits	4,858,815	4,814,260	5,185,642	5,341,212	5,501,448	5,666,492
Healthcare Expense	3,803,721	3,848,276	3,917,833	4,035,368	4,156,429	4,281,121
Allowance for Unspent Benefits	(583,599)	(567,455)	(1,159,939)	(1,054,737)	(981,379)	(932,071)
Operating Expense	5,960,320	6,057,283	6,321,222	6,321,222	6,321,222	6,321,222
Utilities	1,209,400	1,024,598	1,145,400	1,168,308	1,191,674	1,215,508
Branch Campus Indirect Charge	2,968,931	2,968,931	3,032,890	3,035,147	3,055,880	3,090,391
Non-Mandatory Transfers	(141,922)	(141,922)	15,184	3,959	(7,590)	(19,474)
Mandatory (debt service)	894,379	894,379	758,869	756,531	758,502	755,466
<b>Total Expenditures &amp; Transfers</b>	<b>42,374,132</b>	<b>41,794,683</b>	<b>43,924,244</b>	<b>45,055,366</b>	<b>46,207,994</b>	<b>47,376,817</b>
<b>Operating Surplus/(Deficit) Before Plant Activity</b>	<b>(266,001)</b>	<b>2,259,346</b>	<b>(902,423)</b>	<b>(2,027,605)</b>	<b>(2,910,867)</b>	<b>(3,614,036)</b>
Estimated Facility Renewal	-	7,277,594	7,282,714	7,501,196	7,726,232	7,958,019
Capital Appropriation		(600,000)	(600,000)	(600,000)	(600,000)	(600,000)
CR&R	(35,300)	(35,300)	(35,300)	(35,300)	(35,300)	(35,300)
<b>Operating Surplus/(Deficit)</b>	<b>(301,301)</b>	<b>(4,453,548)</b>	<b>(7,620,437)</b>	<b>(8,964,101)</b>	<b>(10,072,399)</b>	<b>(11,007,355)</b>
Estimated Carry Forward		579,448	579,449	579,449	579,449	579,449
<b>Net After Carry Forward</b>		<b>(3,874,100)</b>	<b>(7,040,988)</b>	<b>(8,384,652)</b>	<b>(9,492,950)</b>	<b>(10,427,906)</b>
Net Operating Target (3%)		1,321,621	1,290,655	1,290,833	1,298,914	1,312,883
<b>Net After Operating Target Goal</b>		<b>(5,195,721)</b>	<b>(8,331,642)</b>	<b>(9,675,485)</b>	<b>(10,791,864)</b>	<b>(11,740,790)</b>

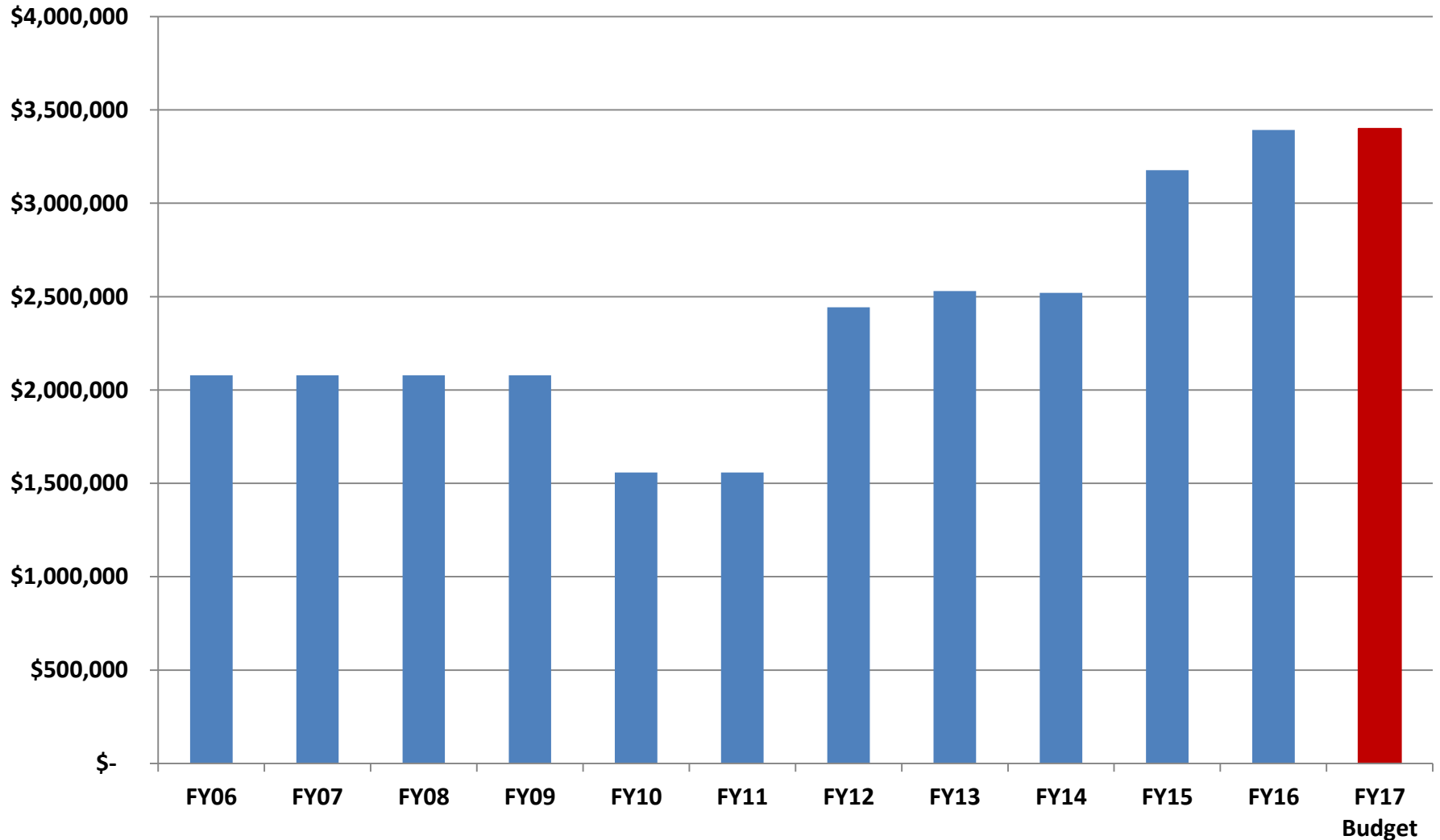
# Budget FTEs Needed to Eliminate Forecast Regional Deficits

FTE growth needed above budget:  
Fall 16=247; Fall 17=468; Fall 18=585; Fall 19=678



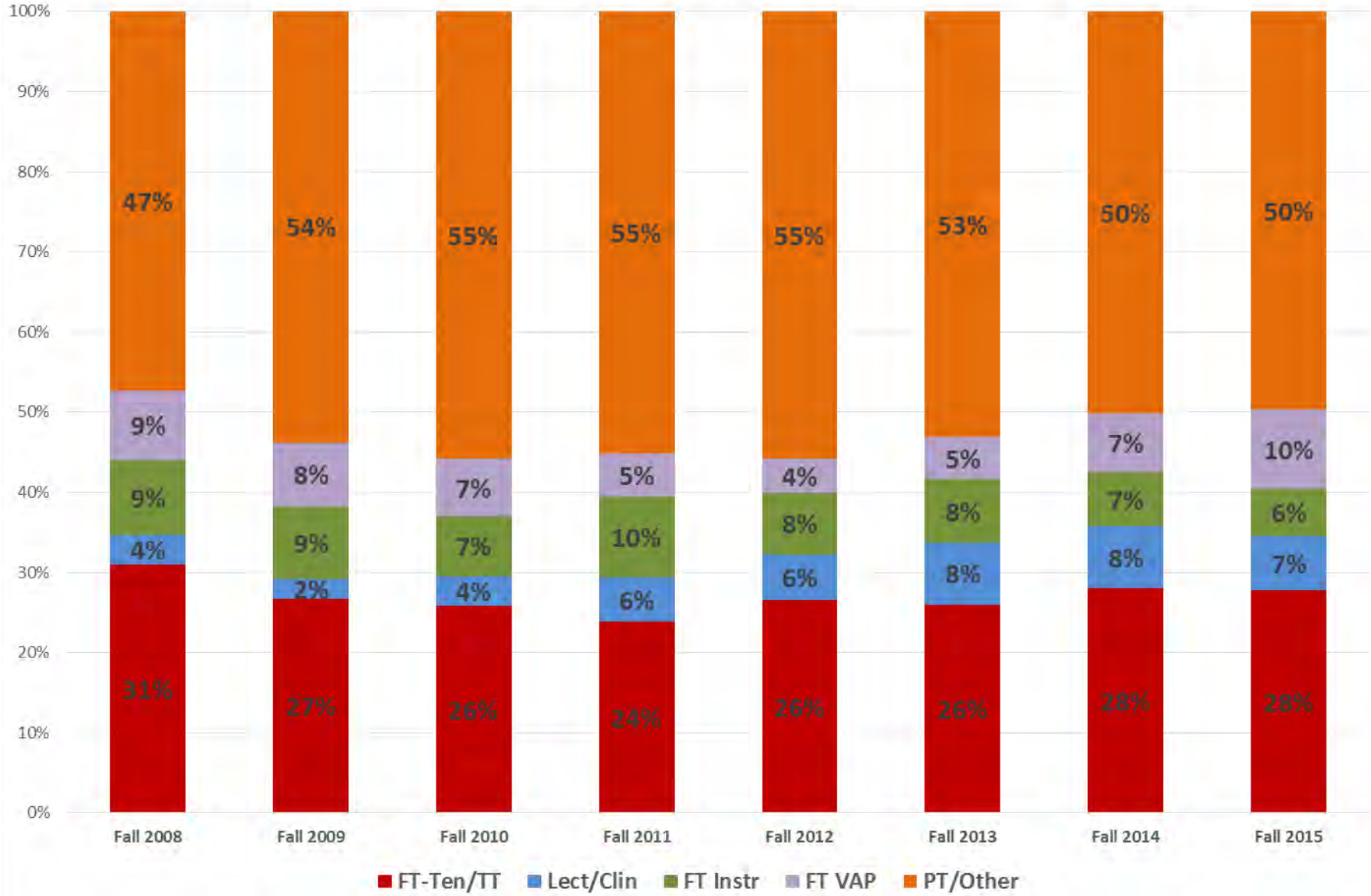
# Cross Campus Instructional Fee "True-up"

## Instructional revenues allocated to the regional campuses for Oxford campus students taking regional courses





### Total % of Credit Hours Taught By Faculty by Rank



# FY 2017 Proposed Budget Ordinance

<b>General Fund Expenditures (all campuses)</b>	<b>FY2017</b>	<b>FY2016</b>	<b>FY2015</b>	<b>FY2014</b>
Salaries	\$ 203,988,471	\$ 191,489,834	\$ 184,349,975	\$ 182,258,546
Staff Benefits	\$ 74,339,593	\$ 70,104,735	\$ 67,858,487	\$ 66,639,696
Scholarships, Fellowships & Fee Waivers	\$ 97,090,941	\$ 82,765,122	\$ 75,440,470	\$ 66,184,716
Graduate Assistants	\$ 21,555,771	\$ 21,160,271	\$ 20,770,946	\$ 23,049,516
Utilities	\$ 14,323,036	\$ 14,524,044	\$ 14,678,596	\$ 14,994,661
<u>Other Expenditures</u>	<u>\$ 42,508,993</u>	<u>\$ 42,484,838</u>	<u>\$ 41,164,881</u>	<u>\$ 40,760,769</u>
Sub-Total General Fund Expenditures	\$ 453,806,805	\$ 422,528,844	\$ 404,263,355	\$ 393,887,904
General Fund Transfers				
Debt Service (Mandatory)	\$ 8,642,559	\$ 5,958,755	\$ 6,354,944	\$ 6,230,724
General Fee & Other (Non-Mandatory)	<u>\$ 58,033,385</u>	<u>\$ 54,807,281</u>	<u>\$ 54,346,471</u>	<u>\$ 50,795,094</u>
Total General Fund	\$ 520,482,749	\$ 483,294,880	\$ 464,964,770	\$ 450,913,722
Designated Funds	\$ 45,713,572	\$ 41,086,371	\$ 33,901,574	\$ 27,002,547
Restricted Funds	\$ 62,361,610	\$ 62,454,403	\$ 64,279,980	\$ 64,826,254
Auxiliary Enterprises:				
Expenditures	\$ 118,841,271	\$ 118,533,094	\$ 115,143,040	\$ 114,241,165
Debt Service (Mandatory)	\$ 42,581,890	\$ 42,904,107	\$ 38,230,823	\$ 30,203,190
Other Transfers (net)	\$ 24,087,736	\$ 17,259,018	\$ 19,242,206	\$ 15,005,778
General Fee Support	<u>\$ (35,341,452)</u>	<u>\$ (38,373,480)</u>	<u>\$ (38,021,343)</u>	<u>\$ (34,737,369)</u>
Total Auxiliaries	<u>\$ 150,169,445</u>	<u>\$ 140,322,739</u>	<u>\$ 134,594,726</u>	<u>\$ 124,712,764</u>
TOTAL	\$ 778,727,376	\$ 727,158,393	\$ 697,741,050	\$ 667,455,287

# Questions?

Finance and Audit  
June 24, 2016

### APPROPRIATION ORDINANCE O2016-06

BE IT ORDAINED: by the Board of Trustees that the Operating Budget for Fiscal Year 2016-17, as presented at this meeting, be and it hereby is enacted with the following current expenditures and transfers for the major purposes as follows:

General Fund Expenditures:

Salaries .....	\$203,988,471
Staff Benefits .....	74,339,593
Scholarships, Fellowships and Student Fee Waivers.....	97,090,941
Graduate Assistant Fee Waivers .....	21,555,771
Utilities.....	14,323,036
Other Expenditures .....	42,508,993
Subtotal General Fund Expenditures .....	\$453,806,805

General Fund Transfers:

Debt Service (mandatory transfer).....	8,642,559
General Fee and Other (non-mandatory transfers).....	58,033,385
Total General Fund .....	\$520,482,749

Designated Fund .....

Restricted Fund .....

Auxiliary Enterprises:

Expenditures .....	\$118,286,243
Debt Service (mandatory transfer).....	42,581,890
Other Transfers (net).....	24,087,736
General Fee Support .....	(35,341,452)
Total Auxiliaries .....	\$150,169,445

TOTAL .....

Provided that the above appropriations include aggregate merit and salary improvement increases for faculty and unclassified staff equal to three percent (3.05%) effective with the beginning of the appointment year; and

Provided further that an additional one percent (1%) is included for faculty salaries for making improvements in the market competitiveness of associate and full professors salaries; and

Provided further that a pool of funds amounting to three percent (3.0%) is included for classified staff salary enhancements and adjustments to scale; and

Provided further that additional institutional funds are set aside for student financial aid, selected support (non-personnel) budgets, and debt service; and

Provided further that the Senior Vice President for Finance and Business Services and Treasurer, with the approval of the President, may make such adjustments as are necessary in the operating budget within the limits of available funds or within the limits of additional income received for a specific purpose ("restricted funds").

*Approved by the Board of Trustees*  
*June 24, 2016*



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

# Ohio Task Force Report on Affordability and Efficiency

June 23, 2016

# Governor's Task Force on Affordability and Efficiency

## ▶ Approach

- Review and Update Strategic Priority Initiatives
- Limited Use of Consultants– Physical Facilities and Parking
- Consult with University Senate's Fiscal Priorities Committee on Recommendations and Report Preparation
- Transfer Miami Document to Department of Higher Education Format

# Governor's Task Force on Affordability and Efficiency

## ▶ Summary

- Grow Undergraduate Scholarships by \$30 million
- Continue Focus on New Revenue Initiatives
- Continue Lean Initiatives with Special Focus on Custodial Operations
- Consider Sale of Surplus Property for Scholarship Endowment
- Pursue Affinity/Sponsorship Agreements with Technology Partners



# Governor's Task Force on Affordability and Efficiency

## ▶ Summary

- Fully Participate in Statewide Purchasing and Technology Initiatives
- Adopt Program Review Process for Non-Academic Operations
- Evaluate Space Utilization Opportunities
- Execute e-bookstore model
- Continue Initiatives Focused on Student Retention, Time to Degree, and Financial Literacy

# Questions?

Finance and Audit  
June 24, 2016

### RESOLUTION R2016-51

WHEREAS, Ohio Governor, John R. Kasich, on February 10, 2015, issued Executive Order 2015-01K establishing the Ohio Task Force on Affordability and Efficiency in Higher Education (Ohio Task Force) to review and recommend ways in which state-sponsored institutions can be more efficient, offering an education of equal or higher quality while decreasing their costs; and

WHEREAS, Am. Sub. HB 64 requires all boards of trustees of Ohio's state institutions of higher education to complete by July 1, 2016, an efficiency review based on the report and recommendations of the Ohio Task Force and to make a report to the Chancellor of Higher Education within 30 days of the completion of the efficiency review that must include how each institution will implement the recommendations and cost saving measures; and

WHEREAS, the report of the task force included two master recommendations requiring: the savings and new dollars from the efficiency review be employed to reduce the cost of college for students or provide tangible benefits for the quality of students' education and a five year goal to be established for savings and new resources to be achieved by fiscal year 2021; and

WHEREAS, Miami University with the adoption of this resolution establishes as its five year goal \$30 million in increased student scholarships to be met by fiscal year 2021 and has completed or has in progress actions consistent with the efficiency review as outlined in the Ohio Task Force report; and

WHEREAS, the evaluations and recommendations associated with the efficiency review are recommended in cooperation with Miami's Fiscal Priorities committee; and

WHEREAS, Miami envisions this action not only being important for the five year period required by the report but has also recommended that program reviews be implemented for non-academic programs to better ensure that the Ohio Task Force goals to improve quality and efficiency be continued beyond 2021;

NOW, THEREFORE, BE IT RESOLVED: that the Board of Trustees of Miami University accepts the efficiency review and recommendations that accompany this resolution including the five year goal to increase student scholarships by at least \$30 million; and

BE IT FURTHER RESOLVED: that the Board of Trustees directs the Senior Vice President for Finance and Business Services to submit the accompanying report and the related recommendations to the Chancellor of Higher Education by the legislated deadline.

*Approved by the Board of Trustees  
June 24, 2016*



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

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

### Miami University Assessment and Actions Taken in Response to the Ohio Task Force Recommendations

#### Executive Summary and Recommendations

Ohio's state-sponsored institutions of higher education have been directed to perform comprehensive reviews of their efficiency and new resource-generation opportunities as outlined by the Ohio Task Force on Affordability and Efficiency. The information compiled during the assessment is to be used to set a five-year goal for achieving new efficiency savings and resource generation to be used to improve student affordability and/or academic quality.

In response to this directive, Miami University performed a comprehensive assessment consistent with the Ohio Task Force's recommendations. **Miami University's goal based on this review is to increase its scholarship support for students by at least \$30 million, i.e., \$6 million per year, for the period 2017 through 2021.** This goal is in addition to controlling the cost of tuition and fees, which continues to be a priority for the university.

Miami's long-standing commitment to affordability and efficiency is evident in its external evaluations and rankings. Since 1998, Miami has been listed by *Kiplinger's Personal Finance Magazine* as one of the "100 Best Values in Public Colleges." Miami is ranked second among public universities in the nation by the 2016 *U.S. News & World Report* for its exceptionally strong commitment to undergraduate teaching and by the same publication as the most efficient, highly ranked university in the nation. These recognitions are partially made possible by adherence to the principles outlined by Governor Kasich in his charge to the Task Force.

Miami's commitment to affordability and efficiency is also evident in its financial actions during the past eight years. Multiple initiatives focused on affordability and efficiency have led to over \$75 million in annual operating improvements, about \$70 million in newly endowed student scholarships, and more than \$60 million in increased spending on student financial aid each year. Additionally, **Miami's new strategic plan includes an annual goal to increase productivity and efficiency each year by 0.5%.**

A detailed review of the university's operations was conducted in accordance with the Ohio Task Force recommendations. Some key observations and recommendations essential to Miami University achieving its new efficiency goal are summarized below according to numbered sections from the Task Force:

**3. Strategic Procurement:** The Governor's Task Force identified strategic sourcing as one of the primary opportunities for increased efficiency. Miami has adopted a new procurement policy consistent with the Ohio Task Force recommendations and intends to work with the Inter-University Council-Purchasing Group on securing contracts for the commodities identified in the Task Force report and on future group purchasing opportunities. Miami intends to use these agreements for procuring these commodities and services whenever practical.

**4A. Asset Review and Evaluation of Affinity Partnerships and Sponsorships:** As part of Miami's Strategic Priorities initiative, evaluations of non-core assets and partnership and sponsorship

opportunities were conducted earlier in this decade and several opportunities were pursued and executed. That review was recently updated as recommended in the Ohio Task Force report. The primary opportunity identified in the 2015-2016 assessment was real property that is not contiguous to the Oxford campus. The administration intends to work with its Board of Trustees to further evaluate the essential nature of these holdings and their possible liquidation. Miami is also committed to seeking additional affinity partnerships and sponsorships and is exploring opportunities with strategic technology vendors.

**4B. Operations Review:** Operation reviews, similar to those recommended in the Ohio Task Force report, were completed for Miami by Accenture in 2011 as part of the University's Strategic Priorities and its Strategic Assessment of Support Services (SASS) initiatives. As a result of these assessments, Miami identified many opportunities for operational improvement and acted on them. Several of these operations were re-evaluated as recommended in the Ohio Task Force report. The updated reviews failed to identify any additional opportunities for most of the operations, but an opportunity for further improvement in custodial services was identified. Recommendations are being developed for the best path to achieve the custodial improvements.

**5A. Cost Diagnostic:** A 10-year diagnostic was compiled by both functional area and object of expense. No major issues were identified as costs grew more slowly than the consumer price index for the period, excluding the growth in scholarships that is a strategic priority for the University and the Ohio Task Force. While overall cost growth at Miami University has been held in check for a full decade, certain operations such as Enrollment Management, Intercollegiate Athletics, and University Advancement did experience above-average growth. In the case of Enrollment Management and University Advancement, this growth was important to the attainment of strategic university goals. Growth in Intercollegiate Athletics was disproportionately large when compared to the restrained growth in most academic programs. Spending on Intercollegiate Athletics should be evaluated, definitely slowed and possibly reduced.

It was impractical to fully evaluate the operations that grew at a rate greater than the University average given the limited time available for completing the assessment. Moreover, it is possible that operations experiencing slower growth also offer opportunities for increased productivity or efficiency. The university intends to implement a program review process to assess nonacademic functions, including its auxiliary operations, on a regular cycle. Through these more intensive reviews, the effectiveness and efficiency of these services can be assessed and strengthened on an ongoing basis.

**5C. Organizational Structure and Span of Control:** Similar assessments to those recommended by the Ohio Task Force were completed by Accenture as part of the 2011 Strategic Priorities and SASS initiatives. The earlier Accenture assessments identified opportunities for improvement that have already been implemented. As recommended by the Ohio Task Force, updated reviews were conducted of the university's organizational structure and its span of control and resulted in the following conclusions.

(A) The recent reviews confirmed the earlier findings by the Accenture study that the University's structure and span of control are generally efficient when compared to Miami's university peers, with only a small number of new opportunities identified for further consideration. Span of control was identified as offering possible opportunities for improvement in two functional areas:

Enrollment Management (especially the Registrar function) and IT Services. Both will be evaluated in greater depth as part of the proposed Program Review process.

(B) The Accenture study found that university staff frequently devote a disproportionate amount of time to transactional processes to the detriment of more strategic activities. The numerous Lean initiatives since that initial assessment have improved but not fully addressed this issue. One factor preventing further improvement has been the inability to implement some Lean recommendations due to inadequate IT support for new application development. Consequently, software application improvements must become an increased focus for IT Services at the University if further improvements are to be made in reducing transactional activities.

(C) The Strategic Priorities committee in 2010 found that the number of academic departments and programs at Miami is generally larger than at similarly sized universities. Improvements have been made as a result of the Strategic Priorities recommendations that align with the university's academic goals and priorities, but the current study also found that the number of programs and academic departments are generally larger at Miami than at similarly- sized universities. It may be beneficial to engage the university community in further discussions about these patterns to determine if opportunities still exist for a more efficient academic structure that aligns with the university's academic goals and priorities.

**5E. Data Centers:** Miami is participating with the Inter-University Council-CIO group to perform an assessment of its data center and disaster recovery needs. Miami intends to contract with the State of Ohio Computer Center (SOCC) or other shared data centers for disaster recovery services and possibly other data center services once such services are more fully built-out by the SOCC and as long as such services lead to lower costs and/or operational improvements. In addition to these opportunities, Miami is working with the Ohio Supercomputing Center and the SOCC on how expand the existing high performance computing strategies, avoiding expensive new investments in Miami's research computing capabilities.

**5F. Space Utilization:** The University has completed a preliminary assessment of its space utilization and concluded that there are opportunities for improvements. A more comprehensive review will be conducted in the coming year to develop recommendations for improved space utilization and to better align space allocation and utilization with current and future academic priorities. Preliminary work has already been undertaken to improve classroom and meeting space scheduling and to enhance the information needed to identify course utilization by schedule type and delivery mode.

**6. Textbook Affordability:** An Open Educational Resources committee was appointed by Miami's provost to develop recommendations for greater standardization of course materials for gateway and high-impact courses. Thus far, the Committee has met with various university groups and conducted surveys of the university community; created a website geared primarily to librarians; joined the Open Textbook Network, a community of educational institutions that promote the use of open educational resources; and developed preliminary recommendations that are being considered by the provost.

Advances in Open Educational Resources are expected to occur gradually given the number of disciplines and courses to be addressed. In order to more immediately impact textbook and course material affordability for students, Miami issued a request for proposals (RFP) to online bookstore

providers in order to evaluate whether shifting the sale of textbooks and materials from its traditional brick and mortar bookstore could improve student affordability. The RFP process indicated a 15-25% cost reduction could be achieved for Miami's students through an online textbook provider. Miami intends to abandon its traditional approach to offering these materials to students and enter into a contract with an online textbook provider later this year.

**7. Time to Degree:** Miami University is currently completing revisions to its baccalaureate graduation requirements that will lower the requirements for most degrees by four credit hours. The new graduation requirements will go into effect in fall 2017.

A new comprehensive academic advising plan has also been developed and will be implemented in fall 2016. Some of the advising improvements that are expected include the creation of advising milestones, greater uniformity in the advising philosophy and objectives, ongoing adviser training, an annual recognition program for advising excellence, and periodic assessments of advising outcomes. Additionally, in summer 2016 Miami is implementing EAB's "Student Success Collaborative Advising Platform." The enhanced data available through this new tool will assist advisers in earlier identifying students most at-risk for not graduating on time so appropriate intervention can occur with the student.

Miami has reduced tuition by 20% for online courses taken during summer and winter terms. The university has also increased partnerships and articulation agreements with two- and four-year institutions, including with Sinclair and Columbus State community colleges, providing new, supported paths to bachelor's degrees. Additional agreements are in development.

**10. Financial Advising for Students:** Miami is implementing a number of improvements in the financial advising it provides to students. A new website will enable students to view information about their existing student loans before deciding if they will enter into new debt. The website will include information on a student's loan debt history, total amount borrowed and all related costs, and anticipated repayment amounts following graduation. The University is also developing a loan counseling protocol based on student borrowing patterns (i.e., low, medium, high risk). Both of these changes are scheduled to be implemented in summer 2016. Finally, a new financial literacy program for students will be deployed in fall 2016.

The actions developed and being implemented by Miami University are a continuation of the University's ongoing commitment to providing an affordable and vibrant learning and discovery environment that provides students the opportunity to accomplish extraordinary outcomes.



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

### **Miami University Assessment and Actions Taken in Response to the Ohio Task Force Recommendations**

#### Introduction

Ohio's public colleges and universities have been asked to undertake a comprehensive assessment of areas identified by the Ohio Task Force on Affordability and Efficiency. While these recommendations are important for improving access to higher education, lowering student debt, and strengthening student outcomes, each of Ohio's public colleges and universities is at a different stage in addressing these important issues and these differences will likely affect how an institution's assessment is conducted and the opportunities that result from the assessment.

For Miami University these priorities have been a focus for the University and its Board of Trustees for the past eight years. In 2009 and 2010 the University not only sought to balance its budget in response to financial issues created by the global recession but it also recognized the need to confront the affordability challenge through more modest tuition increases and increased scholarship support. Over \$25 million in budget reductions (see Attachment A) were implemented during this period, while tuition increases were slowed (See Attachment B) and spending on student scholarships was increased (See Attachment C).

While the budget actions taken during 2009 and 2010 responded to the immediate issues that followed the recession, the University and its Board of Trustees recognized that these issues were not temporary and that higher education was entering a transformational period requiring a more sustained approach to affordability and efficiency. As a result, President Hodge appointed a University committee on Strategic Priorities to develop a five-year financial plan in response to the transformation that Miami and all of higher education were undergoing.

The Strategic Priorities plan identified \$40 million in new strategies, with \$30 million to be generated from increased efficiency and productivity and \$10 million from new revenue activity. In addition, the plan called for \$50 million in new scholarship endowments contributing to the increased focus on affordability. By the completion of the plan in fiscal year 2015, the \$40 million goal in improvements was exceeded by almost 25% or 15% of the non-scholarship, general operating budget (See Attachment D), and the scholarship campaign had grown to \$100 million.

The Strategic Priorities plan and recommendations developed by Miami in 2010 align very closely with the Ohio Task force recommendations issued in 2015. Miami was the first among public colleges and universities in Ohio to perform a comprehensive assessment of its administrative operations. This assessment, conducted by Accenture, helped identify administrative efficiencies to augment the goals and strategies developed by Strategic Priorities committee. A summary of the opportunities and outcomes from the Accenture study is provided in Attachment E. Miami was also the first of Ohio's public colleges and universities to construct a Lean strategy, which has resulted in over 2,000 employees being trained in

Lean principles since 2009 and over 800 projects leading to improvements valued in excess of \$40 million. Lean strategies encompass all operating units at Miami.

At the conclusion of the Strategic Priorities initiative in 2015, the University embarked on a new strategic plan, the Miami University 2020 Plan (See Attachment F). The new strategic plan continues the University's focus on student affordability and on improved efficiency and productivity. This is reflected in the strategic planning goal for increased productivity of at least 0.5% each year. As part of this strategic plan, the University has adopted a tuition guarantee, the Miami University Tuition Promise, for all entering students beginning in the fall of 2016. This provides clarity to students and families about the costs associated with their college education, while keeping the value of scholarships consistent for the four-year period.

The alignment of the University's strategic plan with the Ohio Task Force report's recommendations further reflects Miami's commitment to these priorities both now and into the future.

#### Master Recommendations—Student Benefit and Five Year Goal

Miami University is committed to advancing the three primary priorities given to the Ohio Task Force by the Governor: (1) to offer a high quality education and student experience; (2) to be more efficient; and (3) to decrease costs for students and their families. The commitment to these important values is evident in the actions taken by Miami University over the last eight years and in its current strategic plan.

Miami intends to continue its commitment to these values and to direct the benefit of the increased productivity resulting from these efforts to its students. In keeping with this expectation and the requirement for a five year goal or target, Miami's plan is to increase its scholarship support for students by at least \$30 million or \$6 million per year for the period 2017 through 2021. Combined with the University's efforts to control the rising cost of tuition, this will help to better ensure that Miami accomplishes the three priorities set out in the Governor's charge to the Ohio Task Force.

#### Strategic Procurement

3A- Campus Contracts. Miami University, as recommended in the Task Force report, has amended its procurement policy to require that all university departments prioritize goods and services available through contracts negotiated by the Inter-University Council - Procurement Group (IUC-PG). The amended procurement policy is presented in Attachment G.

3B- Collaborative Contracts. As noted above, the Miami University Board of Trustees has adopted a revised procurement policy requiring all employees to prioritize IUC-PG contracts for all goods and services covered by these contracts. Miami also intends to participate in the IUC-PG's future contracts for commodities identified in the Governor's Task Force report as well as other commodities that are similarly available through contracts negotiated by the IUC-PG. The following table summarizes the plan for each commodity specifically identified in the Ohio Task Force report:

<b>Good or Service</b>	<b>Status</b>
Copiers and Printers	Miami has adopted the vendor agreement for copier and printer services negotiated by The Ohio State University. The IUC-PG intends to use the OSU agreement as the statewide model agreement. The new contract is effective 7/1/16.
Computers	Miami continues to employ the STS PC standards and the model contract negotiated by The Ohio State University. Miami's IT Services division is evaluating how to further refine the STS standards for administrative computer purchases and will fully participate in the IUC-PG's exploration of similar standards for monitors, keyboards, mice, cabling, etc.
Office Supplies	Miami currently employs the IUC-PG office supply contract and will fully participate with the IUC-PG in development of office product standards with the potential for further reducing the cost of certain office products.
Scientific Supplies	Miami is participating in the current data-gathering process for scientific equipment and supplies and intends to adopt the statewide agreement(s) once a vendor or vendors have been selected.
Shipping	Miami intends to adopt the IUC-PG's UPS outbound contract for letters and small packages and already uses the E&I Fed Ex contract as recommended by the IUC-PG. Miami will also fully participate in the inbound freight RFP being developed by the IUC-PG.
Travel Services	Miami University has entered into a contract with a travel provider and will supply travel information from the provider to the IUC for the purpose of negotiating lower costs for frequent destinations or for volume providers of travel related services.

### Assets and Operations

4A Asset Review. Since 2009 Miami University has aggressively pursued assessments of its non-core assets to determine their market value if sold, leased or otherwise repurposed. The following is a summary of the transactions that have already been completed:

<b>Non-Core Asset</b>	<b>Outcome from Sale, Lease or Repurpose</b>
Public Radio Station	Leased the broadcast rights to Cincinnati Public Radio in 2010, saving \$600,000 in annual operating costs.
Software Company redLantern	In 2010, redLantern was sold for a gross sales price of \$3,000,000.
On-campus Banking	Total value of the 2012 contract to the University is \$1.2 million over seven years. The new arrangement also made deposits of funds collected by university departments easier and faster with fewer administrative resources required to accomplish these deposits.
Beverage "Pouring Rights"	The 10-year contract negotiated in 2014 with an area Pepsi distributor has an estimated value of \$8.5 million over the life of the agreement.
Health Services	The 2015 sponsorship agreement provides \$10 million to the University over 12 years along with improved sports medicine services for Miami's intercollegiate athletes and students participating in intramural and club sports.
Sponsorship Agreements for Intercollegiate Athletics	Miami utilizes IMG to negotiate affinity partnerships for Intercollegiate Athletics which provides an annual value for the University's athletic programs of \$700,000.

In addition to the assessment of non-core assets that was previously completed by the University, the University undertook an updated assessment of the remaining non-core assets as recommended in the Ohio Task Force report. The following assets have been evaluated for the possibility of being sold, leased or otherwise repurposed:

<b>Non-Core Asset</b>	<b>Status of Evaluation</b>
Airport	The receipt of capital improvement grants from the FAA precludes any immediate sale of the airport site and limits lease opportunities as well, but future opportunities will continue to be evaluated. Miami is also evaluating how it can more efficiently provide air travel that currently occurs through a university-owned plane.

Elm Street Facility	This building is being vacated due to high maintenance and operating costs. The University is currently evaluating whether to pursue offers for sale or an exchange of the property.
Miscellaneous Residential Properties not Adjacent to the Oxford Campus	The University is currently evaluating whether to pursue a sale or exchange of residential properties in Oxford not adjacent to the Oxford Campus.
Ox College	In 2001 the University entered into a long-term lease agreement for the former Ox College residence hall with a local community foundation. This agreement enabled Miami to avoid the cost of operating and maintaining the building. The site also includes vacant land that is near the Elm Street building that may increase the attractiveness of the Elm Street building to developers should the University choose to pursue such a transaction. Further analysis is needed to determine the feasibility of selling or exchanging some of this site.
Parking Facilities	The University engaged a consultant to evaluate the operation of its parking facilities and to determine the feasibility of leasing or selling the facilities to a private operator. The consultant's conclusion was that selling or leasing these parking facilities is not financially viable.

4B Operations Review. As recommended in the Task Force report, the University completed an assessment of non-academic operations to determine if they can be operated more efficiently by a regional cooperative, private operator, or other entity. A summary of the results from these reviews follows:

<b>Non-Academic Operations</b>	<b>Status of Assessment</b>
Dining	Improving the performance of the University's dining and residence hall operations was identified as a university priority in 2008. A summary of the improvement in the financial performance for these operations is presented in Attachment H. In an effort to achieve further improvement in the dining program, an RFP for management services was issued in late 2014 but the selected vendor was unsuccessful in assuming these responsibilities and is no longer under contract. An updated assessment of the dining operation was completed in 2014 and serves as the blueprint for making further and

	ongoing improvements in the dining program (see Attachment I).
Housing	As noted above, the need for improvement in the residence hall facilities and operations was identified in 2008 as an institutional priority. In 2011, the University issued an RFP for a potential P3 housing partnership before undertaking the construction of new residential housing for freshman and sophomore students. The proposal-evaluation committee determined that a P3 partner would not offer a viable alternative to university- constructed housing for freshmen and sophomores. While Miami continues to own and operate housing for freshmen and sophomore students on the Oxford campus, it has generally relinquished upper class and graduate student housing to operators in the Oxford area and thereby avoided the need for a formal P3 agreement that would shift financial risk to the University.
Student Health Center and Student Health Insurance	In 2013, Miami University contracted the management of its student health center with a local hospital provider, resulting in annual savings of about \$450,000. The University also annually evaluates its student health insurance policy and continues to find that its hard waiver policy leads to annual savings for those students needing to purchase health insurance. The annual evaluation also verified that more affordable student health insurance opportunities are not available through the Federal Exchange.
Child Care	Child care is already contracted with private operators.
IT Help Desk	IT Services has completed a review of its help desk and found that Miami's cost per contact is lower than industry providers. Miami is working with other public colleges and universities in Ohio to identify other collaborations and approaches that would further lower the cost of providing this service at Miami or improve the service available to students and employees. Such initiatives include expanding the knowledge base offered and to increase client self-service capabilities. The additional savings from these strategies are not able to be estimated at this time.

	In addition to possible help desk collaborations, Miami is working with Wright State University on a collaboration involving video-captioning services.
Janitorial Services, Landscaping and Facility Maintenance	An assessment of the facility operations was performed by an independent operator earlier this year (See Attachment J). Their report suggests that unless significant improvements and efficiencies can be achieved for the custodial operations within the next 12 months, such services should be contracted with a private operator. The annual savings opportunity is projected to be about \$1.6 million. Similar opportunities were not found to exist for facilities maintenance or the grounds operations.
Real Estate Management	Because Miami's real estate holdings are largely rural, it is not financially practical to place them under the oversight of a real estate management company.
Print Center	The print center, due to a need to repurpose this space for expanded lab space in Hughes Hall, is being closed. Services will be provided through print shops in the Oxford or nearby communities. The annual operating savings is estimated to be \$200,000.

4C Affinity Partnerships and Sponsorships. These opportunities were addressed as part of the above review. No immediate opportunities were identified but future opportunities are continuing to be considered. One area of opportunity identified are partnerships with strategic technology vendors.

#### Administrative Cost Reforms

5A Cost Diagnostic. A 10-year cost diagnostic was completed for Miami University as recommended in the Governor's Task Force report. This review included an analysis of spending by functional category and by object of expense. The diagnostic confirmed that the many efforts by Miami University over the past eight years have been effective in slowing the annual rate of growth in spending. Spending per student, net of student financial aid, actually declined from its peak in 2008 (See attachment K), and the increase in actual spending over the entire ten-year period rose at a rate slower than the annual growth in the consumer price index. The summary of the cost diagnostic analyses is provided in Attachment L.

While the cost trends observed over the last decade are generally quite favorable, this review did identify a small number of areas where costs have grown faster than the overall trend at Miami. Most of these areas align with the strategic priorities of the University during this period. It also is possible that opportunities for increased productivity or improved efficiency may exist in areas that grew slower than the average rate of growth. For all administrative functions and cost centers, a deeper analysis could potentially identify opportunities for improvement. For this reason, the University intends to implement



a program review process for assessing nonacademic functions and programs on a regular cycle. Through these reviews, the effectiveness and sufficiency of these activities can be properly assessed and improved.

A summary of this analysis that was completed follows:

**Cost Diagnostic  
Spend Categories that are Outliers  
Oxford Educational and General Operations**

<b>Area or Cost Center</b>	<b>Growth Rate above the University Average Rate of Growth</b>	<b>Comments</b>
VP Enrollment and Student Success	8.2%	Increased spending on enrollment management has been a major factor in the growth in the number and quality of students enrolling at Miami.
Audit Fees	6.3%	Audit contracts are awarded by the Auditor of State, but a cost reduction may be possible at the next contract renewal.
Marketing and Communications	5.9%	Increased spending on marketing has contributed to the growth in number and quality of students enrolling at Miami.
Travel and Hosting	5.13%	Increased spending on travel is consistent with university priorities such as increased international opportunities for students, national student recruitment, and fundraising growth.
Investment Fees	4.4%	The growth is reasonable given the growth in the amount invested by the University and the Foundation.
Advancement	3.4%	There also has been growth in donor contributions.
Debt	3.10%	No new E&G debt has been issued since 2007. E&G debt will continue to be closely scrutinized going forward.
Student Employment	2.29%	This is a strategic priority for the University as increased student employment opportunities

		assist students in meeting their financial obligations, aiding retention, and gaining professional experiences that benefit them in their preparation for future professional opportunities.
General Counsel	2.0%	This is the result of increased regulation and litigation.
Human Resources	1.7%	This is partially due to increased regulation and also to a greater emphasis on employee programs (such as wellness) that have helped to slow the growth in employee benefit costs. Accenture also identified HR as an operation where the current level of spending is below best practice.

**Cost Diagnostic  
Spend Categories that are Outliers  
Oxford Auxiliary Operations**

<b>Area or Cost Center</b>	<b>Growth Rates above the Auxiliary Average Rate of Growth</b>	<b>Comments</b>
Aviation Services	11.7%	Increase is due to rise in the cost of maintaining the university plane and the related services. Along with the airport, this cost center will continue to be evaluated.
Debt	11.21%	This is the result of the residential and dining facility renewal program mentioned earlier.
Graduate Assistants	8.86%	This is due to increased utilization of graduate students in Recreational Center operations and ICA. This cost aligns with the university's educational priorities.
Goggin Ice Center	7.3%	This is a result of the increased cost of operating a new and much larger ice arena.

Financial Aid	1.94%	This is due to growth in tuition which impacts scholarship costs for Intercollegiate Athletics.
Intercollegiate Athletics	2.3%	Intercollegiate Athletics, especially when combined with the growth in related facility costs, continues to increase its cost at a faster rate than most university operations. This growth, even though consistent with other similar athletic programs, is disproportionately large when compared to the restrained growth in most academic programs and should be evaluated, definitely slowed, and possibly reduced.
Transportation Services	2.2%	Growth is exclusively due to cost increases for bus transportation used by students and staff.

5B Ohio Department of Higher Education Productivity Measure. The Ohio Department of Higher Education has provided its productivity measure for Miami University, and the University will use these ratios as part of its approach to monitoring its progress towards improved efficiency and affordability for its students.

5C Organizational Structure, Span of Control, and Staffing Trends. Over the past eight years, Miami University has made considerable effort to improve its efficiency and productivity in providing administrative services. One measure of this effort is the student-to-staff ratio, which improved by 36% during the last eight years (See Attachment M).

As part of the overall organizational review, a comparison of Miami's organizational structure was made to Ohio's other four-corner schools and to five other public universities with similar enrollment and missions (See Attachment N). Additionally, a span-of-control review was completed for the major divisions of the University (See Attachment O). These recent analyses confirmed the earlier analysis by the Strategic Priorities Task Force, the Strategic Assessment of Support Services (SASS) committee, and the review by Accenture for the SASS committee that the University's organizational structure is as efficient or more efficient than other similar universities. However, a small number of opportunities for possible improvement follow:

1. One of the shortcomings identified with the University's organizational design during the earlier reviews is the disproportionate amount of time devoted by staff to transactional processing to the detriment of more strategic activities. The improvement in the student-to-staff ratio since these earlier studies is evidence of the significant progress that has been made towards a more productive organization, but there remain opportunities for further reductions in transactional tasks. Several Lean projects have identified opportunities where software application

improvements would lead to reduced transactional work. To date, insufficient application support from IT services has prevented such improvements from being implemented. It is recommended that software application improvements become an increased focus for IT Services.

2. Both the Strategic Priorities committee and the Accenture study performed for the SASS committee noted that the numbers of academic departments and programs at Miami are generally larger than at similarly sized universities. Progress has been made in these areas since the report, but there may be additional opportunities for an improved academic organizational structure that aligns with the university's academic goals and priorities. It may be beneficial to engage the university community in a broad discussion of the potential benefits of more flexible and possibly more efficient department and program structures. Such changes may better position Miami University to adjust to the rapid expansion of knowledge in a technology driven, global society and to the rapid development of new or interdisciplinary fields in response to such a society. These changes may also better convey to students and grantors the possibilities offered through the University's departments and programs.
3. The implementation of the University's "one-stop" student support center successfully responded to one of the major opportunities identified in the SASS committee report. While service to students has been greatly improved through this new service delivery model, the recent span-of-control review suggests there may be some opportunities to restructure the traditional offices that comprise the new Enrollment Management division. Specifically, the Registrar's Office was identified as an outlier in the current span-of-control review.
4. Another area of improvement identified by the 2011 SASS committee was the design of the IT organization. Again, much improvement has been made in the IT organizational structure since 2011, but the current review continues to identify the span of control for IT services as being smaller than higher performing IT organizations. Further opportunities may still exist and should be evaluated.

5D Health Care Costs. The Ohio Task Force identified employee health benefits as an opportunity, but that study will be conducted through a statewide initiative led by the Ohio Department of Higher Education.

5E Data Centers. Miami participated with the Inter-University Council (IUC) in the development of best-fit criteria for the deployment of disaster recovery services and other data center operations (See attachment P). Miami will continue its participation with the IUC in evaluating these criteria and their use in determining which services should be deployed to the State of Ohio Computer Center (SOCC) once the appropriate investments have been made to prepare that center for these services. Miami currently utilizes Wright State University for its disaster recovery services but intends to contract with the SOCC for these services once additional universities can be accommodated at the SOCC or with another state-wide shared data center should hosting in one location be found to be a substantial risk.

Miami is also pursuing increased use of the Ohio Supercomputing Center (OSC) and the SOCC for research computing as well. This includes high performance computing strategies involving the OSC such as "condo computing" now offered at the SOCC as an affordable solution to providing increased research computing capacity. These enhanced research computing capabilities won't reduce the cost of existing services but will help to avoid future costs.

5F Space Utilization. Miami had undertaken the study of its space utilization prior to the Ohio Task Force recommendation. While opportunities for greater efficiency appear to exist, the work to date has identified the need for more comprehensive review. In anticipation of this comprehensive review, Miami's Division of Enrollment Management and Student Success Office and the University Registrar, in consultation with the Provost's Office, have begun to examine course and classroom data to: (1) broadly understand how we currently schedule and utilize instructional and meeting spaces across campus, and (2) identify additional potential multi-use spaces that could be used more comprehensively. Further, preliminary work is being done to better consolidate and centralize how classroom and meeting spaces on campus are scheduled with the goal of using one scheduling system. Finally, the University Registrar is making improvements to the capacity to readily identify courses by schedule type and delivery mode, which is information that typically informs the type of instructional space required.

#### Textbook Affordability

6A Negotiate Cost. Miami is reviewing proposals for a provider of online textbook and course materials and expects to select the University's partner in the coming weeks. The shift from the University's traditional bookstore approach to providing these materials through an online provider recognizes that online services can offer students access to textbooks and materials, as conveniently as campus stores, while lowering the cost to students by 15-25%. The transition to the new service will be completed by fall 2017.

6B Standardize Materials for Gateway Courses. An Open Educational Resources Committee was appointed by Miami's Provost to develop recommendations for greater standardization of course materials for gateway courses and high-impact courses. Thus far, the Committee has met with various university groups and conducted surveying of the university community; created a website geared primarily to librarians, which includes discipline-related resources; joined the Open Textbook Network, a community of educational institutions that promote student success and affordability through the use of open textbooks; and developed a preliminary set of recommendations for how to move the initiative forward, which are currently under consideration by the Dean of the Libraries and Provost.

6C Develop Digital Capabilities. The Open Educational Resources Committee (see 6B above) was also charged with studying options for greater use of digital course materials and coordinating with statewide groups on how to share these materials across Ohio's public colleges and universities. Recommendations are still in preparation and the final report is not yet available.

#### Time to Degree

7A Time to Degree: Education Campaign. Students can leverage information about their requirements and degree paths in multiple ways: (1) A student can run a Degree Audit Report at any time, which alerts students as to which requirements have been met, are in progress, or still need to be met; (2) academic plans are developed in consultation with the academic advisor and in the UNV 101 course; (3) the *General Bulletin* includes requirements for each degree program and is available online; and (4) the EAB Student Success Collaborative provides information to each academic advisor when students are not making progress toward completing their primary major in a timely manner, allowing for more proactive advising and intervention. After completing a pilot in two of the six academic divisions at Miami, the EAB Student Success Collaborative will be launched university-wide in fall 2016.

7C: Time to Degree: Standardize Credits for Degree. Miami had previously taken and is currently taking steps to increase college completion rates and reduce average time-to-degree. Miami's 2015 revision of its general education program reduced the credit-hour requirements for a degree. Over 60% of academic programs have developed and publicized pathways for completion in three years (<https://miamioh.edu/academics/three-year-pathways/index.html>). Finally, we are working to reduce the credit-hour requirement for graduation with a bachelor's degree by an additional four credit hours, to be implemented beginning fall 2017.

7D Time to Degree: Data Driven Advising. A new comprehensive academic advising plan has been developed and implemented beginning fall 2015. The plan includes consistent advising philosophy, required advising milestones, ongoing advisor training, annual recognition of advising excellence as well as clear outcomes. Additionally, Miami is implementing (Summer 2016) EAB's Student Success Collaborative software advising platform across all undergraduate academic programs to assist with identifying students most at-risk for not graduating on time. This technology provides information for advisors to intervene and provide preemptive support to students based on actionable and student-specific data. Advisors can use this software to track advising sessions, take and record notes, and identify students for advising interventions. This comprehensive advising plan includes annual assessment of advising efforts using multiple measures (national surveys, graduation/retention rates, advisor training completion rates, and internal surveys). The first annual assessment report was created in April 2016 with suggested steps for improvement to be implemented beginning fall 2016.

7E Time to Degree: Summer Programs. Miami's implementation of wait-listing beginning in fall 2016 will better enable unmet course demand to be met. Miami actively reviews high-demand courses for possible expansion in both summer and winter terms, along with discontinuation of low-enrollment courses. In addition, Miami reduced tuition for online courses taken during summer and winter terms.

7F Time to Degree: Pathways Agreements. Miami has taken significant steps to increase its partnerships and articulation agreements with two- and four-year institutions, including a new website and partnership database and online approval protocol. Current articulation agreements are in place with Sinclair and Columbus State Community Colleges, and Miami continues to expand program guides to create more academic program connections (2+2) at each location. Miami is currently developing a new articulation agreement with Cincinnati State, and discussions are also being held with Tri-C & Lakeland Community Colleges. Partnership agreements and the quality of partnerships are reviewed annually by a university-level committee.

8 Duplicative Programs: Program Review. The IUC Provosts group has submitted reports regarding low enrollment courses and considerations for consolidating programs. Miami University does not offer any competency-based degree programs at this time and has no immediate plans for development of such degree programs. University of Cincinnati, Ohio State University and Miami University are exploring opportunities for collaboration on offering foreign language classes. Miami and Ohio University (Classics Departments) are already engaged in a cooperative venture that puts Miami and OU students virtually in the same classroom (<http://miamioh.edu/cas/academics/departments/classics/>).

9 Co-located Campuses. There are no co-located campuses associated with Miami University's regional campuses.

### Policy Reforms

10A Financial Advising. Miami University is implementing a number of improvements in the financial advising it provides to students. A new website will allow students to view information about their personal loan debt. This improvement will enable students to access their loan debt history, total borrowing costs, and anticipated repayment amounts following graduation. The University is also developing a loan counseling protocols based on student borrowing patterns (i.e., low, medium, high risk). Both of these changes are scheduled to be implemented in summer 2016. A financial literacy program for students will also be deployed in fall 2016.

10B Policy Reform Obstacles. This recommendation is the responsibility of the Ohio Department of Higher Education and the Inter-University Council.

10C Policy Reform – Real Estate Sales. This recommendation is the responsibility of the Inter-University Council and the Ohio General Assembly.

10D Policy Reform – Insurance Pools. This recommendation is the responsibility of the Inter-University Council and the Ohio General Assembly.





**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:

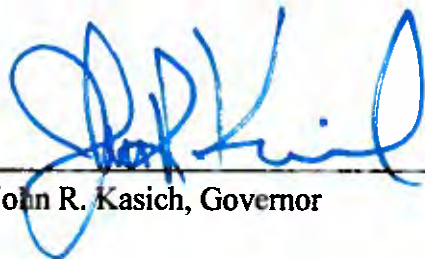
1. The Ohio Task Force on Affordability and Efficiency in Higher Education (the "Task Force") is hereby established to review and recommend ways in which state-sponsored institutions of higher education, including four-year universities and two-year community colleges, can be more efficient, offering 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.

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.

6. 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

ATTEST:

\_\_\_\_\_  
Jon Husted, Secretary of State

# Action Steps to Reduce College Costs

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Ohio Task Force on Affordability and Efficiency

Oct. 1, 2015

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## 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

## 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:

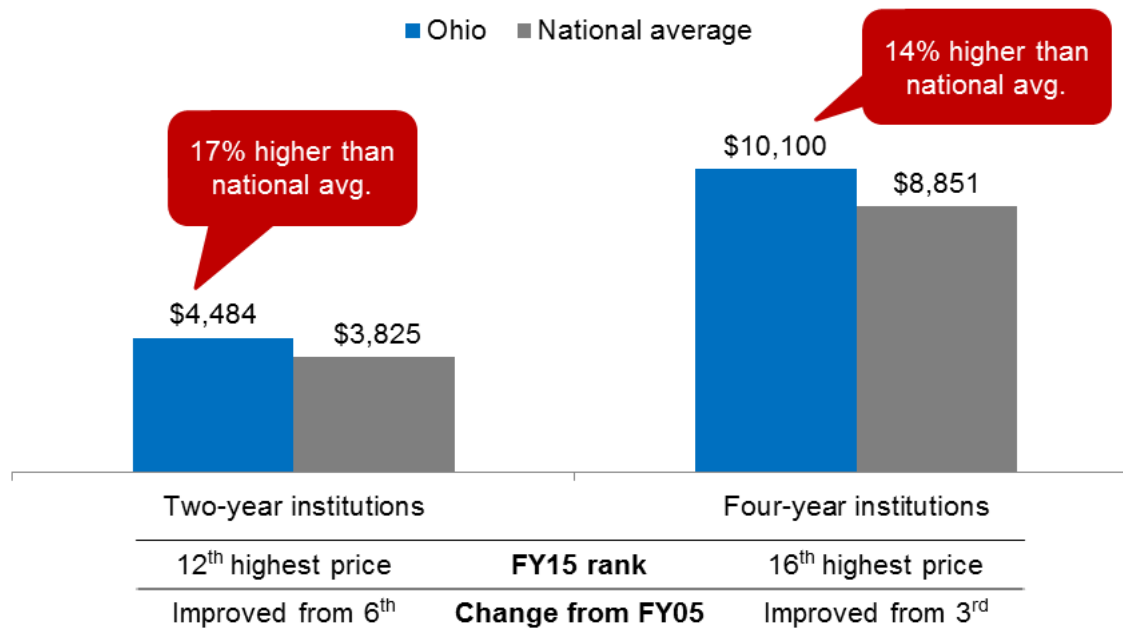
- Some students aren't able to pursue the education they need to reach their full potential.
- Debt is forcing some graduates to delay important milestones in their lives, including home ownership and marriage.
- And our economy is suffering because the workforce lacks the skills needed to meet employers'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

**Average tuition and mandatory fees 2014-15**



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

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 12<sup>th</sup>-highest average cost of in-state tuition and mandatory fees. And our community colleges have the 16<sup>th</sup>-highest prices.<sup>1</sup>

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.

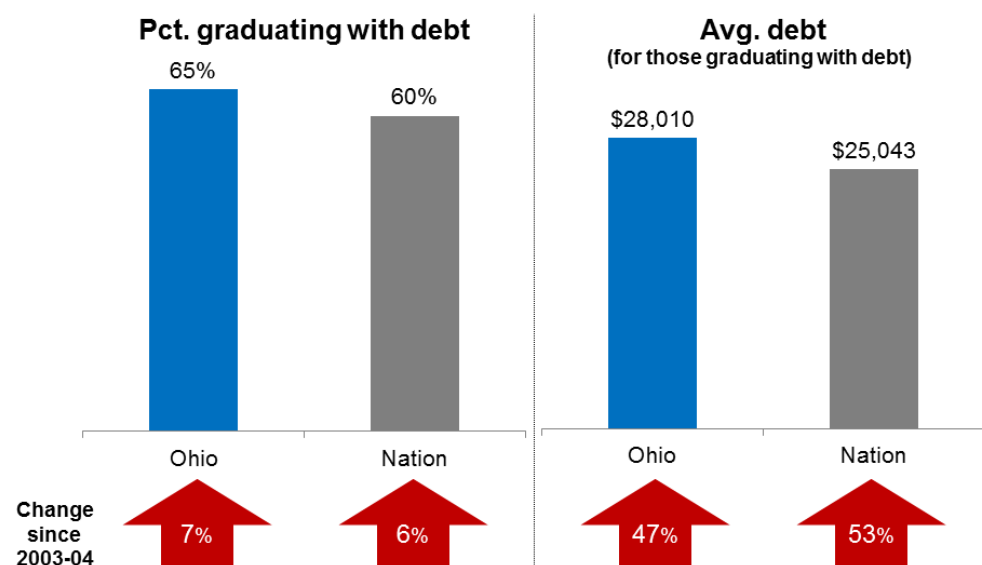
For some students, need- and merit-based financial aid offers relief. But many other students turn to loans to support their education.

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](http://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



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.<sup>2</sup>

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.

## 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.

**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.

**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.

## 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

## 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.

**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.<sup>3</sup>

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	✓			✓				✓			✓	

**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.



## 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.

- **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.

- **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

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.

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.

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.

## 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

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.



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.

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.

## 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.<sup>4</sup>

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.

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.

- **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.

- **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.

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.

- **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.<sup>5</sup>
- **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.



## 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.<sup>6</sup>

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.<sup>7</sup> 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.<sup>8</sup>

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.

- **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.

- **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.

## 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.<sup>9</sup>
- **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.

- **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

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.

**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.



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.



- **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.<sup>10</sup>

## 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.

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			✓	✓				✓		✓	✓	

## 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.<sup>11</sup>

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.

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	✓			✓			✓					✓

## 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.

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.

- **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	✓			✓			✓					✓



## 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 Committee<sup>12</sup> (Section 369.540 of Am. Sub. H.B. No. 64) to coordinate next steps.

- 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.

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

<b>Implementation matrix</b>			
<b>Recommendation (Deadline if not July 1, 2016)</b>	<b>Boards of Trustees</b>	<b>Dept. of Higher Ed.</b>	<b>IUC Purchasing Group</b>
1: Savings to students <b>(July 1, 2017)</b>	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 <b>(Dec. 31, 2016)</b>	Review assets, operations and opportunities for affinity/sponsor relationships		Joint contract?
5A: Cost diagnostic <b>(Dec. 31, 2016)</b>	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 <b>(Dec. 31, 2016)</b>	Order review		Joint contract?
<b>Recommendation (Deadline if not July 1, 2016)</b>	<b>Boards of Trustees</b>	<b>Dept. of Higher Ed./ State legislature</b>	<b>IUC Purchasing Group</b>
6A: Negotiate textbook cost	Assign negotiators		
6B: Standardize materials	Direct academic leaders to develop plan		

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 <b>(Dec. 31, 2016)</b>	Develop plan		
7F: Pathway agreements	Develop agreements		
7G: Competency-based education	Consider programs		
8: Duplicative programs <b>(Dec. 31, 2016)</b>	Consider consolidation	Identify programs	
9: Co-located campuses		Develop legislation	
10: Policy reforms	Financial education	Develop legislation Remove obstacles	

## 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.

- **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. <sup>13</sup>
- **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.

## 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.


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.
-



6. 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

## 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](http://www.ohiohighered.org/ae).

## 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

## Appendix D | Sources

<sup>1</sup> 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>

<sup>2</sup> Lumina, "A Stronger Nation through Higher Education," [http://www.luminafoundation.org/stronger\\_nation](http://www.luminafoundation.org/stronger_nation)

<sup>3</sup> 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>

<sup>4</sup> Huron Consulting Group analysis, [https://www.ohiohighered.org/sites/ohiohighered.org/files/uploads/affordability-efficiency/Huron-OhioSystemOpportunities\\_072115.pdf](https://www.ohiohighered.org/sites/ohiohighered.org/files/uploads/affordability-efficiency/Huron-OhioSystemOpportunities_072115.pdf)

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

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

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

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

<sup>9</sup> Ohio Department of Higher Education analysis

<sup>10</sup> 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](http://www.mathematica-mpr.com/~media/publications/PDFs/education/compentency-based_program_models.pdf)

<sup>11</sup> Ohio Department of Higher Education, Higher Education Information System

<sup>12</sup> Section 369.540 of Am. Sub. H.B. No. 64. Ohio Department of Higher Education, [www.ohiohighered.org/efficiency](http://www.ohiohighered.org/efficiency)

<sup>13</sup> 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/](http://www.pearsoned.com/education-blog/tennessee-community-colleges-take-innovative-approach-to-remediate-high-school-math-students/)

Finance and Audit  
June 24, 2016

**Resolution R2016-52**  
Endowment Spending

WHEREAS, Miami University receives and manages contributions of cash, securities, life insurance, personal property, and real estate in its endowment; and

WHEREAS, the Board of Trustees desires to continue the policy of supporting University operations and scholarships through the distribution of income and realized gains from the endowment; and

WHEREAS, Miami University Resolution 2010-4 established an amended Spending Policy effective with the fiscal year ending June 30, 2010, and authorized such Policy to remain in effect until formally modified by the Board of Trustees; and

WHEREAS, Miami University Resolution 2010-4 also directed the Senior Vice President for Finance and Business Services to annually evaluate the variables underlying the spending formula and to present recommendations as to the spending formula to be used for the fiscal year; and

WHEREAS, the Senior Vice President for Finance and Business Services has presented his recommendations for the fiscal year ended June 30, 2016, and the Finance Committee has accepted those recommendations; and

WHEREAS, the Board of Trustees, has considered the proposed Spending Policy, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, considering the following factors:

1. The duration and preservation of the endowment fund;
2. The purposes of the institution and the endowment fund;
3. General economic conditions;
4. The possible effect of inflation or deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the institution;
7. The investment policy of the institution;

NOW, THEREFORE, BE IT RESOLVED THAT: The Board of Trustees hereby authorizes that the spending distribution for the fiscal year ended June 30, 2016, be computed according to the following formula:

*The weighted average spending formula is to be comprised of two elements: a market element, given a 30% weight in the formula, and an inflation element, given a 70% weight in the formula. The market element is to be computed by multiplying the market value of the investment portfolio on March 31, 2016 by a long-term sustainable spending percentage of 4.5%. The inflation element is to be computed by increasing the prior year's actual spending distribution by the annualized increase in the Consumer Price Index as of March 31, 2016.*

*If, however, the June 30, 2016 market value of an individual endowment fund account is below the cumulative value of all gifts contributed into that account, then only the pro rata share of realized dividends and interest allocated to that account may be distributed instead of the amount determined by the spending calculation.*

*Approved by the Board of Trustees  
June 24, 2016*



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

MIAMI UNIVERSITY  
SPENDING FORMULA DECISION POINTS  
FISCAL YEAR 2016

1. Considerations

With the care that an ordinarily prudent person in a like position would exercise under similar circumstances, we have considered the following factors:

- The duration and preservation of the endowment fund;
- The purposes of the institution and the endowment fund;
- General economic conditions;
- The possible effect of inflation or deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the institution;
- The investment policy of the institution.

2. Market Element

- Monte Carlo simulations were used to project the probabilities of maintaining intergenerational equity using different market elements and different risk/return assumptions.
- FY 2004 - 2015 formulas used 4.5%.
- Outcomes from this approach have been satisfactory.
- **Recommended for FY 2016: Stay with the 4.5% multiplier.**

3. Inflation Element

- Monte Carlo simulations were used to study the impact of changes in the inflation rate.
- FY 2004 - 2014 formulas used the Consumer Price Index (CPI).
- FY2015 used +0.1%, since the prior 12-month change in CPI was negative.
- CPI for the 12-month period ending March 31, 2016 is again positive.
- **Recommended for FY 2016: Use CPI as the inflation value.**

4. Underwater Funds

- The status of funds that have fallen below gift value are evaluated throughout the year.
- Prior practice has been to approve distributing just the earned dividends and interest from underwater funds, rather than the calculated amount.
- **Recommended for FY 2016: Distribute just earned dividends and interest instead of full calculated distribution for underwater funds.**

## **Resolution R2016-53**

### **Quasi-Endowments**

WHEREAS, from time to time, Miami University accumulates financial balances through the receipt of large, unrestricted gifts and the prudent management of resources; and

WHEREAS, the Provost, the Deans, the Senior Vice President for Finance and Business Services, and the Vice President for Advancement periodically identify a portion of these funds that can be utilized to create quasi-endowments to establish a source of long-term funding for strategic initiatives; and

WHEREAS, Resolution R2015-45 established the Miami University Quasi-Endowment Policy; and

WHEREAS, the Dean of the Farmer School of Business desires to establish a quasi-endowment to promote academic excellence, funded from division carry forward, and to be used for the funding needs of Farmer School of Business as determined annually by the Dean; and

WHEREAS, the Dean of the Farmer School of Business desires to establish a quasi-endowment to promote faculty excellence, funded from the business course surcharge, and to be used for support of FSB faculty compensation as determined annually by the Dean; and

WHEREAS, the Dean of the Farmer School of Business desires to establish a quasi-endowment for the needs of the Department of Economics, funded from unrestricted gifts, and to be used for the funding needs of the Department of Economics as determined annually by the Dean and Department Chair; and

WHEREAS, the Dean of the Farmer School of Business desires to establish a quasi-endowment for the needs of the Department of Marketing, funded from unrestricted gifts, and to be used for the funding needs of the Department of Marketing as determined annually by the Dean and Department Chair; and

WHEREAS, the Dean of the Farmer School of Business desires to establish a quasi-endowment for the needs of the Department of Marketing, funded from designated funds, and to be used for the funding needs of the Department of Marketing as determined annually by the Dean and Department Chair; and

WHEREAS, the Provost and the Senior Vice President for Finance and Business Services of the University, with the concurrence of the Finance and Audit Committee, has recommended approval of this plan;

NOW, THEREFORE BE IT RESOLVED that the Board of Trustees approves the creation of the FSB Academic Excellence Fund quasi-endowment in the amount of \$2,090,000.00 from division carry forward, the FSB Faculty Excellence Fund in the amount of \$4,185,000.00 from the business course surcharge, the Economics General Fund quasi-endowment in the amount of \$50,000.00 from unrestricted gifts, the Marketing General Fund



quasi-endowment in the amount of \$50,000.00 from unrestricted gifts, and the Marketing Academic Excellence Fund quasi-endowment in the amount of \$125,000.00 from designated funds; and

BE IT FURTHER RESOLVED that the annual distributions of the FSB Academic Excellence Fund be used for the needs of the Farmer School of Business as determined by the Dean of the Farmer School of Business; and

BE IT FURTHER RESOLVED that the annual distributions of the FSB Faculty Excellence Fund be used for the support of compensation for the faculty of the Farmer School of Business as determined by the Dean of the Farmer School of Business; and

BE IT FURTHER RESOLVED that the annual distributions of the Economics General Fund be used for the support of the Department of Economics as determined by the Dean of the Farmer School of Business and the Department Chair; and

BE IT FURTHER RESOLVED that the annual distributions of the Marketing General Fund be used for the support of the Department of Marketing as determined by the Dean of the Farmer School of Business and the Department Chair; and

BE IT FURTHER RESOLVED that the annual distributions of the Marketing Academic Excellence Fund be used for the support of the Department of Marketing as determined by the Dean of the Farmer School of Business and the Department Chair.

*Approved by the Board of Trustees  
June 24, 2016*



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

Business Session  
Item #4

**Miami University**  
**Finance and Audit Committee**  
**FY 2016 Forecasted Operating Results**  
**Projections Based upon Activity through April 30, 2016**

**OXFORD**

The projection for the Oxford General Fund based on performance through April is a surplus of approximately \$27.4 million. This surplus does not include an offset for the investment loss currently being projected and explained below. 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 \$10.4 million over the \$317.3 million budget. Gross instructional revenue (including the out-of-state surcharge) is forecast to be \$10.3 million higher than budget and financial aid is forecast to be \$1.1 million over budget. The projections include billing from summer, fall, winter, and spring terms and preliminary results from summer term. 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 summer term of calendar year 2016.

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 April 30, 2016 was approximately \$3,516,200. 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 April 30, an unrealized loss of \$10,497,700 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 in the attached schedules.

The other revenue category is projected to end the fiscal year slightly under budget due to lower than budgeted performance in grants and contracts.

**Expenditures and Transfers**

Employee salaries for the Oxford campus are projected to be \$6.6 million under budget. The healthcare and staff benefits expense are projected to be \$2.7 million under budget based on the salary projection but this estimate does not reflect a forecast of claims experience. Through the first ten months of the fiscal year medical claims, including high cost claims, were lower than budget. Similarly, prescription drug costs for regular claims as well as high cost claims were below budget. While the forecast for health care costs for the year remain below budget, the claims experience for the fiscal year has been higher compared to FY 2015 as a result of high cost claims.

Business Session  
Item #4

Graduate assistant fee waivers and undergraduate scholarships and fee waivers are projected to be \$905,133 and \$751,417 less than budgeted, respectively. Departmental support budgets are projected to be \$7.5 million over the original budget reflecting spending of carryforward balances on capital projects and the movement of resources to designated funds. Finally, the intercollegiate athletics auxiliary is on track to end the year in a deficit. The final financial outcome for ICA will depend on proceeds from Red and White gift funds and the fiscal year-end benefit reconciliation. While a deficit is projected for ICA, carryforward funds and other balances are sufficient to cover their deficit.

Savings in departmental salaries are projected to be above budget; therefore the forecast estimates a transfer to departmental budgetary carryforward of \$4.7 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 \$0.6 million below budget. The instructional fee, out-of-state surcharge, general fee and other student revenue for the Middletown campus are forecast to be \$2.1 million above budget. The positive performance for Middletown revenues is attributable to higher than budgeted enrollments for international students and the summer term. The state subsidy for the Hamilton campus is expected to be \$78,547 above budget and \$328,283 above budget for the Middletown campus. As noted above, the forecast was updated to reflect Ohio Department of Higher Education mid-year estimates for the fiscal year.

Savings on unspent salaries on the Hamilton campus are forecast to be \$482,571 greater than assumed in the original budget. Hamilton utility costs are forecast \$66,083 below budget. Similarly, Middletown campus savings on unspent salaries are expected to exceed budget by \$25,183 and utility costs are projected to be \$77,212 below budget.

The original budget structure for the regional campuses assumed a transfer of support from the Hamilton campus to the Middletown campus totaling \$1.8 million. In light of the greater than budgeted revenues for the Middletown campus the cross campus transfer is no longer necessary to balance the Middletown budget. Suspending the transfer also improves the financial forecast for the Hamilton campus. As a result of the revised revenue and expense outcomes noted above, and the suspension of the cross campus transfer, the general fund for Hamilton is projected to end the fiscal year with a \$1.3 million surplus while the Middletown campus is projected to have an operating surplus of \$634,813.

**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 April 30, 2016

	Original <u>Budget</u>	April End-of-Year <u>Forecast</u>	April Budget to <u>Forecast</u>
<b>REVENUES:</b>			
Instructional & OOS Surcharge	\$ 340,112,881	\$ 350,373,045	\$ 10,260,164
Less Cohort Financial Aid Discount	\$ 58,947,656	\$ 60,010,137	\$ 1,062,481
Net Instructional Fee & Out-of-State Surcharge	\$ 281,165,225	\$ 290,362,908	\$ 9,197,683
General	\$ 32,539,258	\$ 33,557,723	\$ 1,018,465
Other Student Revenue	\$ 3,601,500	\$ 3,800,000	\$ 198,500
<i>Tuition, Fees and Other Student Charges</i>	<u>\$ 317,305,983</u>	<u>\$ 327,720,631</u>	<u>\$ 10,414,648</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	\$ 1,281,214	\$ (162,786)
<b>Total Revenues</b>	<b><u>\$ 381,564,021</u></b>	<b><u>\$ 393,740,488</u></b>	<b><u>\$ 12,176,467</u></b>
<b>EXPENDITURES:</b>			
Salaries	\$ 168,085,747	\$ 161,451,020	\$ (6,634,727)
Benefits	\$ 32,480,774	\$ 31,073,651	\$ (1,407,123)
Healthcare Expense	\$ 29,545,024	\$ 28,265,083	\$ (1,279,941)
Graduate Assistant, Fellowships & Fee Waivers	\$ 30,779,703	\$ 29,874,570	\$ (905,133)
Undergraduate Scholarships & Student Waivers	\$ 12,608,758	\$ 11,857,341	\$ (751,417)
Utilities	\$ 13,314,644	\$ 13,314,644	\$ -
Departmental Support Expenditures	\$ 27,883,845	\$ 35,415,471	\$ 7,531,626
Multi-year Expenditures	\$ 5,671,742	\$ 5,671,742	\$ -
<b>Total Expenditures</b>	<b><u>\$ 320,370,237</u></b>	<b><u>\$ 316,923,522</u></b>	<b><u>\$ (3,446,715)</u></b>
<b>DEBT SERVICE AND TRANSFERS:</b>			
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)	\$ -
<b>Total Debt Service and Transfers</b>	<b><u>\$ (44,781,251)</u></b>	<b><u>\$ (44,781,251)</u></b>	<b><u>\$ -</u></b>
<i>Net Revenues/(Expenditures) Before Adjustments</i>	\$ 16,412,533	\$ 32,035,715	\$ 15,623,182
<b>ADJUSTMENTS:</b>			
Departmental Budgetary Savings	\$ -	\$ -	\$ -
Departmental Budgetary Carryforward	\$ -	\$ (4,660,896)	\$ (4,660,896)
Reserve for Investment Fluctuations	\$ -	\$ -	\$ -
Reserve for Future Budgets	\$ -	\$ -	\$ -
<b>Net Increase/(Decrease) in Fund Balance</b>	<b><u>\$ 16,412,533</u></b>	<b><u>\$ 27,374,819</u></b>	<b><u>\$ 10,962,286</u></b>

MIAMI UNIVERSITY  
FY2016 Forecast  
**Hamilton General Fund Only**  
As of April 30, 2016

	Original <u>Budget</u>	April End-of-Year <u>Forecast</u>	April Budget to <u>Forecast</u>
<b>REVENUES:</b>			
Instructional & OOS Surcharge	\$ 18,297,106	\$ 18,531,107	\$ 234,001
Less Continuing & New Scholarships	\$ 723,638	\$ 1,491,398	\$ 767,760
Net Instructional Fee & Out-of-State Surcharge	\$ 17,573,468	\$ 17,039,709	\$ (533,759)
General	\$ 1,072,238	\$ 1,010,836	\$ (61,402)
Other Student Revenue	\$ 193,500	\$ 193,500	\$ -
<i>Tuition, Fees and Other Student Charges</i>	<i>\$ 18,839,206</i>	<i>\$ 18,244,045</i>	<i>\$ (595,161)</i>
State Appropriations	\$ 7,134,467	\$ 7,213,014	\$ 78,547
Investment Income	\$ 50,000	\$ 50,000	\$ -
Other Revenue	\$ 79,500	\$ 79,500	\$ -
<b>Total Revenues</b>	<b>\$ 26,103,173</b>	<b>\$ 25,586,559</b>	<b>\$ (516,614)</b>
<b>EXPENDITURES:</b>			
Salaries	\$ 14,148,308	\$ 14,148,308	\$ -
Allowance for Unspent Salaries	\$ (552,558)	\$ (1,035,129)	\$ (482,571)
Benefits	\$ 2,649,355	\$ 2,649,355	\$ -
Allowance for Unspent Benefits	\$ (206,325)	\$ (219,106)	\$ (12,781)
Healthcare Expense	\$ 2,222,218	\$ 2,222,218	\$ -
Graduate Assistant Fee Waivers	\$ -	\$ -	\$ -
Utilities	\$ 696,000	\$ 629,917	\$ (66,083)
Departmental Support Expenditures	\$ 4,895,627	\$ 4,895,627	\$ -
Multi-year Expenditures	\$ -	\$ (1,783)	\$ (1,783)
<b>Total Expenditures</b>	<b>\$ 23,852,625</b>	<b>\$ 23,289,407</b>	<b>\$ (563,218)</b>
<b>DEBT SERVICE AND TRANSFERS:</b>			
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	\$ -	\$ -	\$ -
<b>Total Debt Service and Transfers</b>	<b>\$ (2,551,849)</b>	<b>\$ (724,152)</b>	<b>\$ 1,827,697</b>
<i>Net Revenues/(Expenditures) Before Adjustments</i>	<i>\$ (301,301)</i>	<i>\$ 1,573,000</i>	<i>\$ 1,874,301</i>
<b>ADJUSTMENTS:</b>			
Departmental Budgetary Savings	\$ -	\$ -	\$ -
Departmental Budgetary Carryforward	\$ -	\$ (563,218)	\$ (563,218)
Reserve for Investment Fluctuations	\$ -	\$ -	\$ -
Reserve for Future Budgets	\$ -	\$ -	\$ -
<b>Net Increase/(Decrease) in Fund Balance</b>	<b>\$ (301,301)</b>	<b>\$ 1,009,782</b>	<b>\$ 1,311,083</b>

MIAMI UNIVERSITY  
FY2016 Forecast  
**Middletown General Fund Only**  
As of April 30, 2016

	Original <u>Budget</u>	April End-of-Year <u>Forecast</u>	April Budget to <u>Forecast</u>
<b>REVENUES:</b>			
Instructional & OOS Surcharge	\$ 11,250,720	\$ 13,440,890	\$ 2,190,170
Less Continuing & New Scholarships	\$ 865,638	\$ 877,446	\$ 11,808
Net Instructional Fee & Out-of-State Surcharge	<u>\$ 10,385,082</u>	<u>\$ 12,563,444</u>	<u>\$ 2,178,362</u>
General	\$ 630,283	\$ 586,148	\$ (44,135)
Other Student Revenue	\$ 80,700	\$ 80,700	\$ -
<i>Tuition, Fees and Other Student Charges</i>	<u>\$ 11,096,065</u>	<u>\$ 13,230,292</u>	<u>\$ 2,134,227</u>
State Appropriations	\$ 4,753,491	\$ 5,081,774	\$ 328,283
Investment Income	\$ 50,000	\$ 50,000	\$ -
Other Revenue	\$ 70,402	\$ 70,402	\$ -
<b>Total Revenues</b>	<b><u>\$ 15,969,958</u></b>	<b><u>\$ 18,432,468</u></b>	<b><u>\$ 2,462,510</u></b>
<b>EXPENDITURES:</b>			
Salaries	\$ 10,554,776	\$ 10,554,776	\$ -
Allowance for Unspent Salaries	\$ (977,394)	\$ (1,002,577)	\$ (25,183)
Benefits	\$ 2,115,923	\$ 2,115,923	\$ -
Allowance for Unspent Benefits	\$ (377,274)	\$ (348,349)	\$ 28,925
Healthcare Expense	\$ 1,581,503	\$ 1,581,503	\$ -
Graduate Assistant Fee Waivers	\$ -	\$ -	\$ -
Utilities	\$ 453,500	\$ 376,288	\$ (77,212)
Departmental Support Expenditures	\$ 3,745,301	\$ 3,745,301	\$ -
Multi-year Expenditures	\$ -	\$ 57,239	\$ 57,239
<b>Total Expenditures</b>	<b><u>\$ 17,096,335</u></b>	<b><u>\$ 17,080,104</u></b>	<b><u>\$ (16,231)</u></b>
<b>DEBT SERVICE AND TRANSFERS:</b>			
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	\$ -	\$ -	\$ -
<b>Total Debt Service and Transfers</b>	<b><u>\$ 1,126,377</u></b>	<b><u>\$ (701,320)</u></b>	<b><u>\$ (1,827,697)</u></b>
<i>Net Revenues/(Expenditures) Before Adjustments</i>	\$ -	\$ 651,044	\$ 651,044
<b>ADJUSTMENTS:</b>			
Departmental Budgetary Savings	\$ -	\$ -	\$ -
Departmental Budgetary Carryforward	\$ -	\$ (16,231)	\$ (16,231)
Reserve for Investment Fluctuations	\$ -	\$ -	\$ -
Reserve for Future Budgets	\$ -	\$ -	\$ -
<b>Net Increase/(Decrease) in Fund Balance</b>	<b><u>\$ -</u></b>	<b><u>\$ 634,813</u></b>	<b><u>\$ 634,813</u></b>

MIAMI UNIVERSITY  
FY2016 Forecast  
**Voice of America Learning Center General Fund Only**  
As of April 30, 2016

	Original <u>Budget</u>	April End-of-Year <u>Forecast</u>	April Budget to <u>Forecast</u>
<b>REVENUES:</b>			
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	\$ -
<b>Total Revenues</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ -</b>
<b>EXPENDITURES:</b>			
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	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	<b>\$ 672,715</b>	<b>\$ 672,715</b>	<b>\$ -</b>
<b>DEBT SERVICE AND TRANSFERS:</b>			
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	\$ -	\$ -	\$ -
<b>Total Debt Service and Transfers</b>	<b>\$ 637,715</b>	<b>\$ 637,715</b>	<b>\$ -</b>
<i>Net Revenues/(Expenditures) Before Adjustments</i>	\$ -	\$ -	\$ -
<b>ADJUSTMENTS:</b>			
Departmental Budgetary Savings	\$ -	\$ -	\$ -
Departmental Budgetary Carryforward	\$ -	\$ -	\$ -
Reserve for Investment Fluctuations	\$ -	\$ -	\$ -
Reserve for Future Budgets	\$ -	\$ -	\$ -
<b>Net Increase/(Decrease) in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

	FY2014	FY2015	FY16	Thru April Year To Date			FY 2016	
	Year-end Actual	Year-end Actual	Budget	FY2016	FY2015	FY2014	% of '16 Budget	% Change from '15 YTD
<b><u>College of Arts &amp; Sciences</u></b>								
Salary	\$ 48,100,556	\$ 49,577,235	\$ 53,009,961	\$ 44,888,607	\$ 43,826,434	\$ 42,363,211	85%	2%
Benefits	\$ 12,682,905	\$ 13,531,242	\$ 17,854,044	\$ 15,454,254	\$ 14,966,180	\$ 14,168,846	87%	3%
Scholarships & Fellowships	\$ 9,103,717	\$ 8,688,453	\$ 10,674,846	\$ 8,572,527	\$ 8,500,404	\$ 5,935,052	80%	1%
Departmental Support Expenses	\$ 4,221,714	\$ 2,887,680	\$ 7,121,064	\$ 4,203,479	\$ 3,665,178	\$ 3,611,608	59%	15%
<b>Total Expenses</b>	<b>\$ 74,108,892</b>	<b>\$ 74,684,610</b>	<b>\$ 88,659,915</b>	<b>\$ 73,118,867</b>	<b>\$ 70,958,196</b>	<b>\$ 66,078,717</b>	<b>82%</b>	<b>3%</b>
<b><u>College of Education, Health, and Society</u></b>								
Salary	\$ 12,132,366	\$ 12,660,948	\$ 13,618,903	\$ 11,432,754	\$ 11,095,246	\$ 10,464,879	84%	3%
Benefits	\$ 3,149,679	\$ 3,555,743	\$ 4,683,030	\$ 3,981,348	\$ 3,779,347	\$ 3,517,865	85%	5%
Scholarships & Fellowships	\$ 1,716,761	\$ 1,607,878	\$ 2,091,474	\$ 1,477,617	\$ 1,440,486	\$ 1,066,992	71%	3%
Departmental Support Expenses	\$ 1,474,216	\$ 1,051,840	\$ 2,545,220	\$ 1,120,249	\$ 1,066,284	\$ 1,231,866	44%	5%
<b>Total Expenses</b>	<b>\$ 18,473,022</b>	<b>\$ 18,876,409</b>	<b>\$ 22,938,627</b>	<b>\$ 18,011,968</b>	<b>\$ 17,381,363</b>	<b>\$ 16,281,602</b>	<b>79%</b>	<b>4%</b>
<b><u>College of Engineering and Computing</u></b>								
Salary	\$ 6,565,594	\$ 6,622,190	\$ 6,617,666	\$ 6,628,686	\$ 6,028,457	\$ 5,765,446	100%	10%
Benefits	\$ 1,879,312	\$ 1,954,333	\$ 2,482,294	\$ 2,419,519	\$ 2,187,819	\$ 2,102,067	97%	11%
Scholarships & Fellowships	\$ 619,839	\$ 505,709	\$ 597,564	\$ 541,083	\$ 501,378	\$ 354,956	91%	8%
Departmental Support Expenses	\$ 697,737	\$ 525,757	\$ 611,159	\$ 653,182	\$ 448,701	\$ 661,961	107%	46%
<b>Total Expenses</b>	<b>\$ 9,762,482</b>	<b>\$ 9,607,989</b>	<b>\$ 10,308,683</b>	<b>\$ 10,242,470</b>	<b>\$ 9,166,355</b>	<b>\$ 8,884,430</b>	<b>99%</b>	<b>12%</b>
<b><u>Farmer School of Business</u></b>								
Salary	\$ 17,708,566	\$ 20,391,366	\$ 19,570,620	\$ 17,672,994	\$ 17,718,732	\$ 15,216,401	90%	0%
Benefits	\$ 6,002,199	\$ 5,990,636	\$ 7,587,531	\$ 6,599,069	\$ 6,604,460	\$ 5,663,713	87%	0%
Scholarships & Fellowships	\$ 505,930	\$ 494,014	\$ 896,346	\$ 712,014	\$ 486,568	\$ 269,689	79%	46%
Departmental Support Expenses	\$ 2,036,979	\$ 1,176,750	\$ 3,301,666	\$ 1,676,323	\$ 1,859,655	\$ 1,748,857	51%	-10%
<b>Total Expenses</b>	<b>\$ 26,253,674</b>	<b>\$ 28,052,766</b>	<b>\$ 31,356,163</b>	<b>\$ 26,660,400</b>	<b>\$ 26,669,415</b>	<b>\$ 22,898,660</b>	<b>85%</b>	<b>0%</b>
<b><u>College of Creative Arts</u></b>								
Salary	\$ 8,985,802	\$ 9,117,628	\$ 9,629,033	\$ 8,284,625	\$ 8,029,736	\$ 7,876,743	86%	3%
Benefits	\$ 2,481,081	\$ 2,692,484	\$ 3,523,179	\$ 2,971,927	\$ 2,853,030	\$ 2,731,871	84%	4%
Scholarships & Fellowships	\$ 1,385,329	\$ 1,273,236	\$ 1,548,234	\$ 1,306,019	\$ 1,266,257	\$ 832,626	84%	3%
Departmental Support Expenses	\$ 1,471,030	\$ 722,677	\$ 1,202,567	\$ 878,136	\$ 773,930	\$ 1,478,327	73%	13%
<b>Total Expenses</b>	<b>\$ 14,323,242</b>	<b>\$ 13,806,025</b>	<b>\$ 15,903,013</b>	<b>\$ 13,440,707</b>	<b>\$ 12,922,953</b>	<b>\$ 12,919,567</b>	<b>85%</b>	<b>4%</b>



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

	FY2014			FY2015			FY16			Thru April 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		
<b><u>Dolibois European Center - Luxemburg</u></b>													
Salary	\$ 1,027,975	\$ 929,736	\$ 1,223,639	\$ 660,389	\$ 773,112	\$ 772,273	\$ 660,389	\$ 773,112	\$ 772,273	54%	-15%		
Benefits	\$ 275,645	\$ 261,895	\$ 446,785	\$ 250,836	\$ 266,995	\$ 275,523	\$ 250,836	\$ 266,995	\$ 275,523	56%	-6%		
Scholarships & Fellowships	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	0%		
Utilities	\$ 49,101	\$ 27,203	\$ 35,220	\$ 27,365	\$ 21,721	\$ 43,164	\$ 27,365	\$ 21,721	\$ 43,164	78%	26%		
Departmental Support Expenses	\$ 328,037	\$ 228,264	\$ 351,000	\$ 266,598	\$ 251,128	\$ 242,934	\$ 266,598	\$ 251,128	\$ 242,934	76%	6%		
<b>Total Expenses</b>	<b>\$ 1,680,758</b>	<b>\$ 1,447,098</b>	<b>\$ 2,056,644</b>	<b>\$ 1,205,188</b>	<b>\$ 1,312,956</b>	<b>\$ 1,333,894</b>	<b>\$ 1,205,188</b>	<b>\$ 1,312,956</b>	<b>\$ 1,333,894</b>	<b>59%</b>	<b>-8%</b>		
<b><u>Graduate School</u></b>													
Salary	\$ 1,580,813	\$ 2,420,009	\$ 2,361,004	\$ 1,984,219	\$ 2,109,275	\$ 1,279,684	\$ 1,984,219	\$ 2,109,275	\$ 1,279,684	84%	-6%		
Benefits	\$ 495,789	\$ 495,082	\$ 587,467	\$ 507,557	\$ 502,572	\$ 464,203	\$ 507,557	\$ 502,572	\$ 464,203	86%	1%		
Scholarships & Fellowships	\$ 13,879,476	\$ 14,873,780	\$ 12,808,216	\$ 12,858,264	\$ 17,617,416	\$ 19,446,557	\$ 12,858,264	\$ 17,617,416	\$ 19,446,557	100%	-27%		
Departmental Support Expenses	\$ 309,072	\$ 252,783	\$ 548,851	\$ 275,462	\$ 426,688	\$ 292,025	\$ 275,462	\$ 426,688	\$ 292,025	50%	-35%		
<b>Total Expenses</b>	<b>\$ 16,265,150</b>	<b>\$ 18,041,654</b>	<b>\$ 16,305,538</b>	<b>\$ 15,625,502</b>	<b>\$ 20,655,951</b>	<b>\$ 21,482,469</b>	<b>\$ 15,625,502</b>	<b>\$ 20,655,951</b>	<b>\$ 21,482,469</b>	<b>96%</b>	<b>-24%</b>		
<b><u>Other Provost Departments</u></b>													
Salary	\$ 8,211,049	\$ 7,848,019	\$ 8,985,298	\$ 6,875,046	\$ 6,712,105	\$ 6,464,340	\$ 6,875,046	\$ 6,712,105	\$ 6,464,340	77%	2%		
Benefits	\$ 2,390,578	\$ 2,709,275	\$ 3,615,269	\$ 2,742,295	\$ 2,666,880	\$ 2,546,097	\$ 2,742,295	\$ 2,666,880	\$ 2,546,097	76%	3%		
Scholarships & Fellowships	\$ 1,245,328	\$ 528,507	\$ 109,910	\$ 1,029,632	\$ 524,100	\$ 1,123,087	\$ 1,029,632	\$ 524,100	\$ 1,123,087	937%	96%		
Utilities	\$ 308	\$ 395	\$ -	\$ -	\$ 338	\$ -	\$ -	\$ 338	\$ -	0%	-100%		
Departmental Support Expenses	\$ 5,474,550	\$ 5,912,645	\$ 6,424,579	\$ 5,340,790	\$ 5,035,592	\$ 5,941,119	\$ 5,340,790	\$ 5,035,592	\$ 5,941,119	83%	6%		
<b>Total Expenses</b>	<b>\$ 17,321,813</b>	<b>\$ 16,998,841</b>	<b>\$ 19,135,056</b>	<b>\$ 15,987,763</b>	<b>\$ 14,939,015</b>	<b>\$ 16,074,643</b>	<b>\$ 15,987,763</b>	<b>\$ 14,939,015</b>	<b>\$ 16,074,643</b>	<b>84%</b>	<b>7%</b>		
<b><u>Total Provost Office</u></b>													
Salary	\$ 104,312,721	\$ 109,567,131	\$ 115,016,124	\$ 98,427,320	\$ 96,293,097	\$ 90,202,977	\$ 98,427,320	\$ 96,293,097	\$ 90,202,977	86%	2%		
Benefits	\$ 29,357,188	\$ 31,190,690	\$ 40,779,599	\$ 34,926,805	\$ 33,827,283	\$ 31,470,185	\$ 34,926,805	\$ 33,827,283	\$ 31,470,185	86%	3%		
Scholarships & Fellowships	\$ 28,456,380	\$ 27,971,577	\$ 28,726,590	\$ 26,497,156	\$ 30,336,609	\$ 29,028,959	\$ 26,497,156	\$ 30,336,609	\$ 29,028,959	92%	-13%		
Utilities	\$ 49,409	\$ 27,598	\$ 35,220	\$ 27,365	\$ 22,059	\$ 43,164	\$ 27,365	\$ 22,059	\$ 43,164	78%	24%		
Departmental Support Expenses	\$ 16,013,335	\$ 12,758,396	\$ 22,106,106	\$ 14,414,219	\$ 13,527,156	\$ 15,208,697	\$ 14,414,219	\$ 13,527,156	\$ 15,208,697	65%	7%		
<b>Total Expenses</b>	<b>\$ 178,189,033</b>	<b>\$ 181,515,392</b>	<b>\$ 206,663,639</b>	<b>\$ 174,292,865</b>	<b>\$ 174,006,204</b>	<b>\$ 165,953,982</b>	<b>\$ 174,292,865</b>	<b>\$ 174,006,204</b>	<b>\$ 165,953,982</b>	<b>84%</b>	<b>0%</b>		
<b><u>Physical Facilities</u></b>													
Salary	\$ 11,617,710	\$ 11,940,718	\$ 12,794,937	\$ 9,933,023	\$ 9,886,871	\$ 9,428,574	\$ 9,933,023	\$ 9,886,871	\$ 9,428,574	78%	0%		
Benefits	\$ 3,641,987	\$ 3,741,925	\$ 5,130,523	\$ 3,988,673	\$ 3,888,205	\$ 3,732,329	\$ 3,988,673	\$ 3,888,205	\$ 3,732,329	78%	3%		
Utilities	\$ 12,886,292	\$ 13,159,466	\$ 13,279,424	\$ 10,899,290	\$ 11,014,997	\$ 10,742,757	\$ 10,899,290	\$ 11,014,997	\$ 10,742,757	82%	-1%		
Scholarships & Fellowships	\$ 6,930	\$ 2,423	\$ 27,162	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	0%		
Departmental Support Expenses	\$ 771,857	\$ 781,433	\$ 300,562	\$ 362,823	\$ 971,549	\$ 867,244	\$ 362,823	\$ 971,549	\$ 867,244	121%	-63%		
<b>Total Expenses</b>	<b>\$ 28,924,776</b>	<b>\$ 29,625,965</b>	<b>\$ 31,532,608</b>	<b>\$ 25,183,809</b>	<b>\$ 25,761,622</b>	<b>\$ 24,770,904</b>	<b>\$ 25,183,809</b>	<b>\$ 25,761,622</b>	<b>\$ 24,770,904</b>	<b>80%</b>	<b>-2%</b>		

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

	FY2014			FY2015			FY16			Thru April 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		
<b><u>Other Finance &amp; Business Services Departments</u></b>													
Salary	\$ 7,788,857	\$ 8,035,713	\$ 8,203,199	\$ 6,178,055	\$ 6,649,109	\$ 6,277,082	75%	-7%					
Benefits	\$ 2,417,137	\$ 2,470,382	\$ 3,311,193	\$ 2,481,089	\$ 2,598,035	\$ 2,512,487	75%	-5%					
Departmental Support Expenses	\$ 1,910,247	\$ 1,201,466	\$ 2,201,227	\$ 1,646,191	\$ 1,611,900	\$ 2,052,076	75%	2%					
<b>Total Expenses</b>	<b>\$ 12,116,241</b>	<b>\$ 11,707,561</b>	<b>\$ 13,715,619</b>	<b>\$ 10,305,335</b>	<b>\$ 10,859,044</b>	<b>\$ 10,841,645</b>	<b>75%</b>	<b>-5%</b>					
<b><u>Enrollment Management &amp; Student Success</u></b>													
Salary	\$ 4,980,451	\$ 6,139,014	\$ 6,826,677	\$ 5,510,759	\$ 4,424,235	\$ 3,973,531	81%	25%					
Benefits	\$ 1,560,108	\$ 1,943,430	\$ 2,754,236	\$ 2,200,732	\$ 1,768,696	\$ 1,589,717	80%	24%					
Scholarships & Fellowships	\$ 55,511,208	\$ 62,640,323	\$ 72,548,488	\$ 71,064,578	\$ 60,811,773	\$ 53,680,488	98%	17%					
Departmental Support Expenses	\$ 2,688,059	\$ 2,713,887	\$ 3,581,483	\$ 3,051,789	\$ 2,865,923	\$ 2,371,224	85%	6%					
<b>Total Expenses</b>	<b>\$ 64,739,826</b>	<b>\$ 73,436,654</b>	<b>\$ 85,710,884</b>	<b>\$ 81,827,858</b>	<b>\$ 69,870,627</b>	<b>\$ 61,614,960</b>	<b>95%</b>	<b>17%</b>					
<b><u>President</u></b>													
Salary	\$ 3,864,846	\$ 4,060,901	\$ 4,219,652	\$ 3,409,017	\$ 3,258,954	\$ 3,036,803	81%	5%					
Benefits	\$ 1,196,472	\$ 1,230,793	\$ 1,705,869	\$ 1,373,880	\$ 1,259,259	\$ 1,201,041	81%	9%					
Departmental Support Expenses	\$ 5,182,721	\$ 3,957,743	\$ 3,960,578	\$ 2,986,753	\$ 2,948,813	\$ 3,878,538	75%	1%					
<b>Total Expenses</b>	<b>\$ 10,244,039</b>	<b>\$ 9,249,437</b>	<b>\$ 9,886,099</b>	<b>\$ 7,769,650</b>	<b>\$ 7,467,026</b>	<b>\$ 8,116,382</b>	<b>79%</b>	<b>4%</b>					
<b><u>Student Affairs</u></b>													
Salary	\$ 5,220,016	\$ 5,031,600	\$ 6,624,312	\$ 4,621,659	\$ 4,781,393	\$ 4,381,738	70%	-3%					
Benefits	\$ 1,540,516	\$ 1,550,085	\$ 2,494,316	\$ 1,763,254	\$ 1,788,679	\$ 1,595,642	71%	-1%					
Scholarships & Fellowships	\$ 953,072	\$ 907,265	\$ 1,033,877	\$ 717,462	\$ 753,010	\$ 512,918	69%	-5%					
Departmental Support Expenses	\$ (1,281,496)	\$ (1,788,320)	\$ (1,675,187)	\$ (1,172,933)	\$ (1,061,506)	\$ (928,073)	70%	10%					
<b>Total Expenses</b>	<b>\$ 6,432,108</b>	<b>\$ 5,700,630</b>	<b>\$ 8,477,318</b>	<b>\$ 5,929,442</b>	<b>\$ 6,261,576</b>	<b>\$ 5,562,225</b>	<b>70%</b>	<b>-5%</b>					
<b><u>University Advancement</u></b>													
Salary	\$ 4,018,665	\$ 4,127,538	\$ 4,406,315	\$ 3,505,912	\$ 3,427,924	\$ 3,299,757	80%	2%					
Benefits	\$ 1,313,240	\$ 1,312,412	\$ 1,780,629	\$ 1,398,079	\$ 1,360,544	\$ 1,308,120	79%	3%					
Departmental Support Expenses	\$ 641,339	\$ 350,349	\$ 410,520	\$ 309,983	\$ 340,043	\$ 679,296	76%	-9%					
<b>Total Expenses</b>	<b>\$ 5,973,244</b>	<b>\$ 5,790,299</b>	<b>\$ 6,597,464</b>	<b>\$ 5,213,974</b>	<b>\$ 5,128,511</b>	<b>\$ 5,287,173</b>	<b>79%</b>	<b>2%</b>					
<b><u>Information Technology</u></b>													
Salary	\$ 7,759,854	\$ 7,195,604	\$ 8,705,000	\$ 5,936,222	\$ 6,011,342	\$ 6,330,602	68%	-1%					
Benefits	\$ 2,489,482	\$ 2,278,002	\$ 3,525,525	\$ 2,400,943	\$ 2,420,796	\$ 2,556,849	68%	-1%					
Departmental Support Expenses	\$ 2,585,768	\$ 1,714,435	\$ 3,208,904	\$ 2,332,785	\$ 2,039,909	\$ 2,672,114	73%	14%					
<b>Total Expenses</b>	<b>\$ 12,835,104</b>	<b>\$ 11,188,041</b>	<b>\$ 15,439,429</b>	<b>\$ 10,669,950</b>	<b>\$ 10,472,047</b>	<b>\$ 11,559,565</b>	<b>69%</b>	<b>2%</b>					

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

	FY2014	FY2015	FY16	Thru April Year To Date			FY 2016	
	Year-end Actual	Year-end Actual	Budget	FY2016	FY2015	FY2014	% of '16 Budget	% Change from '15 YTD
<b><u>Centrally Budgeted Funds</u></b>								
Salary	\$ -	\$ 626	\$ 1,289,530	\$ 4,803	\$ 3,000	\$ -	0%	0%
Benefits	\$ 5,537	\$ 11,123	\$ 543,908	\$ 11,579	\$ 12,599	\$ 5,531	2%	0%
Departmental Support Expenses	\$ 819,405	\$ 849,447	\$ 5,700,655	\$ 860,474	\$ 890,573	\$ 701,295	15%	-3%
<b>Total Expenses</b>	<b>\$ 672,155</b>	<b>\$ 861,196</b>	<b>\$ 7,534,093</b>	<b>\$ 876,856</b>	<b>\$ 906,172</b>	<b>\$ 706,826</b>	<b>12%</b>	<b>-3%</b>
<b><u>Grand Total</u></b>								
Salary	\$ 149,563,120	\$ 156,098,845	\$ 168,085,746	\$ 137,526,770	\$ 134,735,925	\$ 126,931,064	82%	2%
Benefits	\$ 43,521,667	\$ 45,728,842	\$ 62,025,798	\$ 50,545,034	\$ 48,924,096	\$ 45,971,901	81%	3%
Scholarships & Fellowships	\$ 84,927,590	\$ 91,521,588	\$ 102,336,117	\$ 98,279,196	\$ 91,901,392	\$ 83,222,365	96%	7%
Utilities	\$ 12,935,701	\$ 13,187,064	\$ 13,314,644	\$ 10,926,655	\$ 11,037,056	\$ 10,785,921	82%	-1%
Departmental Support Expenses	\$ 29,331,235	\$ 22,538,836	\$ 34,123,106	\$ 24,792,084	\$ 24,134,360	\$ 27,502,411	73%	3%
Admin Service Charge	\$ (7,639,099)	\$ (8,079,403)	\$ (8,106,724)	\$ (6,755,601)	\$ (6,743,669)	\$ (6,372,863)	83%	0%
Multi Year Accounts	\$ 4,680,725	\$ 5,110,493	\$ 5,671,742	\$ 4,384,371	\$ 4,222,816	\$ 3,135,753	0%	4%
<b>Total Expenses</b>	<b>\$ 317,320,939</b>	<b>\$ 326,106,265</b>	<b>\$ 377,450,429</b>	<b>\$ 319,698,509</b>	<b>\$ 308,211,976</b>	<b>\$ 291,176,552</b>	<b>85%</b>	<b>4%</b>

Note: Excludes Transfers

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

	FY2014	FY2015	FY2016	Thru April YTD			FY 2016	
	Year-end Actual	Year-end Actual	Original Budget	FY2016	FY2015	FY2014	% of '16 Budget	% Change from '15 YTD
<b>Residence &amp; Dining Halls</b>								
Revenue	88,831,152	95,376,089	99,106,340	100,521,796	96,426,134	89,350,926	101%	4%
General Fee Support	-	-	-	-	-	-		
<b>Total Sources</b>	<b>88,831,152</b>	<b>95,376,089</b>	<b>99,106,340</b>	<b>100,521,796</b>	<b>96,426,134</b>	<b>89,350,926</b>	<b>101%</b>	<b>4%</b>
Salary	15,344,766	15,732,386	14,198,818	12,876,120	13,230,079	12,566,918	91%	-3%
Benefits	3,938,126	4,046,864	4,470,242	4,323,857	4,242,819	4,063,687	97%	2%
Utilities	5,614,894	6,179,598	6,191,844	5,058,375	5,262,052	4,717,481	82%	-4%
Charge Outs	(407,594)	(2,695,243)	(2,668,480)	(1,958,003)	(1,962,966)	(152,291)	73%	0%
Operating Expenses	29,339,543	33,518,415	37,369,828	31,792,718	28,307,415	25,257,803	85%	12%
Inventory Purchases		13,939	44,500	100,848	9,922	25,194	227%	916%
Debt Service	22,303,542	30,866,290	33,909,606	25,433,229	23,152,805	16,378,033	75%	10%
<b>Total Uses</b>	<b>76,133,276</b>	<b>87,662,249</b>	<b>93,516,358</b>	<b>77,627,143</b>	<b>72,242,126</b>	<b>62,856,825</b>	<b>83%</b>	<b>7%</b>
<b>Net Before Non-Mandatory Tr</b>	<b>12,697,875</b>	<b>7,713,839</b>	<b>5,589,982</b>	<b>22,894,653</b>	<b>24,184,008</b>	<b>26,494,101</b>	<b>410%</b>	<b>-5%</b>
Net Transfers	(12,261,837)	(7,706,422)	(5,589,982)	(4,826,201)	(6,453,258)	(7,692,886)	86%	-25%
<b>Net Total</b>	<b>436,038</b>	<b>7,417</b>	<b>-</b>	<b>18,068,452</b>	<b>17,730,750</b>	<b>18,801,216</b>		
<b>Shriver Center</b>								
Revenue	25,637,661	26,044,832	27,031,621	20,156,405	20,756,703	20,913,257	75%	-3%
General Fee Support	855,000	855,000	872,081	726,731	712,500	712,500	83%	2%
<b>Total Sources</b>	<b>26,492,661</b>	<b>26,899,832</b>	<b>27,903,702</b>	<b>20,883,136</b>	<b>21,469,203</b>	<b>21,625,757</b>	<b>75%</b>	<b>-3%</b>
Salary	4,714,092	4,232,203	4,330,943	3,250,738	3,425,612	4,008,747	75%	-5%
Benefits	1,080,457	1,046,556	1,362,910	1,046,182	1,078,895	1,152,030	77%	-3%
Utilities	508,405	413,065	455,429	314,678	354,663	433,484	69%	-11%
Charge Outs	(20,371)	(688,444)	(637,937)	(477,836)	(670,982)	-	75%	-29%
Operating Expenses	3,354,456	5,247,135	5,012,470	3,452,456	3,584,449	2,511,733	69%	-4%
Inventory Purchases	14,371,431	14,127,443	14,348,714	11,690,086	11,432,489	11,114,363	81%	2%
Debt Service	57,760	47,326	47,196	35,442	35,537	43,608	75%	0%
<b>Total Uses</b>	<b>24,066,231</b>	<b>24,425,284</b>	<b>24,919,725</b>	<b>19,311,745</b>	<b>19,240,662</b>	<b>19,263,965</b>	<b>77%</b>	<b>0%</b>
<b>Net Before Non-Mandatory Tr</b>	<b>2,426,430</b>	<b>2,474,548</b>	<b>2,983,977</b>	<b>1,571,390</b>	<b>2,228,541</b>	<b>2,361,791</b>	<b>53%</b>	<b>-29%</b>
Net Transfers	(2,303,909)	(2,416,642)	(2,983,977)	(2,397,201)	(804,038)	(957,026)	80%	198%
<b>Net Total</b>	<b>122,521</b>	<b>57,906</b>	<b>-</b>	<b>(825,810)</b>	<b>1,424,503</b>	<b>1,404,765</b>		

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

	FY2014	FY2015	FY2016	Thru April YTD			FY 2016	
	Year-end Actual	Year-end Actual	Original Budget	FY2016	FY2015	FY2014	% of '16 Budget	% Change from '15 YTD
<b>Marcum Conference Center</b>								
Revenue	2,058,362	1,428,869	1,511,562	1,237,272	1,130,216	1,864,269	82%	9%
General Fee Support	-	-	-	-	-	-		
<b>Total Sources</b>	<b>2,058,362</b>	<b>1,428,869</b>	<b>1,511,562</b>	<b>1,237,272</b>	<b>1,130,216</b>	<b>1,864,269</b>	<b>82%</b>	<b>9%</b>
Salary	955,142	535,093	568,490	393,306	458,878	881,205	69%	-14%
Benefits	203,847	144,168	178,235	137,688	161,468	293,447	77%	-15%
Utilities	176,623	137,654	207,448	139,048	116,610	146,132	67%	19%
Charge Outs	(7,087)	(43,000)	46,652	46,856	(43,000)	(20,833)	100%	-209%
Operating Expenses	631,942	454,496	485,314	452,994	390,978	557,867	93%	16%
Inventory Purchases	5,198	24,525	1,500	544	2,422	490	36%	-78%
Debt Service	5,092	-	-	-	-	3,823		
<b>Total Uses</b>	<b>1,970,757</b>	<b>1,252,936</b>	<b>1,487,639</b>	<b>1,170,435</b>	<b>1,087,355</b>	<b>1,862,130</b>	<b>79%</b>	<b>8%</b>
<b>Net Before Non-Mandatory Tr</b>	<b>87,605</b>	<b>175,932</b>	<b>23,923</b>	<b>66,837</b>	<b>42,861</b>	<b>2,139</b>	<b>279%</b>	<b>56%</b>
Net Transfers	(18,533)	(141,119)	(23,923)	(19,939)	(75,931)	(2,100)	83%	-74%
<b>Net Total</b>	<b>69,071</b>	<b>34,813</b>	<b>-</b>	<b>46,898</b>	<b>(33,070)</b>	<b>39</b>		
<b>Intercollegiate Athletics</b>								
Revenue	5,383,708	5,987,974	6,385,883	3,790,797	3,912,963	4,028,895	59%	-3%
General Fee Support	15,735,046	16,107,965	17,370,318	13,845,267	13,324,971	13,035,872	80%	4%
Designated Revenue	383,955	692,406	590,374	688,143	566,273	404,505	117%	22%
Restricted Revenue	1,226,906	1,112,975	1,877,805	1,113,736	609,174	804,063	59%	83%
<b>Total Sources</b>	<b>22,729,614</b>	<b>23,901,320</b>	<b>26,224,380</b>	<b>19,437,943</b>	<b>18,413,381</b>	<b>18,273,334</b>	<b>74%</b>	<b>6%</b>
Salary	7,688,808	7,618,940	7,692,515	6,385,328	6,353,467	6,400,514	83%	1%
Benefits	2,373,843	2,314,442	2,979,737	2,481,092	2,475,554	2,444,209	83%	0%
Utilities	8,800	9,869	2,500	9,465	7,531	7,748	379%	26%
Charge Outs	(117,760)	(123,173)		(81,410)	(94,438)	(87,801)		-14%
Operating Expenses	12,088,308	13,628,179	13,309,551	14,062,702	13,390,789	11,874,025	106%	5%
Inventory Purchases	-	-						
Debt Service								
Designated Expense	436,248	746,950	590,374	632,827	471,772	373,802	107%	34%
Restricted Expense	1,392,619	1,349,553	1,877,805	927,159	780,573	775,341	49%	19%
<b>Total Uses</b>	<b>23,870,866</b>	<b>25,544,760</b>	<b>26,452,482</b>	<b>24,417,164</b>	<b>23,385,248</b>	<b>21,787,838</b>	<b>92%</b>	<b>4%</b>
<b>Net Before Non-Mandatory Tr</b>	<b>(1,141,252)</b>	<b>(1,643,440)</b>	<b>(228,102)</b>	<b>(4,979,221)</b>	<b>(4,971,867)</b>	<b>(3,514,504)</b>	<b>2183%</b>	<b>0%</b>
Net Transfers	1,632,054	895,565	228,102	866,436	903,899	1,435,657	380%	-4%
<b>Net Total</b>	<b>490,802</b>	<b>(747,875)</b>	<b>-</b>	<b>(4,112,785)</b>	<b>(4,067,968)</b>	<b>(2,078,846)</b>		

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

	FY2014	FY2015	FY2016	Thru April YTD			FY 2016	
	Year-end Actual	Year-end Actual	Original Budget	FY2016	FY2015	FY2014	% of '16 Budget	% Change from '15 YTD
<b>Recreation Center</b>								
Revenue	2,820,137	3,191,209	3,157,940	2,761,991	2,799,194	2,454,054	87%	-1%
General Fee Support	4,501,401	3,706,729	3,754,534	3,128,779	3,088,941	3,751,168	83%	1%
<b>Total Sources</b>	<b>7,321,538</b>	<b>6,897,938</b>	<b>6,912,474</b>	<b>5,890,770</b>	<b>5,888,135</b>	<b>6,205,221</b>	<b>85%</b>	<b>0%</b>
Salary	2,569,186	2,660,057	2,824,883	2,224,920	2,222,581	2,129,419	79%	0%
Benefits	532,432	599,473	784,656	602,958	594,665	573,507	77%	1%
Utilities	758,041	717,230	746,260	638,507	576,897	608,939	86%	11%
Operating Expenses	1,059,016	1,429,918	1,461,648	1,308,385	1,193,090	893,371	90%	10%
Inventory Purchases	187,544	312,791	248,000	326,956	266,820	213,705	132%	23%
Debt Service	1,393,469	-	-	-	-	1,046,105		
<b>Total Uses</b>	<b>6,499,687</b>	<b>5,719,468</b>	<b>6,065,447</b>	<b>5,101,726</b>	<b>4,854,054</b>	<b>5,465,046</b>	<b>84%</b>	<b>5%</b>
<b>Net Before Non-Mandatory Tr</b>	<b>821,851</b>	<b>1,178,470</b>	<b>847,027</b>	<b>789,044</b>	<b>1,034,081</b>	<b>740,175</b>	<b>93%</b>	<b>-24%</b>
Net Transfers	(726,064)	(1,105,247)	(847,027)	(719,559)	(671,039)	(266,270)	85%	7%
<b>Net Total</b>	<b>95,787</b>	<b>73,223</b>	<b>-</b>	<b>69,485</b>	<b>363,042</b>	<b>473,905</b>		
<b>Goggin Ice Arena</b>								
Revenue	3,518,776	3,529,955	3,463,860	3,422,543	3,316,739	3,328,324	99%	3%
General Fee Support	2,238,736	2,182,739	2,201,527	1,834,605	1,818,949	1,865,613	83%	1%
<b>Total Sources</b>	<b>5,757,512</b>	<b>5,712,694</b>	<b>5,665,387</b>	<b>5,257,148</b>	<b>5,135,688</b>	<b>5,193,938</b>	<b>93%</b>	<b>2%</b>
Salary	1,225,713	1,156,649	1,238,055	984,128	976,571	1,036,911	79%	1%
Benefits	309,369	323,471	419,513	335,803	329,826	343,219	80%	2%
Utilities	997,729	950,515	1,082,318	903,052	801,501	863,404	83%	13%
Charge Outs	-	-	-	-	-	-		
Operating Expenses	356,378	414,371	461,340	390,465	324,607	280,570	85%	20%
Inventory Purchases	221,049	203,240	170,000	138,714	159,794	180,676	82%	-13%
Debt Service	2,043,168	2,039,936	2,030,650	1,340,140	1,531,891	1,535,689	66%	-13%
<b>Total Uses</b>	<b>5,153,404</b>	<b>5,088,182</b>	<b>5,401,876</b>	<b>4,092,303</b>	<b>4,124,190</b>	<b>4,240,468</b>	<b>76%</b>	<b>-1%</b>
<b>Net Before Non-Mandatory Tr</b>	<b>604,108</b>	<b>624,512</b>	<b>263,511</b>	<b>1,164,846</b>	<b>1,011,498</b>	<b>953,470</b>	<b>442%</b>	<b>15%</b>
Net Transfers	(557,937)	(579,832)	(263,511)	(220,246)	(235,970)	(214,948)	84%	-7%
<b>Net Total</b>	<b>46,171</b>	<b>44,681</b>	<b>-</b>	<b>944,600</b>	<b>775,528</b>	<b>738,522</b>		

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

	FY2014	FY2015	FY2016	Thru April YTD			FY 2016	
	Year-end Actual	Year-end Actual	Original Budget	FY2016	FY2015	FY2014	% of '16 Budget	% Change from '15 YTD
<b><u>Parking and Transportation</u></b>								
Revenue	4,130,539	3,999,221	4,521,824	4,245,009	3,852,819	3,877,526	94%	10%
General Fee Support	200,000	200,003	199,000	165,831	166,669	166,667	83%	-1%
<b>Total Sources</b>	<b>4,330,539</b>	<b>4,199,224</b>	<b>4,720,824</b>	<b>4,410,840</b>	<b>4,019,488</b>	<b>4,044,193</b>	<b>93%</b>	<b>10%</b>
Salary	448,533	429,872	454,048	271,011	355,703	377,178	60%	-24%
Benefits	132,777	130,932	166,395	99,672	130,884	142,078	60%	-24%
Utilities	-	-	-	-	-	-		
Charge Outs	(15,575)	(19,603)	(17,500)	(75,598)	(11,658)	(11,657)	432%	548%
Operating Expenses	1,798,245	1,903,328	2,046,390	1,492,266	1,222,648	1,392,866	73%	22%
Inventory Purchases	-	-	-	-	-	-		
Debt Service	1,937,403	1,716,098	1,710,121	1,165,249	1,288,801	1,510,783	68%	-10%
<b>Total Uses</b>	<b>4,301,383</b>	<b>4,160,626</b>	<b>4,359,454</b>	<b>2,952,599</b>	<b>2,986,378</b>	<b>3,411,248</b>	<b>68%</b>	<b>-1%</b>
<b>Net Before Non-Mandatory Tr</b>	<b>29,155</b>	<b>38,597</b>	<b>361,370</b>	<b>1,458,241</b>	<b>1,033,109</b>	<b>632,945</b>	<b>404%</b>	<b>41%</b>
Net Transfers	11,171	(64,355)	(361,370)	(301,148)	(53,631)	92,642	83%	462%
<b>Net Total</b>	<b>40,326</b>	<b>(25,758)</b>	<b>-</b>	<b>1,157,093</b>	<b>979,478</b>	<b>725,587</b>		
<b><u>Utility Enterprise</u></b>								
Revenue	-	-	-	-	-	-		
<b>Total Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
Salary	1,154,576	1,258,056	1,417,016	1,080,527	1,016,705	934,799	76%	6%
Benefits	382,306	425,303	570,474	435,335	410,344	377,531	76%	6%
Utilities	10,821,135	10,470,089	12,159,507	7,723,277	8,184,385	8,392,925	64%	-6%
Charge Outs	-	-	(40,000)	(798)	-	-	2%	
Expense Recovery	(22,515,171)	(23,175,972)	(23,734,159)	(19,443,016)	(19,399,519)	(18,786,190)	82%	0%
Operating Expenses	1,384,738	1,216,450	1,723,506	1,054,913	944,405	1,086,912	61%	12%
Inventory Purchases	331	-	-	-	-	264		
Debt Service	2,428,526	2,407,322	2,406,788	1,768,912	1,807,910	1,829,580	73%	-2%
<b>Total Uses</b>	<b>(6,343,559)</b>	<b>(7,398,751)</b>	<b>(5,496,868)</b>	<b>(7,380,851)</b>	<b>(7,035,770)</b>	<b>(6,164,179)</b>	<b>134%</b>	<b>5%</b>
<b>Net Before Non-Mandatory Tr</b>	<b>6,343,559</b>	<b>7,398,751</b>	<b>5,496,868</b>	<b>7,380,851</b>	<b>7,035,770</b>	<b>6,164,179</b>	<b>134%</b>	<b>5%</b>
Net Transfers	(6,274,088)	(6,964,248)	(5,496,868)	(4,700,721)	(4,569,529)	(4,364,279)	86%	3%
<b>Net Total</b>	<b>69,471</b>	<b>434,503</b>	<b>-</b>	<b>2,680,130</b>	<b>2,466,241</b>	<b>1,799,899</b>		

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

	FY2014	FY2015	FY2016	Thru April YTD			FY 2016	
	Year-end Actual	Year-end Actual	Original Budget	FY2016	FY2015	FY2014	% of '16 Budget	% Change from '15 YTD
<b><u>Student Health Services</u></b>								
Revenue	1,736,418	1,853,078	2,252,538	2,453,294	1,796,384	1,511,736	109%	37%
General Fee Support	624,649	477,049	-		397,541	520,541		-100%
<b>Total Sources</b>	<b>2,361,067</b>	<b>2,330,127</b>	<b>2,252,538</b>	<b>2,453,294</b>	<b>2,193,925</b>	<b>2,032,277</b>	<b>109%</b>	<b>12%</b>
Salary	985,363	865,807	726,763	603,549	750,096	839,349	83%	-20%
Benefits	305,503	274,447	294,343	244,438	303,568	336,966	83%	-19%
Charge Outs	-	-	-	-	-	-		
Operating Expenses	501,837	728,478	1,081,239	750,455	439,729	427,867	69%	71%
Inventory Purchases	133,673	109,335	140,000	93,176	109,593	118,184	67%	-15%
Debt Service	-	-	-	-	-	-		
<b>Total Uses</b>	<b>1,926,377</b>	<b>1,978,067</b>	<b>2,242,345</b>	<b>1,691,618</b>	<b>1,602,985</b>	<b>1,722,366</b>	<b>75%</b>	<b>6%</b>
<b>Net Before Non-Mandatory Tr</b>	<b>434,690</b>	<b>352,060</b>	<b>10,193</b>	<b>761,676</b>	<b>590,940</b>	<b>309,912</b>	<b>7473%</b>	<b>29%</b>
Net Transfers	(83,411)	(165,439)	(10,193)	(8,491)	(54,531)	(69,509)	83%	-84%
<b>Net Total</b>	<b>351,279</b>	<b>186,621</b>	<b>-</b>	<b>753,185</b>	<b>536,409</b>	<b>240,402</b>		
<b><u>Armstrong - Student Affairs</u></b>								
Revenue	1,690,773	3,778,234	3,915,177	3,884,421	3,731,681	1,660,047	99%	4%
General Fee Support	-	699,997	841,160	700,969	583,331	-	83%	20%
<b>Total Sources</b>	<b>1,690,773</b>	<b>4,478,231</b>	<b>4,756,337</b>	<b>4,585,390</b>	<b>4,315,012</b>	<b>1,660,047</b>	<b>96%</b>	<b>6%</b>
Salary	141,593	334,192	388,710	276,825	269,928	101,974	71%	3%
Benefits	36,952	66,444	85,837	65,675	64,827	27,648	77%	1%
Utilities	140,881	275,395	324,692	217,514	226,161	120,982	67%	-4%
Charge Outs	-	-	-	-	-	-		
Operating Expenses	185,098	701,089	724,448	564,473	575,112	127,424	78%	-2%
Inventory Purchases	-	-	-	-	-	-		
Debt Service	553,299	2,407,128	2,454,491	1,840,868	1,196,136	-	75%	54%
<b>Total Uses</b>	<b>1,057,823</b>	<b>3,784,248</b>	<b>3,978,178</b>	<b>2,965,355</b>	<b>2,332,165</b>	<b>378,027</b>	<b>75%</b>	<b>27%</b>
<b>Net Before Non-Mandatory Tr</b>	<b>632,949</b>	<b>693,983</b>	<b>778,159</b>	<b>1,620,035</b>	<b>1,982,848</b>	<b>1,282,020</b>	<b>208%</b>	<b>-18%</b>
Net Transfers	(581,623)	(647,121)	(778,159)	(906,291)	(783,579)	(214,212)	116%	16%
<b>Net Total</b>	<b>51,326</b>	<b>46,862</b>	<b>-</b>	<b>713,744</b>	<b>1,199,269</b>	<b>1,067,808</b>		



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

	FY2014	FY2015	FY2016	Thru April YTD			FY 2016	
	Year-end Actual	Year-end Actual	Original Budget	FY2016	FY2015	FY2014	% of '16 Budget	% Change from '15 YTD
<b>Other Auxiliary</b>								
Revenue	184,396	193,706	181,106	113,860	139,100	108,746	63%	-18%
General Fee Support	4,541,070	5,163,646	920,294	4,759,931	3,804,986	3,456,539	517%	25%
<b>Total Sources</b>	<b>4,725,466</b>	<b>5,357,353</b>	<b>1,101,400</b>	<b>4,873,791</b>	<b>3,944,086</b>	<b>3,565,285</b>	<b>443%</b>	<b>24%</b>
Salary	67,328	66,003	71,061	57,079	54,684	54,603	80%	4%
Benefits	17,139	18,744	23,270	19,357	18,782	18,258	83%	3%
Utilities	-	-	-	-	-	-	-	-
Charge Outs	-	-	-	-	-	-	-	-
Operating Expenses	465,205	815,995	539,058	476,181	621,565	389,195	88%	-23%
Inventory Purchases	-	-	100	-	-	-	0%	-
Debt Service	349,947	345,510	345,255	227,554	259,462	262,999	66%	-12%
<b>Total Uses</b>	<b>899,618</b>	<b>1,246,252</b>	<b>978,744</b>	<b>780,171</b>	<b>954,492</b>	<b>725,055</b>	<b>80%</b>	<b>-18%</b>
<b>Net Before Non-Mandatory Tr</b>	<b>3,825,848</b>	<b>4,111,101</b>	<b>122,656</b>	<b>4,093,621</b>	<b>2,989,594</b>	<b>2,840,230</b>	<b>3337%</b>	<b>37%</b>
Net Transfers	(3,972,012)	(4,486,650)	(122,656)	(3,939,337)	(2,978,126)	(2,848,251)	3212%	32%
<b>Net Total</b>	<b>(146,164)</b>	<b>(375,550)</b>	<b>-</b>	<b>154,284</b>	<b>11,468</b>	<b>(8,021)</b>		
<b>Total Auxiliary</b>								
Revenue	137,079,353	145,383,166	151,527,851	142,587,389	137,861,933	129,097,781	94%	3%
General Fee Support	28,695,902	29,393,128	26,158,914	25,162,113	23,897,888	23,508,899	96%	5%
Designated Revenue	383,955	692,406	590,374	688,143	566,273	404,505	117%	22%
Restricted Revenue	1,226,906	1,112,975	1,877,805	1,113,736	609,174	804,063	59%	83%
<b>Total Sources</b>	<b>167,386,115</b>	<b>176,581,676</b>	<b>180,154,944</b>	<b>169,551,382</b>	<b>162,935,269</b>	<b>153,815,248</b>	<b>94%</b>	<b>4%</b>
Salary	35,349,959	34,889,259	33,911,302	28,403,531	29,114,303	29,331,615	84%	-2%
Benefits	9,330,996	9,390,845	11,335,612	9,792,056	9,811,632	9,772,579	86%	0%
Utilities	19,913,727	19,158,812	21,175,890	15,003,917	15,529,799	15,291,094	71%	-3%
Expense Recovery	(22,515,171)	(23,175,972)	(23,734,159)	(19,443,016)	(19,399,519)	(18,786,190)	82%	0%
Charge Outs	(568,387)	(3,569,463)	(3,317,265)	(2,546,789)	(2,783,043)	(272,583)	77%	-8%
Operating Expenses	51,199,848	60,052,456	64,208,900	55,798,008	50,994,788	44,799,634	87%	9%
Inventory Purchases	14,919,226	14,791,271	14,952,814	12,350,324	11,981,039	11,652,877	83%	3%
Debt Service	31,072,206	39,829,612	42,904,107	31,811,393	29,272,542	22,610,620	74%	9%
Designated Expense	436,248	746,950	590,374	632,827	471,772	373,802	107%	34%
Restricted Expense	1,392,619	1,349,553	1,877,805	927,159	780,573	775,341	49%	19%
<b>Total Uses</b>	<b>140,531,273</b>	<b>153,463,323</b>	<b>163,905,380</b>	<b>132,729,409</b>	<b>125,773,887</b>	<b>115,548,789</b>	<b>81%</b>	<b>6%</b>
<b>Net Before Non-Mandatory Tr</b>	<b>26,854,843</b>	<b>23,118,353</b>	<b>16,249,564</b>	<b>36,821,972</b>	<b>37,161,382</b>	<b>38,266,458</b>	<b>227%</b>	<b>-1%</b>
Net Transfers	(25,215,609)	(23,381,510)	(16,249,564)	(17,172,698)	(15,775,733)	(15,101,181)	106%	9%
<b>Net Total</b>	<b>1,639,233</b>	<b>(263,157)</b>	<b>-</b>	<b>19,649,275</b>	<b>21,385,649</b>	<b>23,165,278</b>		

# FY2016 Year to Date Operating Results

## State of Ohio Trends for Tax Revenue and Spending

June 23, 2016

# Year Over Year Performance of the State of Ohio Budget as of May 2016 (\$ millions)

<b>Taxes</b>	<b>FY15</b>	<b>FY16</b>	<b>\$Δ</b>	<b>%Δ</b>
Sales	\$ 9,145.0	\$ 9,489.3	\$ 344.3	3.8%
Personal Income	<u>\$ 7,710.3</u>	<u>\$ 7,023.4</u>	<u>\$ (687.0)</u>	-8.9%
Total Sales & Income Taxes	\$16,855.3	\$16,512.6	\$ (342.7)	-2.0%
Other Taxes	<u>\$ 2,745.3</u>	<u>\$ 3,204.3</u>	<u>\$ 459.0</u>	16.7%
Total Taxes	\$19,600.6	\$19,716.9	\$ 116.3	0.6%
<b>Expenses</b>				
Medicaid (state & federal)	\$13,996.5	\$16,605.8	\$2,609.2	18.6%
Higher Education	\$ 1,968.9	\$ 2,041.2	\$ 72.3	3.7%
Non Medicaid	<u>\$13,038.5</u>	<u>\$13,709.5</u>	<u>\$ 671.0</u>	5.1%
Total Expenses	\$29,003.9	\$32,356.5	\$3,352.6	11.6%

**Year over year comparisons made mid-year are impacted by timing of transactions and changes in accounting.**

# Structural Changes in State of Ohio

## Revenues and Expenses

(\$ millions)

<b>Tax Revenue</b>	<b>FY 2007</b>	<b>FY 2015</b>	<b>\$Δ</b>	<b>%Δ</b>
Sales	\$7,424.5	\$9,960.2	\$2,535.8	34.2%
Personal Income	\$8,885.4	\$8,506.7	-\$378.7	-4.3%
Other Taxes	<u>\$3,159.1</u>	<u>\$2,938.2</u>	<u>-\$220.9</u>	-7.0%
<b>Total</b>	<b>\$19,468.9</b>	<b>\$21,405.1</b>	<b>\$1,936.2</b>	<b>9.9%</b>
<b>Expenses</b>				
Primary & Secondary Education	\$8,395.9	\$9,792.5	\$1,396.6	16.6%
Higher Education	\$2,548.4	\$2,380.4	-\$168.0	-6.6%
Human Services <i>(state share only)</i>	\$6,053.1	\$6,727.1	\$674.0	11.1%
Corrections	\$1,766.4	\$1,741.8	-\$24.6	-1.4%
Transportation	\$22.3	\$9.4	-\$12.9	-57.8%
Local Governments	\$1,229.1	\$725.9	-\$503.2	-40.9%
Other	<u>\$1,612.6</u>	<u>\$1,819.9</u>	<u>\$207.3</u>	12.9%
<b>Total</b>	<b>\$21,627.8</b>	<b>\$23,197.0</b>	<b>\$1,569.2</b>	<b>7.3%</b>

# Questions?

To: Finance and Audit Committee

*Barbara K. Jena*

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

Subject: **Internal Audit & Consulting Services** - Report to the Finance and Audit Committee

Date: June 03, 2016

Internal Audit and Consulting Services (IACS) has attached two reports for the Committee:

## 1. Status report summarizing FY 2016 audit activities and findings (pages 2-6)

The FY 2016 audit plan will be largely accomplished by the end of the fiscal year. The attached report provides a status summary of audit results by division. Among the audits highlighted as completed:

- **Academic record updates on the Oxford and regional campuses at both the undergraduate and graduate level** - Internal control improvements are planned or have already been implemented pertaining to withdrawals from the University and course grade changes.
- **Kreger Hall construction project** - Based on this audit, IACS determined the University complied, in all material respects, with the applicable Ohio Revised Code requirements. Management actions were responsive to the one recommendation for improvement regarding an escrow account and labor payments to the contractor.
- **Gift processing** – Management plans to address audit recommendations to strengthen policies and procedures for recording and modifying gift and pledge information, as well as record retention. In addition, plans are to automate input of gifts paid by credit card as a Lean improvement.
- **IT vulnerability management** – With recently funded tools, IT Services is improving processes to detect, classify by risk level, and timely remediate vulnerabilities to Miami-owned computing devices.

## 2. Internal Audit issues log

The following table summarizes changes since the 11/2015 report to the Finance and Audit Committee. The report on pages 7-13 lists all open audit issues (including those from a prior year) and is sorted by risk level, high to low. The person and position responsible for addressing the issue is also identified. Three of the seven open high risk issues are currently being addressed by the IT Assistant VP for Security, Compliance & Risk Management. Prioritization of IT resources is an on-going challenge for the University Registrar to address other high risk issues; further information may be found on pages 8-9. A complete list of the 19 issues closed since 11/2015 is shown on pages 14-17.

**Audit Issue Status**

Risk Level	Open audit issues		Open audit issues	
	11/6/2015	Added	Closed	6/3/2016
High	8	1	2	7
Moderate	13	9	10	12
Low	10	3	7	6
<b>Total</b>	<b>31</b>	<b>13</b>	<b>19</b>	<b>25</b>

Attachments

Cc: David K. Creamer

ID	Division	Audit Project	Status	Audit Results
76A	Academic Affairs	Speech and Hearing Clinic follow-up audit	Completed	IACS performed a follow-up audit and noted an ongoing issue with making timely deposits. General Counsel, the Director of IACS, the department Chair and the Clinic Coordinator met 11/4/2015. The Clinic Coordinator provided assurance that daily deposits will be made and backups are in place as needed. Given that the matter has been reviewed with General Counsel and management has provided assurance of compliance, this comment was closed 11/4/2015.
78A	Academic Affairs	Middletown Business Office follow-up audit	Completed	IACS completed a follow-up of the 9/2014 Middletown Business Office Audit. IACS appreciates the actions taken by Chris Connell, Senior Director of Administration, to address the audit issues. All five issues were closed.
97A	Academic Affairs	Expense Account Audits - follow-up	Completed	Follow-ups were performed on audits of expense accounts for Deans in three Colleges: CEC, CAS, and EHS. Appropriate action has been taken to resolve all issues.
135	Academic Affairs	Miami Mock Trial Program	Completed	This audit replaced the planned Farmer School of Business administrative expense account audit. IACS audited the financial situation of the Miami Mock Trial program and made recommendations to address student organizations with deficit balances. Management responses from the Farmer School of Business, Student Affairs, and the Office of the Controller are in general agreement with the audit recommendations.
104	Enrollment Mgt & SS	Academic Record Updates	Completed	IACS completed an audit of selected academic record updates on the Oxford and regional campuses at both the undergraduate and graduate level. Record updates audited were course grade changes and withdrawals from the University. The objectives of this audit were to evaluate the adequacy and effectiveness of associated internal controls including: authorization and accuracy of updates, operational efficiency and effectiveness, and compliance with applicable federal, state, and University policies and procedures.  IACS recommends that internal controls be strengthened. Areas in need of improvement are detailed in three recommendations for improvement pertaining to withdrawals and two pertaining to grade changes. Management's planned actions appear responsive to the audit recommendations.
104A	Enrollment Mgt & SS	Academic Record Updates - follow-up	Completed	IACS completed a follow-up audit 4/2016. One audit issue was closed pertaining to minimizing the number of delinquent grade submissions. IACS met with Registrar management to discuss possible options for resolving other audit issues without waiting for the automated solution. As reported in the 6/2016 open audit issues log, prioritization of IT resources is an on-going challenge.
110A	Enrollment Mgt & SS	Fee Waiver Audit follow-up	Completed	IACS completed a follow-up audit 6/2016, closing the two Bursar issues pertaining to: 1) maintaining documented authorization for waiving fees; and 2) verifying compliance with waiver agreements before applying the waiver.
116A	Enrollment Mgt & SS	International Enrollment Management - follow-up	Completed	IACS performed a follow-up review and confirmed that the Office of the Bursar worked with International Student and Scholar Services within Global Initiatives to provide detailed billing and payment information for international students. Comment closed 9/21/2015.  IACS completed a second follow-up audit 5/2016, closing the second issue regarding implementation of an online pre-orientation module to improve communication with international students.
127A	Enrollment Mgt & SS	Compliance with fed. regs - refunds and exit counseling - follow-up	Completed	IACS verified that appropriate action has been taken to resolve both audit issues. Comments closed.
88	Finance & Bus. Svc.	External Audit Coordination	Completed	RSM completed the FY 2015 financial audit, the A-133 audit, and the NCAA agreed-upon procedures. No management letter comments were made.  FY16 audits reflect the final year of the current contract with RSM. IACS began to coordinate the upcoming FY17 - FY21 contract.

ID	Division	Audit Project	Status	Audit Results
96	Finance & Bus. Svc.	Construction Project - Kreger Hall	Completed	Based on this audit, IACS determined the University complied, in all material respects, with ORC Chapters 9, 123, and 153 and used its certification issued under section 123.24 of the ORC appropriately. IACS made one recommendation for improvement regarding an escrow account and labor payments to the contractor. Management's actions appear responsive to the audit recommendation.
101	Finance & Bus. Svc.	Clery Act Crime Statistics - agreed upon procedures	Completed	IACS performed agreed-upon procedures to verify Miami University's crime statistics for calendar year 2014 reporting. No exceptions were noted with the 2014 counts.
103	Finance & Bus. Svc.	Departmental Deposit Policies and Procedures	Completed	IACS examined the process starting at the point when Oxford campus departments (excluding HDRBS) make a deposit to when the deposit is recorded in Banner and reconciled by Treasury Services. This is a relatively new process established in 2013 which has departments making cash deposits directly to the bank, rather than to the Bursar's Office. IACS audited a total of 48 departmental PNC cash and Chase credit card deposit samples and noted no exceptions. Internal controls appear adequate and effective except for three recommendations for improvement. IACS considers management's actions responsive to the audit recommendations.
112	Finance & Bus. Svc.	Physical inventory audit - Central Stores	Completed	IACS performed a routine audit of Central Stores physical inventory at fiscal year-end 6/30/2015. IACS also reviewed and closed three audit issues from the prior year inventory audit. Central Stores has improved internal controls; however, as in the prior year, IACS cannot assure the accuracy of the inventory valuation of \$767K for 6/30/2015 financial reporting. IACS noted five count errors out of the 40 samples tested, or a 12.5% error rate. To further strengthen internal controls, IACS recommends departmental procedures be established and documented for performing year-end physical inventory. Management agreed to do so by 9/30/2015.
113	Finance & Bus. Svc.	Physical inventory audit - Rec Center	Completed	IACS completed an audit of the Recreational Sports Center (RSC) Pro Shop inventory at fiscal year-end 6/30/2015. IACS also reviewed and closed two of three audit issues from the prior year inventory audit. Internal controls over the RSC Pro Shop's inventory have improved since the prior year inventory audit. IACS tested 24 samples and noted no count errors. In May 2015, the Pro Shop changed their inventory system from CLASS to MaxGalaxy. The total inventory valuation of \$58K for financial reporting at fiscal year-end 6/30/2015 appears reasonable. Inventory decreased by \$25K (30%) from the prior year valuation of \$83K. Management stated that they have consciously decreased inventory on items that had low sales volume.
114A	Finance & Bus. Svc.	Physical inventory audit - Goggin Ice Center follow-up	Completed	IACS performed a follow-up of this issue 7/2015. Although efforts were made in this area, the cost numbers used in inventory turnover calculations were drawn from a malfunctioning report using the prior CLASS system. Relevant reports for turnover calculations are not yet available in the new system, MaxGalaxy. As such this issue remains open.  4/16 update: IACS discussed options for resolving this issue without waiting on a MaxGalaxy system report. Management has plans to calculate annual inventory turnover at fiscal yearend 6/30/16 and to benchmark against others.
121	Finance & Bus. Svc.	Fuel Dispensing System Audit	Completed	IACS completed an audit of the University's fuel dispensing system in 7/2015. During the 18-month audit period ended 12/31/2014, over 176K gallons of unleaded gasoline and diesel fuel were dispensed from the Cole Service Building fueling site, totaling over \$650K in department charges. Management voiced frustrations over the aging Gasboy fuel dispensing system stating that it is outdated and unreliable. The concerns were validated by the audit. Internal controls need improvement over the current fuel dispensing system and IACS made four recommendations for improvement including exploring options for updating to a reliable, adequately controlled fuel dispensing system. Management agreed to act on all four recommendations.
128	Finance & Bus. Svc.	LEAN Project - website update	Completed	ADA compliance updates have been completed for the IACS website. IACS is in the University Communications queue to migrate to the new platform.



ID	Division	Audit Project	Status	Audit Results
130	Finance & Bus. Svc.	MiTech Repair Center - Control of Computers	Completed	In response to a police investigation regarding theft of computers, IACS reviewed internal controls at the Miami University Bookstore's MiTech Repair Center. IACS reviewed the repair center's procedures and made six recommendations to strengthen internal control of both client owned computers and University loaner computers. Management agreed with all points to strengthen internal control. As of 8/18/2015, management is finalizing the SOP that focuses on the process of handling loaner laptops (internal control gaps 1-4 referenced in the report). Additional plans are to address gaps 5 and 6 as further described in the report. IACS scheduled a follow-up review summer 2016.
134	Finance & Bus. Svc.	Reimbursements Paid	Completed	IACS completed an audit of reimbursements paid to employees 4/2016. Based on testing results, reimbursements appear to be for a valid business purpose and with proper supporting documentation. Only one exception was noted where proper approval was not obtained. In summary, internal controls appear adequate and effective except for one overall recommendation for Accounts Payable to increase oversight of reimbursements by enhancing three procedures further discussed in the report. Management's actions appear responsive to the audit recommendation.
71	Intercollegiate Athletics	Football attendance - agreed upon procedures	Completed	IACS performed agreed-upon procedures to verify the 2015 paid football attendance figures submitted by Intercollegiate Athletics for NCAA reporting. The total paid attendance figure of 93,780 (average of 15,630) appears to be calculated in accordance with NCAA criteria.
94A	IT Services	End User Device Inventory - follow-up	Completed	IACS closed the End User Device Inventory 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.
95A	IT Services	Network Penetration Testing - follow-up	Completed	In fiscal year 2014, 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. 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 to address management of newly detected vulnerabilities to Miami-owned computing devices (137.1).
117A	IT Services	Securing Confidential Information - follow-up	Completed	IT Services expects full implementation by 8/2016 for two audit issues pertaining to 1) training regarding information security practices and 2) detecting and correcting exposed Personally Identifiable Information.
129	Student Affairs	VAWA required notification - agreed upon procedures	Completed	Internal Audit & Consulting Services reviewed calendar year 2014 cases where the complainant chose to pursue charges through the Office of Ethics and Student Conflict Resolution (OESCR) regarding an alleged sex offense, domestic violence, dating violence, or stalking. The objective of this review was to verify OESCR sent letters of notification as required by the department's protocol. Although some exceptions were noted, it wasn't a major concern because VAWA did not become effective until 2015. OESCR agreed to establish better procedures going forward.
75	University Advancement	Western College Alumnae Association financial audit	Completed	Internal Audit & Consulting Services completed the annual audit of the Western College Alumnae Association, Inc. Statement of Assets, Liabilities, and Fund Balance – Modified Cash Basis as of December 31, 2015 and 2014, and the related Statements of Revenues, Expenses and Fund Balance – Modified Cash Basis for the years then ended. The financial statements are presented fairly in all material respects.

ID	Division	Audit Project	Status	Audit Results
105	University Advancement	Gift Processing	Completed	The University Advancement gift processing audit report was issued 2/2016. Internal controls appear adequate and effective except for four recommendations for improvement: 1) Improve policies and procedures for recording a pledge; 2) Establish policies and procedures for modifying gift, pledge, or designation information; 3) Automate input of gifts paid by credit card as a Lean improvement; and 4) Improve policies and procedures on file and record retention. Actions planned by management appear to address the audit recommendations.
115A	University-wide	Change fund follow-up audits	Completed	The Print Center and Vending Services both have internal control procedures in place for change funds. In addition, Library management has taken action to address issues concerning timely deposits and sales tax. All issues from the 10/2014 report were closed.
103A	Finance & Bus. Svc.	Departmental Deposit Policies and Procedures - follow-up	Added & Completed	In 5/2016, IACS completed a follow-up of Treasury Services' 10/2015 audit. Internal controls were strengthened pertaining to ACH deposits and sales tax records. As such, two of the three audit issues were closed. IACS will schedule another follow-up review after action is taken to resolve the one remaining issue pertaining to update of the cash handling, depositing, and credit card policies and procedures.
138	Finance & Bus. Svc.	Aux. Business Office and Box Office	Added & Completed	IACS reviewed procedures and controls performed by the Box Office and the Auxiliary Business Office regarding Box Office sales and refunds. The objective was to identify and make recommendations to strengthen internal control. Management implemented changes to strengthen internal control and address the risk of fraudulent refunds being processed by Box Office staff.
137	IT Services	IT Vulnerability Management	Added & Completed	Report issued 1/9/2016. A process should be in place to detect, classify by risk level, and timely remediate vulnerabilities to Miami-owned computing devices. IACS recommended IT Services fully establish and maintain a process to timely remediate vulnerabilities to Miami-owned computing devices. This report also closed the Network Penetration Testing audit issue (95.1) and provided updated information.
139	Academic Affairs	Center for American and World Cultures	Added & In-process	This audit is on-hold at 6/2016 pending completion of another audit.
96A	Finance & Bus. Svc.	Construction Project - Kreger Hall follow-up	Added & In-process	IACS has a 6/2016 follow-up audit in process. Two of three audit issues were closed and the third is under review.
121A	Finance & Bus. Svc.	Fuel Dispensing System Audit - follow-up	Added & In-process	IACS has a 6/2016 follow-up audit in process.
132	Academic Affairs	Confucius Institute	In process	At the request of the Assistant Provost for Global Initiatives, IACS agreed to perform regular financial audits of Miami University's grant-funded Confucius Institute (CI). This request originated from the Director General of Hanban and Chief Executive of Confucius Institute Headquarters who made the request for regular audits of each CI, from the year 2015 forward.
131	Finance & Bus. Svc.	Construction Project - Shideler Hall	In process	Pursuant to ORC § 3345.51, IACS is performing an audit of the completed phases of the Shideler Hall Renovation project. The objective is to determine if Miami University complied, in all material respects, with ORC Chapters 9, 123, and 153, and used its certification issued under ORC § 123.24 appropriately for this capital project. This audit is required by ORC § 3345.51.
136	IT Services	Windows file share security	In process	Preliminary audit work was completed 11/2015. Plans are to complete testing summer 2016 to verify appropriate actions have been taken regarding access to network files.
58	University-wide	Enterprise Risk Assessment	In process	The ERA is being updated for FY 2016.
130A	Finance & Bus. Svc.	MiTech Repair Center - Control of Computers follow-up	Scheduled	IACS scheduled a follow-up review summer 2016.
74	IT Services	Review of Identity Theft Prevention Program (Red Flags)	Scheduled	IACS scheduled a review summer 2016.

Internal Audit and Consulting Services  
FY 2016 Plan Versus Actual

ID	Division	Audit Project	Status	Audit Results
AF	Finance & Bus. Svc.	Training/CPE	On-going	All IACS staff maintain certifications through continuing professional education. One Associate Auditor achieved both the CPA and CIA certification in FY 2016. The other Associate Auditor has passed two of the three required parts of the CIA exam. Both auditors are on track to achieve Senior Lean Leader certification.
91	Finance & Bus. Svc.	Consulting - HR	On-going	IACS meets regularly with HR staff to consult on HR issues.
80	IT Services	Consulting - IT	On-going	IACS meets monthly with the Assistant VP for Security, Compliance and Risk Management to consult on IT issues.
60	University-wide	Enterprise Risk Management - Compliance	On-going	IACS is collaborating with General Counsel on compliance matters.
79	University-wide	EthicsPoint Reporting System with General Counsel	On-going	IACS meets monthly with General Counsel to review the status of open reports. Once resolved by management, IACS closes the reports.
133	Academic Affairs	International Workshops Audit	Other	Cancelled. Management addressed the immediate concern related to an international workshop and withdrew the audit request.

**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	8/19/2016	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"> <li>1. require that all new employees (including students) receive appropriate training regarding Miami's information security practices;</li> <li>2. require that all employees (including students) receive appropriate updates on information security annually;</li> <li>3. provide appropriate employees with clear documentation detailing the approved mediums for communicating Personally Identifiable Information; and,</li> <li>4. establish procedures to hold employees who have received training accountable by receiving appropriate disciplinary action for violating Miami's information security practices.</li> </ol>	Joe Bazeley, Assistant VP for Security, Compliance & Risk Management	<p>Management concurred and stated 4/2016 that the requested central funding has been provided to purchase the security awareness training (objectives one and two). The discounted pricing window negotiated by REN-ISAC (an organization whose mission is to aid and promote cybersecurity operational protection and response within the research and higher education communities) closed, but another will open in June. IT Services (ITS) expects to have the training purchased and implemented by 8/19/16. Objectives three and four are addressed in the MU Confidential Data Guidelines and Technical Standards document, posted on the ITS website. Plans are to communicate the guidelines as policy in the MUPIM 2016-17 update.</p> <p>In a 5/2016 update, management stated, "RFP being developed. On-track to meet 8/19/16 timeline."</p>
2	117.2 - Securing Confidential Information- Procedure Review- 1/2015	1/16/2015	8/31/2016	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	<p>Management concurred and stated 4/2016 that the requested central funding has been provided to purchase tools to scan for PII both in Miami's on-premise file shares and in Google Drive space. IT Services (ITS) expects to be operational by 6/30/2016. ITS has brought the issue of scanning all documents before the Senate's IT Policy Committee and does not anticipate this delaying full implementation by 8/31/2016.</p> <p>In a 5/16 update, management stated, "Software purchased and is being installed. Working to arrange meeting with University Senate. On-track to meet 8/31/16 timeline."</p>
3	104.1 - Audit of Academic Record Updates - 7/2015	7/28/2015	9/1/2016	High	Enrollment Management & Student Success	<p>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.</p>	David Sauter, University Registrar	<p>The University Registrar provided a 5/26/16 update stating that this issue has been resolved as follows: (1) Photo roster continues to be successful in requiring faculty to submit a "never attended" or "last date of attendance" which is used to determine last day of academic activity/active enrollment. (2) Procedures for federal regulations have been revised effective Summer 2016 as follows: (1) undergraduate official withdrawals are accepted via Student Success Center online process, or via the advising offices on the regional campuses, thereby knowing the required date the student began the withdrawal process as prescribed by Miami University. (2) For graduate student withdrawals, the Graduate School continues to be the point of entry for students initiating an official withdrawal. For any student initiating a medical withdrawal, the Dean of Students Office is the point of entry via a form completed by the student to request the medical withdrawal. Effective date is determined by Dean of Students Office based on medical documentation and then communicated to University Registrar's Office via email.</p> <p>IACS will schedule another follow-up audit to review the new procedures for compliance with federal regulation.</p>

**Open Internal Audit Issues**

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
4	104.2 - Audit of Academic Record Updates - 7/2015	7/28/2015	9/1/2016	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>IACS completed a follow-up audit 4/2016. An automated solution to document if a student began attendance in any class has not been yet achievable. The Registrar's Office stated that this issue was partially resolved 9/10/2015 with a procedure improvement for those withdrawals that occur as a result of a student's last class being dropped via the faculty photo roster. In addition, IACS verified that Student Financial Assistance has interim manual measures in place to determine if a student began attendance by contacting faculty in cases where students drop all courses via web or are cancelled by Bursar for non-payment. However, interim manual measures are not in place in cases of official and medical withdrawals. As such, the audit issue remains open.</p> <p>In a 5/26/16 update, the University Registrar stated, "Status of collecting last attend/began attendance information for official and medical withdrawals remains an open issue. The volume of these is too great to accommodate manual measures. The Office of the University Registrar continues to press IT Services for resources to develop and implement an automated process for gathering this information, but to date no resources are forthcoming in the foreseeable future."</p> <p>IACS questioned senior IT Services management on whether they can assist in resolving this issue related to a federal regulation that requires the University to document if the students began attendance in any class.</p>
5	104.3 - Audit of Academic Record Updates - 7/2015	7/28/2015	9/1/2016	High	Enrollment Management & Student Success	<p>IACS recommends the Office of the University Registrar:</p> <ul style="list-style-type: none"> <li>a. Standardize and improve withdrawal policies and procedures as follows:                             <ul style="list-style-type: none"> <li>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.</li> <li>ii. Retain all withdrawal documents in a central location either electronically or in paper form.</li> <li>iii. Process withdrawal requests in the timeframe required by departmental procedures.</li> </ul> </li> <li>b. Define Withdrawal and Enrollment Status codes and their use to improve input accuracy and consistency.</li> <li>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.</li> </ul>	David Sauter, University Registrar	<p>The University Registrar provided a 5/26/16 update stating, "This remains an open issue as we await IT Services resources to implement the LEAN withdrawal project. As mentioned in April, the Student Success Center (SSC) created an on-line withdrawal form for students to initiate their official withdrawal, which was put into use Spring 2016 for Oxford undergraduate official withdrawals. Revised withdrawal processing procedures remain in a draft state as the process continues to evolve. Regional Campuses Registrar was on Lean project and the expectation is that the SSC plan would reach across the regional campuses (registrar? advising?) and be implemented. Next report will show progress from the regional campuses while understanding that Oxford Registrar Office in the current Miami organizational model has limited control/say over some regional processes."</p> <p>IACS questioned senior IT Services management on whether they can assist in resolving this issue.</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	104.4 - Audit of Academic Record Updates - 7/2015	7/28/2015	9/1/2016	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> <ul style="list-style-type: none"> <li>a. email confirmations to the student and the instructor of record</li> <li>b. workflow approvals</li> <li>c. required fields such as the reason for the change</li> <li>d. capability to attach supporting documentation if applicable</li> <li>e. audit trail data such as registrar's date of receipt, processor and date posted</li> <li>f. trend analysis to detect possible fraud</li> </ul>	David Sauter, University Registrar	<p>The University Registrar provided a 5/26/16 update stating, "Status of notifying faculty and student when a grade change occurs remains an open issue. The volume of these changes is too great to accommodate manual notifications. The Office of the University Registrar continues to press IT Services for resources to develop and implement the automated grade change process, but to date no resources are forthcoming in the foreseeable future. The Office of the University Registrar continues to press IT Services for resources to reopen and modify an existing automated grade change application so that it can be placed in production (currently it is not usable due to issues with the workflow portion) but to date no resources are forthcoming in the foreseeable future. When we get the resources to reopen and modify the existing application, items (a), (b), (c), and (e) will be resolved. (Items (d) and (f) can then be pursued.) While awaiting IT resources, the Office of the University Registrar is moving toward hiring a temporary programmer to do the development needed for this project. With increased notification to faculty (alerts), the Spring 2016 term saw a 41% reduction in missing grades when compared to Spring 2015. The Office of the University Registrar attributes this improvement to the outreach done by the Provost stressing to faculty the importance of timely grade submission, in addition to well-timed alerts and reminders."</p> <p>IACS questioned senior IT Services management on whether they can assist in resolving this issue.</p>
7	137.1 - IT Vulnerability Management - 1/2016	1/9/2016	6/30/2016	High	IT Services	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.	Joe Bazeley, Assistant VP for Security, Compliance & Risk Management	<p>Management concurred and stated 4/2016, "The manual processes are operational, albeit highly resource-intensive. Requested central funding has been provided to purchase a superior vulnerability management tool. We expect to have the tool purchased and fully operational by 5/13/16, and to have sufficient data to be audited for compliance against the standards by 6/30/16."</p> <p>In a 5/2016 update, management stated, "Software purchased and is being installed. On-track to meet 6/30/16 timeline."</p>
8	121.1 - Audit of Fuel Dispensing System- 7/2015	7/10/2015	6/30/2016	Moderate	Finance & Business Services	<p>IACS recommends PFD management explore options for updating to a reliable, adequately controlled fuel dispensing system. Desirable features include capabilities to:</p> <ul style="list-style-type: none"> <li>• interface with PFD's inventory management system, thus reducing manual processing currently required to post fuel transactions from Gasboy to WebTMA.</li> <li>• produce customizable electronic reports to facilitate real-time inventory analysis, monitoring of fueling activity, and management of user access.</li> <li>• provide administrative access control including unique usernames, passwords and audit logs that detail updates to the system.</li> <li>• increase control of unauthorized fuel dispensing.</li> </ul>	Sandra Mohr, Director of Operations Center/Facility Central Stores	<p>Management concurred 7/2015 stating, "We agree. Cody Powell has asked our Director of IT Services to lead a team to replace the fuel dispensing system. The new system selected will provide all the above functionalities (and perhaps more). The connection between Gasboy and TMA and/or Banner would be a project that would have to be approved and supported by IT Services."</p> <p>In a 5/2016 update, management reported, "The fuel dispensing software was changed to a new version on 3/24/16. Some vehicles now have a ring installed in the filler neck that allows the pump to recognize the vehicle. (We will install more of these over time.) Other vehicles and equipment are using key fobs to access the pumps. Each employee is set up to swipe their Miami ID. Now there is no danger of fuel cards being passed around with the potential of fuel being charged to incorrect accounts. We have also installed a camera outside the views over the parking lot and fuel island. The new software allows for users to be set up with individual passwords and access rights."</p> <p>IACS has a 6/2016 follow-up audit in process.</p>

## Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
9	121.2 - Audit of Fuel Dispensing System-7/2015	7/10/2015	6/30/2016	Moderate	Finance & Business Services	IACS recommends PFD management require written supervisory approval before adding users and fuel cards to the fuel dispensing database. Additionally, verify users having such authorization, the index code charged for fuel, and the related vehicles and equipment with supervisors at least annually. The fuel dispensing authorization form and annual verification procedures should be documented.	Sandra Mohr, Director of Operations Center/Facility Central Stores	<p>Management concurred 7/2015 stating, "We agree. A form was sent to all Building Points of Contact on May 12, 2015, informing departments that moving forward, no one would be issued a fuel card without written consent from the department head. Since that date, we have been requiring this form before a user is added. The fuel dispensing authorization form and annual verification procedures will be documented by 9/30/15."</p> <p>In a 5/2016 update, management reported, "Before we added any users or vehicles to the system, we sent forms out to be completed giving us information on the vehicles and the people who needed to be added to the system. We also sent out a Terms and Conditions document and no people or vehicles were added to the system until we received an email from the department head stating the he/she agrees with the Terms and Conditions. Since we just implemented the system, we are covered on this point for the year. During the next audit would like to discuss the annual audit."</p> <p>IACS has a 6/2016 follow-up audit in process.</p>
10	121.3 - Audit of Fuel Dispensing System-7/2015	7/10/2015	6/30/2016	Moderate	Finance & Business Services	IACS recommends PFD management establish and document standard naming conventions and other procedures. Naming conventions should uniquely identify employees, departments, vehicles and equipment. In addition, procedures should address handling lost fuel cards, forgotten access PINs, employee department changes and vehicle replacements.	Sandra Mohr, Director of Operations Center/Facility Central Stores	<p>In a 5/2016 update, management reported, "Standard naming conventions are now in place because employees are using their Miami ID, they are added to the system with name, unique ID and Banner ID. Vehicles are identified by their state tag id. There are no fuel cards so no cards can be lost. If fuel fobs are lost, they will be turned off and a new fob will be assigned to that vehicle."</p> <p>IACS has a 6/2016 follow-up audit in process.</p>
11	121.4 - Audit of Fuel Dispensing System-7/2015	7/10/2015	6/30/2016	Moderate	Finance & Business Services	IACS recommends interdepartmental fuel expenses be charged-out monthly, in accordance with General Accounting's Banner Finance monthly close schedule.	Sandra Mohr, Director of Operations Center/Facility Central Stores	<p>In a 5/2016 update, management reported, "Fuel charges for each month are being uploaded to Banner the first working day of the following month."</p> <p>IACS has a 6/2016 follow-up audit in process.</p>
12	103.1 - Audit of Departmental Deposit Policies and Procedures - 10/2015	10/27/2015	6/30/2017	Moderate	Finance & Business Services	IACS recommends update to the cash handling, depositing, and credit card policies and procedures to remove repetitive and conflicting information. The policies should be consolidated where appropriate and communicated widely within the University.	Cyndi Ripberger, Associate Director of Investments and Treasury Services	<p>IACS completed a follow-up audit 5/2016. Treasury Services management stated that update of the policies and procedures is still in progress; staffing was assigned to higher priorities and management awaits migration of their website to the new University format. IACS recommended management make incremental updates to the policies and procedures while awaiting website migration. Management plans to include review and revision of the policies and procedures in the department's FY17 annual goals. As such, this issue remains open.</p>

## Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
13	96.1a - Locally Administered Construction Audit - Kreger Hall 11/2015	11/30/2015	6/30/2016	Moderate	Finance & Business Services	IACS recommends that the University consistently comply with Ohio Revised Code sections 153.12(A), 153.13, and 153.63(A) by implementing procedures to:  a. establish escrow accounts as required	Sarah Persinger, Controller	Management agrees with the recommendations put forth in the "Locally Administered Construction Audit - Kreger Hall" and adds the additional comments below for actions to be undertaken.  To address the recommendation for establishing escrow accounts, an escrow agreement will be presented to the contractor for signature at the outset of the construction project with all other required documentation presented by Facilities Contracting. This will ensure that the University obtains the necessary completed paperwork to establish the escrow account when applicable. The effective date for this action to begin is December 1, 2015 or sooner if the revised escrow agreement is returned by Associate General Counsel prior to that date.  In a 5/31/2016 update, the Controller stated, "Escrow accounts are being established at the outset of the construction project. Construction accounting staff within PFD are ensuring the contractor is aware of the escrow requirements when the project paperwork is being completed." A follow-up audit is in process to review procedures related to establishing escrow accounts.
14	135.1 - Financial Audit of Miami Mock Trial Program - 2/2016	2/19/2016	6/30/2018	Moderate	Farmer School of Business	IACS recommends the Farmer School of Business work with the Division of Student Affairs and the Office of the Controller to bring MMT funds out of deficit by fiscal year end 6/30/2016.	Rebekah Keasling, Assistant Dean for Administration	The Farmer School of Business (FSB) Assistant Dean for Administration concurred 2/2016 stating, "[The FSB Assistant Dean for Administration is] willing to coordinate the process of working with other offices on campus to identify funds to cover the deficit incurred by the student organization, Miami Mock Trial (MMT). The [FSB Assistant Dean for Administration] will schedule appointments and meet with staff from the offices of the Provost, Student Affairs, Controller, and Associate Student Government by the end of February 2016...We will identify Index Codes that can be used to cover the deficit. We will work to clear the deficit as soon as possible. However, due to the large dollar amount and the commitments already made to the annual budget cycle it's believed the deficit elimination can be accomplished no later than June 30, 2018..."  In a 5/17/2016 update, the FSB Assistant Dean for Administration stated that she has been asked to hold off on this issue due to some discussions that are taking place with the Provost Office.
15	135.3 - Financial Audit of Miami Mock Trial - 2/2016	2/19/2016	12/31/2016	Moderate	Finance & Business Services	IACS recommends the Office of the Controller strengthen internal control over all student organization agency and designated funds. Improvements may include:  a. requiring all reimbursements to University employees be approved by an authority to whom the requestor reports;  b. pushing monthly financial reports to student organization advisors, rather than simply having them available for download;  c. requiring action to resolve deficit balances; and  d. disabling the ability to charge student organization agency and designated funds with deficit balances.	Sarah Persinger, Controller	The Controller concurred 2/2016 stating, "Management agrees with the recommendation to strengthen internal controls and oversight on student organization agency and designated funds. General Accounting and Customer Support staff are beginning to schedule an ongoing series of meetings with staff from Student Affairs and ASG to discuss current guidelines, current issues, and suggestions for improvements. The first meeting is scheduled for February 5, 2016..."



## Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
16	135.2a - Financial Audit of Miami Mock Trial Program - 2/2016	2/19/2016	8/15/2016	Moderate	Student Affairs	IACS recommends the Division of Student Affairs:  a. work with the Farmer School of Business to develop a sustainable budget funding model for MMT, assuming the MMT program is to be maintained	Tim Kresse, Director of Student Affairs Budget and Technology	The Director of Student Affairs Budget and Technology concurred 2/2016 stating, "If the Miami Mock Trail (MMT) program is to be maintained by the Farmer School of Business, the Division of Student Affairs (SA) will work with the Farmer School to develop and implement a sustainable budget and oversight model. We expect this to be concluded by the end of May 15, 2016."  In a 5/31/2016 status update, the Director of Student Affairs Budget and Technology stated, "Waiting to hear from FSB/Provost regarding future status of MMT program."
17	135.2b - Financial Audit of Miami Mock Trial Program - 2/2016	2/19/2016	12/31/2016	Moderate	Student Affairs	IACS recommends the Division of Student Affairs:  b. prepare quarterly Budget to Actual reports for all student organization agency and designated funds. Such reports should be reviewed with the University Budget Office to address current and emerging issues.	Tim Kresse, Director of Student Affairs Budget and Technology	The Director of Student Affairs Budget and Technology concurred 2/2016 stating, "With over 650 student organizations, it is not feasible for SA to develop and implement budgets for all student organizations. However, SA will work with the University Budget Office to implement budgeting information for key groups. Initially, this will be groups with direct funding transfers from SOR accounts and will include Associated Student Government (ASG), Miami Mock Trial (MMT), Miami Activities and Programming (MAP), and COSMOS groups with budgets over \$1,000. Budgets will be in place for these groups and monitored during FY17. SA will arrange meetings with the Budget Office, Controllers Office, and key stakeholders on a quarterly basis to review organizational budget status."  In a 5/31/2016 status update, the Director of Student Affairs Budget and Technology stated, "Working with General Accounting and Student Activities staff to develop sustainable process. General accounting providing deficit reports on student organizations, working with ASG to clear funding issues."
18	105.1 - Gift Processing Audit - 2/2016	2/22/2016	12/31/2016	Moderate	University Advancement	IACS recommends that University Advancement improve current policies and procedures for recording pledges in the Banner Advancement Module and communicate them to all related staff. The policies and procedures should detail under what circumstances the pledge may be recorded, what documentation is needed, and any exceptions that may be allowed. Gift processing staff should verify written evidence of the agreement with the donor before recording a pledge.	Joan Walker, Director of Compliance & Gift Processing	Management concurred stating, "We will review and update our current pledge policy. Given that the policy updates will need to be reviewed and implemented by several departments (Gift Processing, Annual Fund, Development) and potentially approved by our Foundation Board, our goal is to implement the new policy by 12/31/2016."
19	105.2 - Gift Processing Audit - 2/2016	2/22/2016	12/31/2016	Moderate	University Advancement	IACS recommends that University Advancement establish policies and procedures for modifying an existing gift, pledge, or designation. Written documentation from or to the donor should be verified before making modifications. The policies and procedures should outline under what circumstances modifications may be made, what documentation is needed, and any exceptions that may be allowed.	Joan Walker, Director of Compliance & Gift Processing	Management concurred stating, "We will review and update our current policies regarding modification of existing gifts, pledges and designations. Given that the policy updates will need to be reviewed and approved by several departments (Gift Processing, Annual Fund, Development) and potentially our Foundation Board, our goal is to implement the new policies by 12/31/2016."
20	114.1 - Goggin Pro Shop Inventory - 8/2014	8/22/2014	6/30/2016	Low	Finance & Business Services	It is recommended that management analyze inventory turnover to measure its inventory management efficiency, ensure inventory is current, and benchmark this data to other operations.	Kevin Ackley, Sr Dir of Goggin Ice Center	In 4/2016, IACS provided consulting services to assist the Recreational Sports Center (RSC) and Goggin Pro Shop in calculating inventory turnover, given the new system does not generate such reports. IACS reviewed the RSC calculation and suggested the RSC and Goggin use this format (with adjustment for outstanding invoices) as of 6/30/16, then benchmark the annual turnover with others. IACS will review again at FY 2016 fiscal year-end.
21	113.1d - Recreational Sports Center Pro Shop Inventory Audit - 9/2014	9/4/2014	6/30/2016	Low	Finance & Business Services	In order to strengthen internal controls over inventory, it is recommended that management analyze inventory turnover to measure its inventory management efficiency, ensure inventory is current, and benchmark this data to other operations.	Tara Britton, Dir Cust Service & Sponsorship	In 4/2016, IACS provided consulting services to assist the Recreational Sports Center (RSC) and Goggin Pro Shop in calculating inventory turnover, given the new system does not generate such reports. IACS reviewed the RSC calculation and suggested the RSC and Goggin use this format (with adjustment for outstanding invoices) as of 6/30/16, then benchmark the annual turnover with others. IACS will review again at FY 2016 fiscal year-end.

## Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
22	130.1 - MiTech Repair Center – Control of Computers	8/18/2015	6/30/2016	Low	Finance & Business Services	In response to a police investigation regarding theft of computers, IACS reviewed internal controls at the Miami University Bookstore's MiTech Repair Center. IACS reviewed the repair center's procedures and made six recommendations to strengthen internal control of both client owned computers and University loaner computers.	Joseph Martin, Dir Tech Sales Serv Bookstore	Management agreed with all points to strengthen internal control. As of 10/2015, management believes that they have addressed all the audit recommendations except for number 6, related to maintaining a list of Miami loaner computers recycled and sent for disposal in accordance with University procedure. Plans are to write and implement a policy to address this. IACS has a follow-up review scheduled for summer 2016.
23	105.3 - Gift Processing Audit - 2/2016	2/22/2016	12/31/2016	Low	University Advancement	To avoid re-entry of data, IACS recommends that UA works with IT Services to explore the technologies needed to upload credit card gifts from the CASHNet payment platform to Banner. Automation may not only save staff time on entering gift information, but also decrease paper documentation and risk of input errors.	Joan Walker, Director of Compliance & Gift Processing	Management concurred stating, "University Advancement has hired a new Director of Technology effective February 2016. The Director has stated that University Advancement can work with IT Services to explore the technologies needed to automate the online gift process, and discuss the possibility of conducting a LEAN review of the process; however, given the fact that the additional IT developer has not been hired yet, the completion of this review will need to be pushed to December 31, 2016."
24	105.4 - Gift Processing Audit - 2/2016	2/22/2016	12/31/2016	Low	University Advancement	IACS recommends that management improve policies and procedures on file and record retention and communicate them to all related staff. The policies and procedures should agree with the Miami University Record Retention Schedule and provide detailed guidance on the retention of gift and pledge related records and information. Records should be retained no longer and no shorter than specified period.	Joan Walker, Director of Compliance & Gift Processing	Management concurred stating, "We will review and update our current policies regarding file and record retention. Given that the policy updates will need to be reviewed and approved by all areas within University Advancement, our goal is to implement the new policies by 12/31/2016."
25	134.1 - Audit of Reimbursements Paid - 4/2016	4/8/2016	6/30/2016	Low	Finance & Business Services	IACS recommends Accounts Payable increase oversight of reimbursements by enhancing procedures as follows:  1. Encourage use of Miami Purchasing Card (P-Card) where appropriate.  2. Document reason for granting exceptions to policies and procedures.  3. Be more attentive to identify improper requests for reimbursements.	Melanie Brunner, Sr Manager Accounts Payable	Management concurred stating, "1) I agree with this finding and the Accounts Payable office will work with departments to encourage P-Card use going forward. 2) I agree with this finding and our office will document exceptions in writing and attach the approvals in Buyway and the Travel Module. 3) It is extremely difficult to prevent duplication, however, our office will try to be more attentive. Our office will contact the individuals and ask for them to reimburse the University."

**Closed Internal Audit Issues**

Line	Audit Name And Date	Date Opened	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
1	95.1 - Network Penetration Testing - 3/2014	3/20/2014	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>
2	94.1 - End User Device Inventory 4/2014	4/1/2014	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"> <li>1. reduce the risk of copyright infringement as a result of a negative software licensing audit;</li> <li>2. reduce the risk that devices and any stored data are lost or stolen with employee turnover;</li> <li>3. increase the efficiency gained through automation of deployment;</li> <li>4. improve scheduling for replacement devices; and</li> <li>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.</li> </ol> <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>

## Closed Internal Audit Issues

Line	Audit Name And Date	Date Opened	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
3	53.2 - Inventory Audits - 7/31/2012	7/31/2012	Moderate	Finance & Business Services	Accounting adjustments should be booked monthly in Banner to recognize changes in inventory balances throughout the year as well as cost of goods sold/distributed, shrinkage, or markdowns. Current accounting procedures require units (such as Culinary Support, Central Stores, and the Bookstore) to charge inventory purchases throughout the year to expense (157XXX) accounts. It is only at yearend that the inventory asset accounts are adjusted in Banner. This practice masks shrinkage and markdowns.	Sarah Persinger, Controller	In a 5/31/2016 update, the Controller stated, "Per Jon Brubacher, HDRBS conducts two complete physical inventories during the year, once in December and again at the end of the fiscal year. Additionally, cycle counts are conducted weekly. Discrepancies between the physical count, cycle count and the inventory system of record (CBORD) are investigated and resolved by the HDBRS management staff. Due to the physical count and reconciliation activities to identify and correct receiving discrepancies in the CBORD system, the yearly entry into Banner for financial reporting is acceptable and sufficient for tracking the inventory expenses of the Culinary Support Center." Comment closed 6/1/2016 given mitigating controls appear in place at the operational level to recognize shrinkage and markdowns.
4	110.1 - Audit of Fee Waivers- 1/2015	1/28/2015	Moderate	Enrollment Management and Student Success	Where documented authorization to waive fees cannot be located, it is recommended that the Bursar's Office obtain such authorization from the Treasurer. Documented authorization for waiving all fees should be maintained by the Bursar's Office going forward.	Kriss Cassano, Bursar	IACS completed a follow-up audit 6/2016. It appears procedures are in place for the Office of the Bursar to obtain and maintain documented authorization to waive fees. Comment closed 6/2/2016.
5	110.2 - Audit of Fee Waivers- 1/2015	1/28/2015	Moderate	Enrollment Management and Student Success	To strengthen internal controls over the University's fee waiver process, it is recommended that the Bursar's Office verify that all waivers are in compliance with waiver agreements before applying them.	Kriss Cassano, Bursar	IACS completed a follow-up audit 6/2016. It appears procedures will be in place to verify all waivers are in compliance with waiver agreements before applying them. Concerns were raised with the ROTC Room Board waivers as IACS noted what appeared to be an excessive number of students receiving the waiver as compared to the 2000 waiver agreement. In a 6/2/2016 discussion, the Sr. VP for Finance and Business Services concurred that it is acceptable to distribute the dollar equivalent of the six, four-year ROTC Room Board waivers among numerous Navy and Air Force ROTC students, rather than award a full room and board waiver to only six students. Comment closed 6/2/2016.
6	127.1 - Audit of Title IV Federal Student Aid Refunds- 4/2015	4/27/2015	Moderate	Enrollment Management & Student Success	It is recommended that the Office of the Bursar comply with federal regulation 34 CFR § 668.164(e) and issue student refunds within the 14 day requirement. Additional training and process improvements should be considered.	Kriss Cassano, Bursar	IACS performed a follow-up audit 2/2016 testing 24 Title IV refunds for the Spring 2015/16 term. No exceptions were noted and the refunds were made in seven or less days for the samples tested. This is well within the 14 day requirement to issue Title IV refunds. As such, it appears procedures are in place and functioning to comply with federal regulation 34 CFR §668.164(e). Comment closed 3/4/2016.
7	127.2 - Audit of Required Exit Counseling for Borrowers - 5/2015	5/11/2015	Moderate	Enrollment Management & Student Success	It is recommended that the Office of Student Financial Assistance verify that procedures are in place to consistently comply with federal regulation 34 CFR § 682.604(a)(1) that requires exit counseling for applicable student borrowers.	Brent Shock, Director of Student Financial Assistance	<p>Management concurred 5/2015, stating, "Student Financial Assistance (SFA) has modified internal processes and procedures to resolve this issue...While SFA failed to meet the 30 day requirement, it should be noted that all exit materials were sent. Recent reports from schools that have undergone Federal Program Reviews indicate citations were issued for missed exit counseling, with no reports of citations for late exit counseling."</p> <p>In a 11/2015 update, management stated, "SFA developed and implemented a series of reports and processes to ensure compliance. We continue to review records for students that stop out, withdraw or otherwise leave the University. As stated in our response, we do this every two weeks, even during periods of class fluctuations and before enrollment is considered "set" for the term. All exit information is sent via the US postal system."</p> <p>IACS performed a follow-up audit 2/2016. It appears that procedures are in place to comply with federal regulation 34 CFR § 682.604(a)(1). Comment closed 2/25/2016.</p>

## Closed Internal Audit Issues

Line	Audit Name And Date	Date Opened	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
8	104.5 - Audit of Academic Record Updates - 7/2015	7/28/2015	Moderate	Enrollment Management & Student Success	In order to further minimize the number of missing grades, IACS recommends the Office of the University Registrar:  a. Continue to analyze data of missing grades each semester and identify instructors who repeatedly miss the grade submission deadline. Chronic offenders should be highlighted and submitted to the Provost with a complete list of faculty missing the deadline. An additional communication to the delinquent faculty could reiterate the ramifications of failing to meet the grade submission deadline and add a "drop dead" deadline; and  b. Request the Provost issue guidance on taking delinquent grade submissions into consideration during faculty reviews and salary increment recommendations.	David Sauter, University Registrar	IACS completed a follow-up audit 4/2016. IACS verified the Office of the University Registrar has taken appropriate action to minimize the number of delinquent grade submissions. The Registrar's analysis of missing grades highlighted chronic offenders and was communicated to the Provost and Academic Deans. Comment closed 4/8/2016.
9	103.2 - Audit of Departmental Deposit Policies and Procedures - 10/2015	10/27/2015	Moderate	Finance & Business Services	IACS recommends Treasury Services send confirmation receipts to department contacts after booking departmental ACH deposits. Additionally, maintain current department contact information, as well as financial account information for booking departmental ACH deposits.	Cyndi Ripberger, Associate Director of Investments and Treasury Services	IACS completed a follow-up audit 5/2016. It appears appropriate action has been taken to send confirmation receipts to department contacts after booking departmental ACH deposits. The Treasury Assistant stated that this was beneficial in resolving an issue where an ACH deposit was thought to have been improperly credited. Although execution in maintaining current department contact and financial account information was lacking, the Treasury Assistant took immediate action to make updates, and assured IACS this information would remain current going forward. Comment closed 5/26/2016.
10	103.3 - Audit of Departmental Deposit Policies and Procedures - 10/2015	10/27/2015	Moderate	Finance & Business Services	IACS recommends Treasury Services work with General Accounting and the Office for Advancement of Research and Scholarship to revise the online deposit survey. Required information describing what was sold and the purpose of the sale should be added to assist the Tax and Compliance Coordinator in determining if the proceeds were subject to sales tax.	Cyndi Ripberger, Associate Director of Investments and Treasury Services	IACS completed a follow-up audit 5/2016. The online deposit survey was revised, and now requires users to input what was sold, the purpose of the sale, and to whom the sale was made. This is necessary information to assist the Tax and Compliance Coordinator in determining if proceeds are subject to sales tax. Comment closed 5/26/2016.
11	96.1b - Locally Administered Construction Audit - Kreger Hall - 11/2015	11/30/2015	Moderate	Finance & Business Services	IACS recommends that the University consistently comply with Ohio Revised Code sections 153.12(A), 153.13, and 153.63(A) by implementing procedures to:  b. pay all labor estimates after the contract is 50% complete at a rate of 100% of the estimate	Sarah Persinger, Controller	In a 5/31/2016 update, the Controller stated, "This process has been in place and is working as expected for the review on the contractor payment requests to ensure that no additional amounts are withheld after the point of 50% completion." Based on a subsequent audit, procedures now appear in place to pay all labor estimates after the contract is 50% complete at a rate of 100% of the estimate. Comment closed 6/1/2016.
12	96.1c - Locally Administered Construction Audit - Kreger Hall - 11/2015	11/30/2015	Moderate	Finance & Business Services	IACS recommends that the University consistently comply with Ohio Revised Code sections 153.12(A), 153.13, and 153.63(A) by implementing procedures to:  c. begin release of retained funds when the major portion of the project is substantially completed and occupied, withholding only the amount needed to assure completion.	Elizabeth Davidson, Director of Facilities Contracting/ Strategic Procurement Officer	IACS completed a follow-up 6/2016. It appears procedures are in place to begin release of retained funds when the major portion of the project is substantially completed and occupied, withholding only the amount needed to assure completion. Comment closed 6/1/2016.

## Closed Internal Audit Issues

Line	Audit Name And Date	Date Opened	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
13	23.2 - Audit of Student Health Services -1/2010	1/26/2010	Low	Finance & Business Services	It is recommended that correct coding be used for the Bursar interface related to the transfer of the receivable balance from the insurance company to the student; the credit should be posted to the insurance receivable account rather than revenue for a second time. In addition, the insurance provider allowance write-off recognized should be supported by PyraMed detail. Finally, the PyraMed and Banner systems should be reconciled monthly, rather than annually.	Sarah Persinger, Controller	IACS performed follow-up audits closing the first and second parts of the recommendation. The final part of the recommendation concerning reconciling PyraMed and Banner remains open given ongoing unreconciled differences. In a 5/2015 update, the Controller stated that the EPIC system is currently in use for new activity in SHS and no old activity will be transferred into the new system.  In a 11/2015 update, the Controller stated, "There continues to be collection activity and receipts received for the prior outstanding A/R balance from SHS in the Pyramed system due to rebilling actions by the Tri-Health staff. As long as the collection activity is successful, the A/R balance will not be written off. At the point there are no more collections to be received from the prior balances, the remaining amount will be written off."  In a 5/31/2016 update, the Controller stated, "The A/R balance has been monitored and is remaining steady. The writeoff entry will be posted prior to the end of the fiscal year (6/30/2016)." The PyraMed system has been replaced by Epic. Comment closed 6/1/2016.
14	78.1a - Middletown Business Office Audit - 9/2014	9/4/2014	Low	Academic Affairs	In order to strengthen controls surrounding cash handling, it is recommended that the Middletown Business Office segregate duties by having an independent person separate from cash receiving prepare the bank deposit.	Chris Connell, Senior Director of Administration	IACS performed a follow-up audit 10/2015. Based on a review of twelve deposits, it appears internal controls have been strengthened surrounding cash handling. Comment closed 11/30/2015.
15	78.1b - Middletown Business Office Audit - 9/2014	9/4/2014	Low	Academic Affairs	In order to strengthen controls surrounding cash handling, it is recommended that the Middletown Business Office have the Cashier Supervisor review all voids and any on-site refunds for validity.	Chris Connell, Senior Director of Administration	IACS performed a follow-up audit 10/2015 and verified procedures for supervisory review of all voids and refunds are now in place. Comment closed 11/30/2015.
16	78.1c - Middletown Business Office Audit - 9/2014	9/4/2014	Low	Academic Affairs	In order to strengthen controls surrounding cash handling, it is recommended that the Middletown Business Office deposit cash receipts within the required one business day for deposits exceeding \$1K or within three days if the deposit is \$1K or less.	Chris Connell, Senior Director of Administration	IACS performed a follow-up on 10/2/2015 by auditing a sample of twelve Middletown Business Office deposits. The increased frequency of Dunbar Armored deposit pickups appear to have effectively resolved this issue, as all deposits tested were made timely in accordance with University and legal requirements. Comment closed 11/30/2015.
17	78.2 - Middletown Business Office Audit - 9/2014	9/4/2014	Low	Academic Affairs	It is recommended that the Middletown Campus periodically read the cellular tower's electricity meter and compare the reading to the electricity costs recovered from Cincinnati Bell.	Chris Connell, Senior Director of Administration	IACS performed a follow-up on 10/2/2015, learning that Cincinnati Bell Wireless sold the tower to PBW Wireless Services. IACS closed this comment with the understanding that Chris Connell will verify proper payments are received from the new operator. Comment closed 11/30/2015.
18	78.3 - Middletown Business Office Audit - 9/2014	9/4/2014	Low	Academic Affairs	It is recommended that the Middletown Business Office periodically reconcile the change fund and document key change fund information to enable another employee to perform important tasks when needed. Topics covered should include the employee or position responsible for the fund, where the fund is located, how often to reconcile it in total, how to return portions of the change fund, and what to do when there is an overage or shortage.	Chris Connell, Senior Director of Administration	IACS performed a follow-up audit 10/2015, confirming that the Middletown Business Office periodically reconciles the change fund and has documented key change fund information to enable another employee to perform important tasks when needed. Comment closed 11/30/2015.
19	116.2 - Review of First-Year International Student Enrollment- 1/2015	1/6/2015	Low	Academic Affairs	To improve communication with international students, it is recommended that International Student and Scholar Services (ISSS) management within Global Initiatives further consider implementing online pre-orientation modules. Use of online modules rather than the orientation email series may improve efficiency and effectiveness of communication. Email and other forms of communication could also be used to reinforce important information.	Cheryl Young, Assistant Provost	IACS completed a follow-up audit 5/2016. A three-part online pre-orientation module was implemented 12/2015 for new and transfer international students. The module is supplemental to a series of emails, and appears to efficiently and effectively communicate important student information, including billing and payment. Management stated that the module will be showcased in China during pre-orientation sessions summer 2016. Comment closed 5/31/2016.

<b>DRAFT</b>					
<b>Forward Twelve Month Agenda</b>					
<u>Agenda Item</u>	<u>June End of Year Meeting</u>	<u>September Beginning of Year Meeting</u>	<u>December Fall Meeting</u>	<u>February Winter Meeting</u>	<u>April Spring Meeting</u>
<b><u>Committee Structure:</u></b>					
• Committee Priority Agenda	x	x	x	x	x
• Committee Self-Assessment	x				
<b><u>Strategic Matters and Significant Topics Affecting Miami:</u></b>					
• 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	x	x
<b><u>Regular Agenda Items:</u></b>					
• 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			
<b><u>Finance and Accounting Agenda:</u></b>					
• Budget Planning for New Year				x	x
• Ten Year Budget Plan				x	
• Appropriation Ordinance (Budget)	x				
• Tuition and Fee Ordinance					x
• Miscellaneous Fee Ordinance					x
• Room and Board Ordinance			x		
• Review of Financial Statements		x	x		
• Annual State of Ohio Fiscal Watch Report					x
• PMBA Tuition Proposal					
• Regional Campuses Long-term Budget Plan	x	x			
• Update the Long-term Budget Plan--Oxford Campus	x	x		x	
<b><u>Audit and Compliance Agenda:</u></b>					
• 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)

<b>DRAFT</b>					
<b>Forward Twelve Month Agenda</b>					
<u>Agenda Item</u>	<u>June End of Year Meeting</u>	<u>September Beginning of Year Meeting</u>	<u>December Fall Meeting</u>	<u>February Winter Meeting</u>	<u>April Spring Meeting</u>
<b><u>Investment Agenda:</u></b>					
• Semi-Annual Review of Investment Performance		x			X
• Non-Endowment Return Objectives	x				
<b><u>Facilities Agenda:</u></b>					
• 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
<b><u>Routine Reports:</u></b>					
• 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





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Finance and Audit  
September 2013

## RESOLUTION R2014-10

WHEREAS, the Board of Trustees wishes to continue to enhance its governance process regarding financial and audit-related matters and to ensure that the Finance and Audit Committee Charter reflects the responsibilities currently being completed by the Committee; and

WHEREAS, the Board adopted Resolution R2005-20 at its February 4, 2005 meeting and revised the Charter via Resolution R2011-66 at its June 24, 2011 meeting; and

WHEREAS, revisions to the Oversight of Internal Audit Activities section of the Charter are desirable to reflect best practices;

THEREFORE BE IT RESOLVED that the Miami University Board of Trustees hereby adopts revisions made to the Finance and Audit Committee Charter set forth herein.

### MIAMI UNIVERSITY FINANCE AND AUDIT COMMITTEE CHARTER

#### OBJECTIVES

The Finance and Audit Committee (the “Committee”) is appointed by the Chair of the Board of Trustees, with the primary function of assisting the Board of Trustees with its oversight responsibilities in the following areas:

- The University’s long-term financial plans.
- The University’s financial reporting, internal controls and the independent audit.
- The University’s budget.
- The University’s capital expenditures for facilities and property.
- The University’s investments.
- The University’s internal audit activities.
- The University’s processes for monitoring compliance with University policies, including ethical conduct requirements and applicable state and federal laws and regulations.
- The University’s risk assessment process.

## **COMMITTEE MEMBERSHIP**

The Committee shall be appointed by the Chair of the Board of Trustees and shall consist of no fewer than four members. The members of the Committee shall meet the independence requirements of the New York Stock Exchange rules and regulations. At least one member of the Committee shall be a “financial expert,” as that term is defined by the Securities and Exchange Commission. One-third of the Committee, but not less than two members, shall constitute a quorum for the transaction of business.

## **MEETINGS**

The Committee shall meet as often as it determines necessary, but no less than four times per year. The Committee shall meet from time to time with the University’s senior administrators, the internal auditors, and the independent auditors. The Committee shall maintain written minutes of its meetings.

## **OVERSIGHT OF THE UNIVERSITY’S STRATEGIC FINANCIAL PLANNING OVER A MULTI-YEAR TIME FRAME**

The Committee shall review at least annually, the long-term financial plans of the University. These plans will include future projections of annual operating and capital requirements of the University and the related funding sources. As part of the review of the long-term financial plans, the Committee shall review the current and projected debt levels of the University, including consideration of impacts on debt ratings, annual cash flows and liquidity.

## **OVERSIGHT OF FINANCIAL REPORTING, INTERNAL CONTROLS AND THE INDEPENDENT AUDIT**

The Committee shall be responsible for recommending to the Auditor of the State of Ohio (the “Auditor”) the selection and appointment of the independent auditor. The Committee, together with the Auditor, shall be responsible for the compensation and oversight of the work of the independent auditor. The independent auditor shall report directly to the Committee and to the Auditor as required.

The Committee shall review all auditing services and pre-approve permitted non-audit services (including the fees and terms thereof) to be performed for the University by the independent auditor. Unless specifically directed to do so by the Auditor, the independent auditor is prohibited from performing any non-audit services that are specifically prohibited by independence rules set by the Securities and Exchange Commission and by the General Accounting Office (GAO). The Committee may delegate pre-approval authority to the Chair subject to later review and approval by the Committee.

The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent, legal, accounting or other advisors to the extent that such services

are permissible under the laws and regulations governing the University. The University shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent advisors.

The Committee shall meet with representatives of the independent auditor to review the annual audit plan and results of the audit.

The Committee shall review and discuss reports from the independent auditor and University administrators on:

- (a) All significant accounting principles and judgments used in the preparation of the audited financial statements.
- (b) Any significant changes in the selection or application of accounting principles.
- (c) All significant alternative treatments of financial information within generally accepted accounting principles that have been discussed with University administrators, the ramifications of the use of such alternative treatments, and the treatment preferred by the independent auditors.
- (d) Significant issues relating to the adequacy of the University's internal controls.
- (e) Other material written communications between the independent auditor and University administrators.

The Committee shall discuss with the independent auditor the matters required to be discussed by professional auditing standards relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with University administrators.

The Committee shall review and recommend the annual audited financial statements to the Board of Trustees.

Annually, the Committee shall obtain and review a report from the independent auditor regarding:

- (a) The independence of the independent auditor, including compliance with GAO's independence standards,
- (b) the independent auditor's internal quality-control procedures,
- (c) any material issues raised by the most recent internal quality-control review, or publicly disclosed findings resulting from reviews of public oversight and regulatory bodies or investigations by governmental and regulatory authorities within the preceding five years respecting one or more independent audits carried out by the firm,
- (d) any steps taken to deal with any such issues or findings, and
- (e) all relationships between the independent auditor and the University.

The Committee shall evaluate the qualifications, performance and independence of the independent auditor, including the lead partner, and consider whether the accountants' quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, taking into account the opinions of University administrators and internal auditors on these matters. The Committee shall present its conclusions with respect to the recommendation of the appointment or retention of the independent auditor to the Board of Trustees annually.

The Committee shall use its best efforts to ensure the Auditor's appointment of the independent auditor includes the rotation of the lead audit partner having primary responsibility for the audit consistent with rules and regulations of the Securities and Exchange Commission.

The Committee shall recommend to the Board policies for the University's hiring of employees or former employees of the independent auditor who participated in any capacity in the audit of the University or affiliated entities.

#### **OVERSIGHT OF THE UNIVERSITY'S BUDGET**

The Committee shall review and recommend the annual operating budget of the University, including the following matters:

- Annual operating budgets, including guidelines and salary pools for faculty and staff.
- Changes in tuition and fees
- Room and board rates.
- Ordinances, resolutions and other items related to the fiscal management of the University that are proposed by the University's senior administrators.

The Committee shall receive periodic reporting of actual results as compared with the budgets for operating activities throughout the year, as appropriate.

#### **OVERSIGHT OF THE UNIVERSITY'S CAPITAL EXPENDITURES**

The Committee shall periodically review the University's long-range facilities plan. The Committee shall review and recommend:

- The University's biennial capital budget
- Proposed capital improvements in excess of specified dollar amounts
- Issuance of capital bonds to finance capital projects
- The annual report of gift-funded projects
- Capital improvement contracts, including design and construction
- Real property transactions, including purchase, sale, lease, and easements

The Committee shall receive periodic reporting of actual results as compared with the budget for capital appropriations throughout the year, as appropriate.

## **OVERSIGHT OF THE UNIVERSITY'S INVESTMENT POLICIES AND RESULTS**

The Committee has oversight responsibility for the University's Non-Endowment Investments. The Committee serves as the Investment Committee required by Ohio Revised Code 3345.05.

The responsibilities of the Committee in its role as Investment Committee are:

- A. To review the University's Non-Endowment Funds Investment Policy adopted pursuant to Ohio Revised Code 3345.05 and recommend any proposed changes to the Board of Trustees for approval.
- B. To meet at least quarterly and review periodic investment reports and advise the Board on investments made in accordance with the University's Non-Endowment Funds Investment Policy.
- C. To review the University's Non-Endowment Funds Annual Expenditure Policy and recommend any proposed changes to the Board of Trustees for approval.
- D. To retain the services of an investment advisor who meets the qualifications of Ohio Revised Code 3345.05.
- E. To report to the Board of Trustees at least semi-annually.

The Committee also reviews the University's Endowment. The Committee reviews and recommends any proposed changes to the Endowment Spending Policy and Endowment Administrative Fee to the Board of Trustees for approval. The Committee reviews periodic Endowment investment reports.

## **OVERSIGHT OF INTERNAL AUDIT ACTIVITIES**

The Committee shall review the appointment and replacement of the Director of Internal Audit and Consulting Services (IACS). The Director of IACS shall present to the Committee the annual plan and scope of internal audit activities, budget and staffing for the current year and shall review any significant changes during the year. The Director of IACS shall review all significant issues raised in reports to University administrators, including the administrators' responses to internal audit recommendations. The Committee shall approve the IACS Charter; meet separately on a periodic basis with the Director; ensure there are no restrictions or limitations on the scope of work of IACS; and review the Director's annual performance as part of approving the annual compensation of the Director.

## **OVERSIGHT OF COMPLIANCE PROCESSES**

The Committee shall review annually reports from the General Counsel regarding compliance with University policies, including ethical conduct requirements and other applicable state and federal laws and regulations, including any material reports or inquiries from regulatory or governmental agencies. The General Counsel shall discuss with the Committee any legal, compliance or regulatory matters that may have a material impact on the University's financial statements.

The Committee shall review and approve procedures recommended by the General Counsel regarding the receipt, retention, and treatment of communications received by the University regarding compliance with the University's policies, including ethical conduct requirements and other applicable laws and regulations, accounting, internal controls or auditing matters. The General Counsel shall provide periodic reports to the Committee regarding any such communications received by the University and resolution thereof.

## **RISK ASSESSMENT**

At least annually, the Committee shall review reports from the University administrators regarding risk assessment, which is the University's identification and analysis of relevant risks to the achievement of its objectives, including plans for managing the risk.

## **OTHER MATTERS**

The Committee shall make regular reports to the Board of Trustees. The Committee shall review and assess the adequacy of this Charter annually and shall submit any proposed changes to the Board of Trustees for approval. The Committee shall annually review its own performance.

*Approved by the Board of Trustees  
20 September, 2013*



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

# ADMISSION UPDATE

## Board of Trustees Meeting

June 23, 2016

Finance and Audit Committee



# Key Enrollment Goals

## *Fall 2016*

### First-Year Objectives

- » Meet 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
- » Increase Spring Admit and Pathways
- » Meet Net Tuition Revenue targets

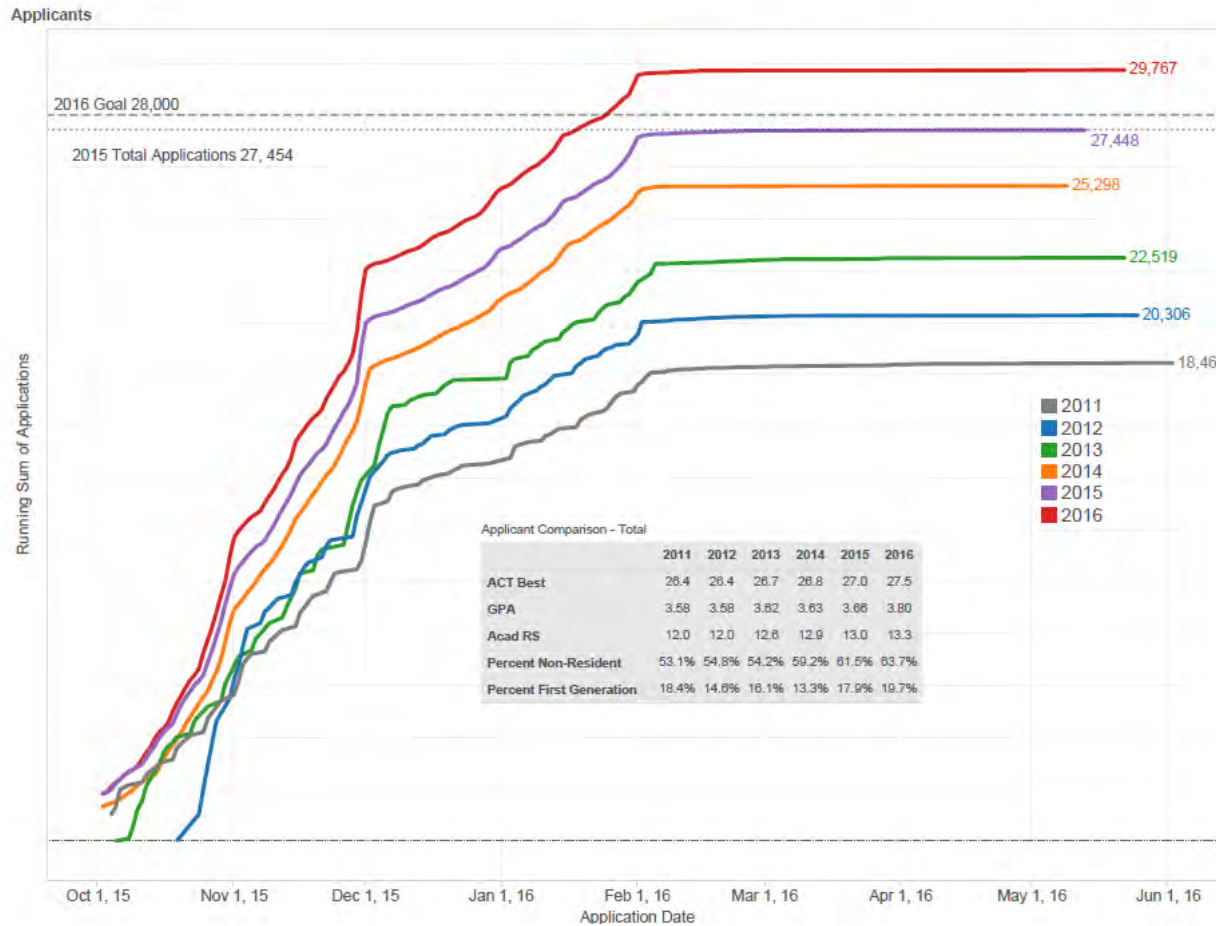




# Application and Key Indicator History

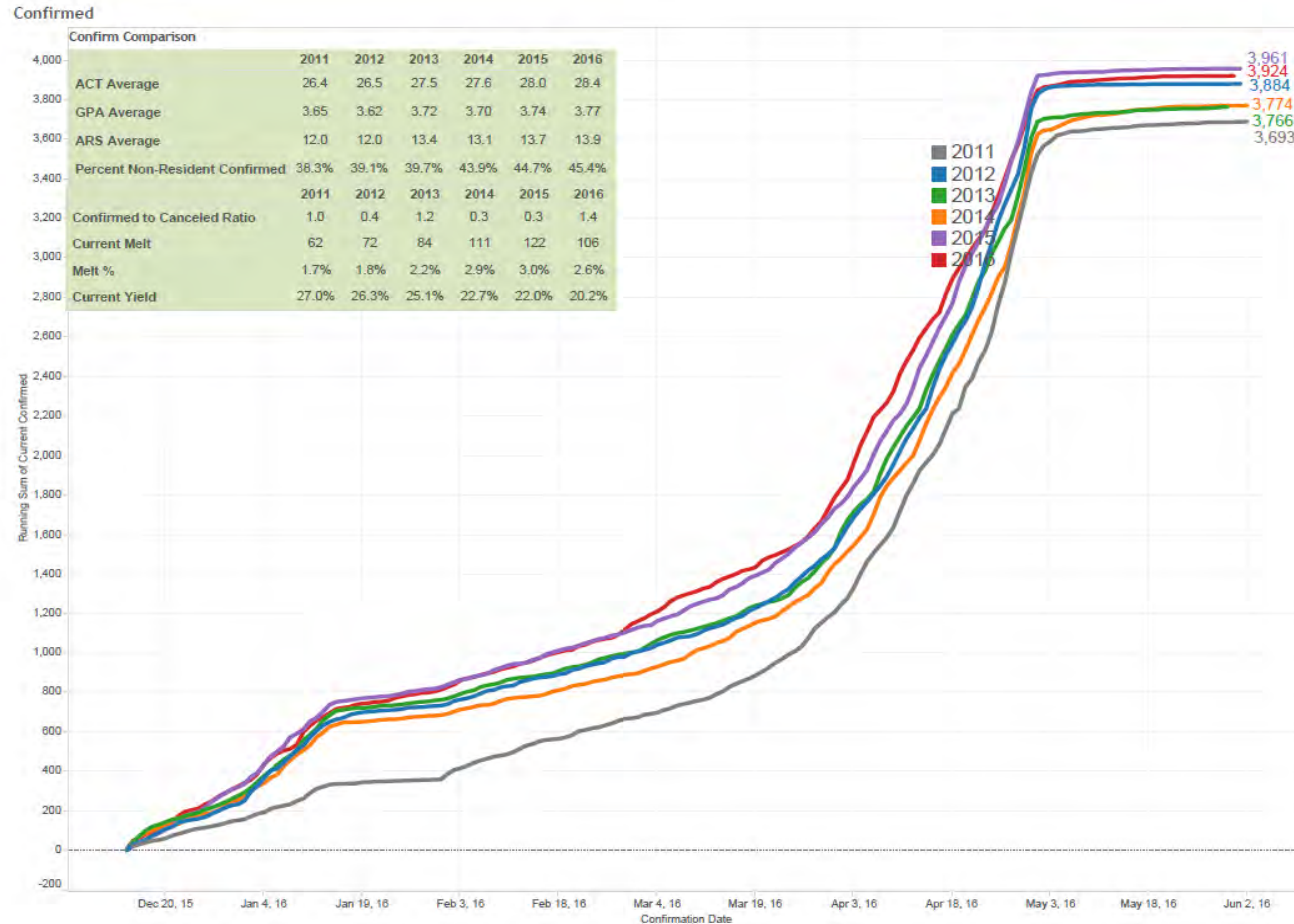
## Fall 2016

Data as of 6.2.2016



# Confirmations and Key Indicator History

## Fall 2016



Data as of 6.2.2016



**REPORT ON CASH AND INVESTMENTS**  
**Finance and Audit Committee**  
**Miami University**  
**June 24, 2016**

Non-Endowment Fund

For the third fiscal quarter ending March 31, 2016, the non-endowment's return was -0.4%. Gains in core cash and long-term debt strategies were offset by losses in absolute return strategies. The return for the fiscal year to date was -1.7%. A summary of performance is attached.

At March 31, the operating cash balance was over \$111 million after the collection of second semester tuition. During the quarter, rebalancing activity led to the initiation of a new absolute return strategy in long-term capital, funded with \$15 million from operating cash during February and March. Plans for the June quarter are to add \$5 million to this new strategy in both April and May, bringing the total investment to \$25 million. With these moves, total rebalancing out of operating cash fiscal year to date, including the internal loans, will be \$58.75 million

<b>Current Funds</b>	<b>Fair Value</b>	<b>% of Portfolio</b>
Operating Cash:		
Short-term Investments*	\$111,354,424	18.2%
Core Cash:		
Intermediate-term Investments	\$122,582,113	20.1%
Long-Term Capital:		
Debt Investments**	\$143,733,104	23.5%
Absolute Return	<u>\$233,104,786</u>	<u>38.2%</u>
Total Long-Term Capital	<u>\$376,837,890</u>	61.7%
<b>Total Current Fund Investments</b>	<b>\$610,774,427</b>	<b>100.0%</b>

\*includes bank account balances not included on performance report

\*\* includes internal loans, some of which

Endowment Fund

The endowment fund preliminary return was -0.8% for the third fiscal quarter ending March 31, 2016 and -6.3% for the fiscal year to date. These figures exclude the results for the private capital investments, which report on a significant time lag. Results during the recent quarter reflected significant volatility in the global public equity and energy markets.

The Miami University Foundation Investment Committee met on May 11, 2016 in Oxford, OH. Please see the attached performance report for additional endowment related details. At this meeting, the investment committee agreed upon new category definitions for portfolio liquidity. No portfolio rebalancing changes were recommended by the staff and consultants.

#### Bond Project Funds

Construction activity continued steadily through the winter and spring. Approximately \$25.0 million in draws were made during the March quarter. As of March 31, 2016, the balances were as follows:

#### **Plant Funds**

Series 2011 Bond Project Fund	\$ 0
Series 2012 Bond Project Fund	\$ 14,387,497
Series 2014 Bond Project Fund	<u>\$ 82,468,533</u>
<b>Total Plant Funds</b>	<b>\$ 96,856,030</b>

#### Attachments

Non-endowment Performance Summary as of 3/31/2016  
MUF Treasurer's Report as of 3/31/2016

## Miami University Non-Endowment

### Summary of Investment Performance

Report for Periods Ending March 31, 2016

	Annualized							Since Inception	Date	Market Value
	Qtr	FYTD	1Yr	3Yr	5Yr	7Yr	10Yr			
<b><u>Total Composite</u></b>	<b>-0.4%</b>	<b>-1.7%</b>	<b>-1.9%</b>	<b>1.5%</b>	<b>2.2%</b>	<b>3.2%</b>	<b>1.7%</b>	<b>3.2%</b>	6/02	\$593,777,681
<b><u>Operating Cash</u></b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>	<b>1.4</b>	<b>1.6</b>	6/02	123,006,022
U.S. 91-Day Treasury Bills	0.1	0.1	0.1	0.1	0.1	0.1	1.0	1.3		
<b>BlackRock</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>0.1</b>	10/08	464,299
U.S. 91-Day Treasury Bills	0.1	0.1	0.1	0.1	0.1	0.1	-	0.1		
<b>Star Ohio</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>1.4</b>	<b>1.7</b>	6/02	87,968,164
U.S. 91-Day Treasury Bills	0.1	0.1	0.1	0.1	0.1	0.1	1.0	1.3		
<b>Chase Savings</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>-</b>	<b>0.2</b>	10/08	19,466,275
U.S. 91-Day Treasury Bills	0.1	0.1	0.1	0.1	0.1	0.1	-	0.1		
<b>STAROhio Plus</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.2</b>	7/12	15,107,284
U.S. 91-Day Treasury Bills	0.1	0.1	0.1	0.1	-	-	-	0.1		
<b><u>Core Cash</u></b>	<b>1.5</b>	<b>1.7</b>	<b>1.5</b>	<b>1.4</b>	<b>2.2</b>	<b>3.1</b>	<b>3.1</b>	<b>3.1</b>	6/02	122,582,113
Barclays 1-3 Yr U.S. Gov't Bond Index	0.9	0.8	0.9	0.8	0.9	1.1	2.6	2.5		
<b>Bartlett A</b>	<b>0.9</b>	<b>0.8</b>	<b>0.7</b>	<b>0.6</b>	<b>0.8</b>	<b>1.4</b>	<b>2.4</b>	<b>2.4</b>	6/02	23,240,361
Barclays 1-3 Yr U.S. Gov't Bond Index	0.9	0.8	0.9	0.8	0.9	1.1	2.6	2.5		
<b>Bartlett B</b>	<b>2.2</b>	<b>2.7</b>	<b>2.1</b>	<b>1.7</b>	<b>2.8</b>	<b>3.9</b>	<b>4.2</b>	<b>4.0</b>	6/02	31,007,181
Barclays 1-3 Yr U.S. Gov't Bond Index	0.9	0.8	0.9	0.8	0.9	1.1	2.6	2.5		
<b>Commonfund Intermediate Bond Fund</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>2.0</b>	<b>3.8</b>	<b>2.2</b>	<b>2.4</b>	6/02	6,310,372
Barclays 1-5 Yr Treasury Index	1.6	1.6	1.6	1.1	1.6	1.7	3.2	3.0		
<b>M.D. Sass - 3 Year</b>	<b>1.8</b>	<b>2.2</b>	<b>1.8</b>	<b>1.9</b>	<b>2.8</b>	<b>-</b>	<b>-</b>	<b>2.8</b>	1/11	30,718,369
Barclays Interim. Gov't Bond Index	2.3	2.7	2.2	1.5	2.5	-	-	2.3		
<b>M.D. Sass - 2 Year</b>	<b>0.9</b>	<b>1.1</b>	<b>1.1</b>	<b>1.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.2</b>	9/12	31,305,830
Barclays Interim. Gov't Bond Index	2.3	2.7	2.2	1.5	-	-	-	1.4		
<b><u>Long Term Capital</u></b>	<b>-1.3</b>	<b>-3.3</b>	<b>-3.4</b>	<b>2.3</b>	<b>3.4</b>	<b>5.7</b>	<b>1.6</b>	<b>4.3</b>	6/02	348,189,546
MSCI AC World Index	0.2	-4.7	-4.3	5.5	5.2	12.6	4.1	6.6		
Barclays U.S. Aggregate Bond Index	3.0	3.7	2.0	2.5	3.8	4.5	4.9	4.8		

## Miami University Non-Endowment

### Summary of Investment Performance

Report for Periods Ending March 31, 2016

	Annualized							Since Inception	Date	Market Value
	Qtr	FYTD	1Yr	3Yr	5Yr	7Yr	10Yr			
<b>Public Debt</b>	<b>1.9%</b>	<b>0.7%</b>	<b>0.2%</b>	<b>1.9%</b>	<b>4.0%</b>	<b>5.9%</b>	<b>5.5%</b>	<b>5.2%</b>	6/02	\$115,084,761
Barclays U.S. Aggregate Bond Index	3.0	3.7	2.0	2.5	3.8	4.5	4.9	4.8		
<b>Bartlett C</b>	<b>2.8</b>	<b>3.7</b>	<b>2.5</b>	<b>2.4</b>	<b>3.5</b>	<b>4.5</b>	<b>5.1</b>	<b>4.8</b>	6/02	22,914,629
Barclays U.S. Aggregate Bond Index	3.0	3.7	2.0	2.5	3.8	4.5	4.9	4.8		
<b>Beach Point Loan Fund</b>	<b>2.0</b>	<b>2.0</b>	<b>2.5</b>	<b>3.7</b>	-	-	-	<b>3.9</b>	1/13	28,149,074
CS Leveraged Loan Index	1.3	-1.9	-1.1	2.2	-	-	-	2.5		
<b>Commonfund High Quality Bond Fund</b>	<b>2.8</b>	<b>3.3</b>	<b>1.9</b>	<b>2.9</b>	<b>4.4</b>	<b>6.8</b>	<b>5.8</b>	<b>5.5</b>	6/02	27,886,328
Barclays U.S. Aggregate Bond Index	3.0	3.7	2.0	2.5	3.8	4.5	4.9	4.8		
<b>Templeton Global Total Return Fund</b>	<b>0.2</b>	<b>-4.6</b>	<b>-4.8</b>	<b>-0.8</b>	-	-	-	<b>2.2</b>	5/11	31,030,533
Barclays Multiverse	5.9	5.5	4.4	0.9	-	-	-	1.3		
<b>Internal Loans</b>	-	-	-	-	-	-	-	-	3/16	5,104,197

## Miami University Non-Endowment

## Summary of Investment Performance

Report for Periods Ending March 31, 2016

	Annualized							Since Inception	Date	Market Value
	Qtr	FYTD	1Yr	3Yr	5Yr	7Yr	10Yr			
<b>Absolute Return</b>	<b>-2.7%</b>	<b>-5.2%</b>	<b>-5.2%</b>	<b>3.2%</b>	<b>3.4%</b>	<b>6.0%</b>	<b>-0.3%</b>	<b>3.3%</b>	6/02	\$233,104,785
MSCI AC World Index	0.2	-4.7	-4.3	5.5	5.2	12.6	4.1	6.6		
Barclays U.S. Aggregate Bond Index	3.0	3.7	2.0	2.5	3.8	4.5	4.9	4.8		
<b>ABS Investment Management</b>	<b>-6.0</b>	<b>-6.2</b>	<b>-5.6</b>	<b>5.4</b>	<b>4.3</b>	-	-	<b>5.3</b>	5/09	25,263,709
MSCI AC World Index	0.2	-4.7	-4.3	5.5	5.2	-	-	9.5		
HFRI Fund of Funds Index	-3.1	-5.9	-5.7	1.8	1.3	-	-	2.8		
<b>Beach Point Total Return Fund</b>	<b>1.9</b>	<b>-4.0</b>	<b>-3.0</b>	<b>2.3</b>	-	-	-	<b>2.3</b>	3/13	22,475,702
ML High Yield Bond Index	3.2	-3.9	-4.0	1.8	-	-	-	1.8		
HFRI Event Driven Index	-0.5	-6.3	-5.7	1.7	-	-	-	1.7		
<b>Evanston Weatherlow Fund</b>	<b>-5.0</b>	<b>-8.1</b>	<b>-7.1</b>	<b>3.3</b>	<b>3.1</b>	-	-	<b>5.4</b>	5/09	24,224,588
HFRI Fund of Funds Index	-3.1	-5.9	-5.7	1.8	1.3	-	-	2.8		
S&P 500 Index	1.3	1.5	1.8	11.8	11.6	-	-	14.9		
<b>GEM Realty Securities LP</b>	<b>-2.0</b>	<b>-7.0</b>	-	-	-	-	-	<b>-8.5</b>	4/15	22,881,906
MSCI U.S. REIT Index	5.9	14.9	-	-	-	-	-	9.1		
HFRI Equity Hedge Index	-1.7	-6.3	-	-	-	-	-	-6.3		
<b>Lighthouse Diversified Fund</b>	<b>-2.0</b>	<b>-2.1</b>	<b>-1.7</b>	<b>5.7</b>	<b>4.3</b>	-	-	<b>5.3</b>	5/10	25,970,948
MSCI AC World Index	0.2	-4.7	-4.3	5.5	5.2	-	-	8.7		
HFRI Fund of Funds Index	-3.1	-5.9	-5.7	1.8	1.3	-	-	2.3		
<b>Rimrock High Income PLUS Fund</b>	<b>-2.7</b>	<b>-7.3</b>	<b>-6.3</b>	-	-	-	-	<b>-4.0</b>	9/14	23,503,782
Barclays U.S. Corporate High Yield Index	3.4	-3.7	-3.7	-	-	-	-	-1.5		
Barclays U.S. Aggregate Bond Index	3.0	3.7	2.0	-	-	-	-	3.6		
<b>Sandler Offshore</b>	<b>-0.9</b>	<b>2.3</b>	<b>0.7</b>	<b>3.2</b>	-	-	-	<b>3.2</b>	3/13	26,192,208
MSCI AC World Index	0.2	-4.7	-4.3	5.5	-	-	-	5.5		
HFRI Equity Hedge Index	-1.7	-6.3	-4.6	2.6	-	-	-	2.6		
<b>SCS Opportunities</b>	<b>-1.8</b>	<b>-2.5</b>	<b>-3.4</b>	<b>4.0</b>	<b>3.0</b>	-	-	<b>4.1</b>	5/09	24,802,715
MSCI AC World Index	0.2	-4.7	-4.3	5.5	5.2	-	-	9.5		
HFRI Fund of Funds Index	-3.1	-5.9	-5.7	1.8	1.3	-	-	2.8		
<b>SkyBridge Series G</b>	<b>-5.8</b>	<b>-11.9</b>	<b>-11.6</b>	<b>0.8</b>	-	-	-	<b>5.1</b>	4/12	22,735,822
MSCI AC World Index	0.2	-4.7	-4.3	5.5	-	-	-	7.2		
HFRI Fund of Funds Index	-3.1	-5.9	-5.7	1.8	-	-	-	2.6		
<b>Waterfall Eden Master Fund, Ltd.</b>	-	-	-	-	-	-	-	<b>-0.4</b>	1/16	15,053,405
HFRI RV: Asset Backed Index	-	-	-	-	-	-	-	-0.8		
Barclays Asset Backed Index	-	-	-	-	-	-	-	0.3		

**Miami University Non-Endowment**  
**Summary of Investment Performance**  
Report for Periods Ending March 31, 2016

**Footnotes:**

\* Performance returns are net of investment management fees.

\* Calculated returns may differ from the manager's due to differences in security pricing and/or cash flows.

\* Manager and index data represent the most current available at the time of report publication.

\* Hedge fund and private capital manager market values and rates of return may be based on estimates and may be revised until completion of an annual audit by the manager.

\* For managers and indices that report returns on a lag, 0.0% is utilized for the most recent time period until the actual return data are reported.

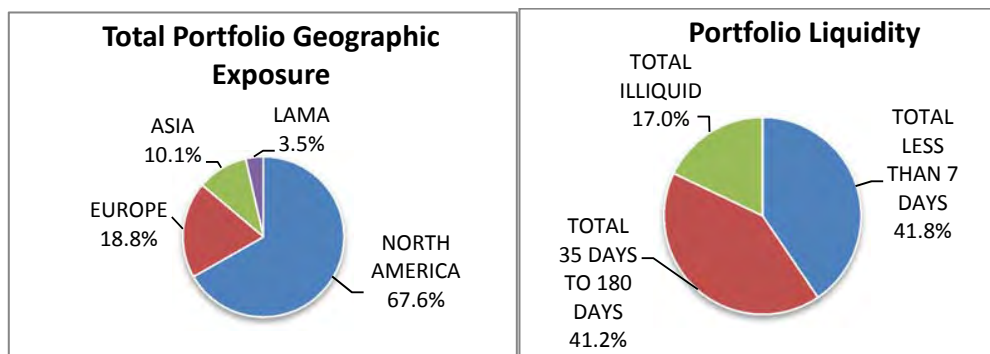
\* The fiscal year ends in June.



**MIAMI UNIVERSITY FOUNDATION  
TREASURER'S REPORT  
March 31, 2016**

The preliminary March 31, 2016 market value for the Miami University Foundation totaled \$436,063,306. Most of the private programs have not yet reported March 31 values. The following table summarizes the Foundation's strategic allocation compared with the strategic ranges.

ASSET CATEGORY	MARKET VALUE	% OF TOTAL	STRATEGIC RANGE
Long-Only Global Equity	151,021,676	34.6%	20%-40%
Hedged Equity	27,235,735	6.2%	5%-10%
Private Equity	20,033,133	4.6%	5%-10%
<b>Global Equity</b>	<b>198,290,544</b>	<b>45.5%</b>	<b>35% - 55%</b>
Interest Rate Sensitive	21,686,193	5.0%	5%-20%
Credit Sensitive	83,981,986	19.3%	5%-20%
<b>Global Debt</b>	<b>105,668,179</b>	<b>24.2%</b>	<b>10% - 30%</b>
Natural Resources	39,529,588	9.1%	5%-20%
Real Estate	14,434,388	3.0%	5%-10%
<b>Global Real Assets</b>	<b>53,963,976</b>	<b>12.1%</b>	<b>10% - 30%</b>
<b>Diversifying Strategies</b>	<b>44,110,911</b>	<b>10.1%</b>	<b>5% - 25%</b>
<b>Cash</b>	<b>34,029,696</b>	<b>7.8%</b>	<b>0%-10%</b>
<b>Total Portfolio</b>	<b>436,063,306</b>	<b>100%</b>	



During the third quarter of fiscal year 2016, the value of the combined endowment investment pool increased from \$434.4 million to \$436.1 million. Preliminary investment returns were negative for the quarter. New cash gifts to the Miami University and the Miami University Foundation endowments totaled \$4,204,643 for the quarter, bringing the fiscal year to date total to \$11,277,181.

The investment committee met in February in Bonita Springs, FL. Within the recently adopted framework for strategic allocation, the staff and consultants recommended and the committee approved increasing exposure to the Diversifying Strategies category to the mid-point of the strategic range (15%) over the course of 2016, funded from cash.

The committee will next meet in Oxford on May 11, 2016.

Preliminary investment returns were -0.8% for the March quarter, excluding the private programs which report on a significant time lag. Investment performance for the recent quarter was supported by positive returns in Global Debt with challenges in Hedged Equity, Real Assets, and Diversifying

Strategies. For the fiscal year, preliminary returns were -6.3%. Global real assets are still significant detractors for the fiscal year.

The tables on the following pages report each underlying manager's returns for multiple time periods, including the preliminary third fiscal quarter.

Respectfully submitted,

Ellen Schubert  
Treasurer

**Miami University Foundation**  
**Summary of Allocation and Performance**  
**Report for Periods Ending March 31, 2016**

Current Allocation	Market Value		----- Annualized -----								Since Inception	Inception Date
			Qtr.	FYTD	Cal. YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr		
<b>100.0%</b>	<b>\$ 436,063,309</b>	<b>Total Composite</b>	<b>-0.7</b>	<b>-6.2</b>	<b>-0.7</b>	<b>-5.6</b>	<b>3.0</b>	<b>3.2</b>	<b>8.1</b>	<b>3.8</b>	<b>8.8</b>	<b>4/93</b>
		<i>MUF Custom Index</i>	1.7	-3.6	1.7	-3.2	3.5	3.9	9.5	4.2	-	
		<i>CPI + 5.5%</i>	1.3	4.2	1.3	6.2	6.3	6.8	7.1	7.2	7.7	
<b>84.9%</b>	<b>\$ 370,349,996</b>	<b>Total Composite ex. Private Capital</b>	<b>-0.8</b>	<b>-6.3</b>	<b>-0.8</b>	<b>-6.0</b>	<b>2.8</b>	<b>2.6</b>	<b>8.9</b>	<b>3.7</b>	<b>5.8</b>	<b>12/96</b>
<b>45.5%</b>	<b>\$ 198,290,545</b>	<b>Global Equity</b>	<b>-1.0</b>	<b>-5.1</b>	<b>-1.0</b>	<b>-4.3</b>	<b>5.3</b>	<b>4.1</b>	<b>10.1</b>	<b>4.6</b>	<b>6.0</b>	<b>3/95</b>
		<i>MSCI AC World Index</i>	0.2	-4.7	0.2	-4.3	5.5	5.2	12.6	4.1	6.4	
		<i>S&amp;P 500 Index</i>	1.3	1.5	1.3	1.8	11.8	11.6	17.0	7.0	9.0	
<b>40.9%</b>	<b>\$ 178,257,412</b>	<b>Global Equity ex. Private Equity</b>	<b>-1.1</b>	<b>-5.0</b>	<b>-1.1</b>	<b>-4.8</b>	<b>4.6</b>	<b>3.1</b>	<b>9.8</b>	<b>3.7</b>	<b>5.6</b>	<b>12/96</b>
		<i>MSCI AC World Index</i>	0.2	-4.7	0.2	-4.3	5.5	5.2	12.6	4.1	5.5	
<b>34.6%</b>	<b>\$ 151,021,677</b>	<b>Public Equity</b>	<b>-0.8</b>	<b>-4.8</b>	<b>-0.8</b>	<b>-4.5</b>	<b>4.4</b>	<b>2.9</b>	<b>10.8</b>	<b>3.7</b>	<b>5.6</b>	<b>12/96</b>
		<i>MSCI AC World Index</i>	0.2	-4.7	0.2	-4.3	5.5	5.2	12.6	4.1	5.5	
		<i>S&amp;P 500 Index</i>	1.3	1.5	1.3	1.8	11.8	11.6	17.0	7.0	7.4	
<b>5.7%</b>	<b>\$ 24,824,082</b>	<b>Barings</b>	<b>-0.8</b>	<b>-6.6</b>	<b>-0.8</b>	<b>-4.5</b>	<b>5.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.2</b>	<b>12/12</b>
		<i>MSCI AC World Index</i>	0.2	-4.7	0.2	-4.3	5.5	-	-	-	7.2	
<b>4.0%</b>	<b>\$ 17,383,862</b>	<b>Harris Oakmark Global Fund</b>	<b>-7.3</b>	<b>-12.4</b>	<b>-7.3</b>	<b>-13.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-2.2</b>	<b>10/13</b>
		<i>MSCI AC World Index</i>	0.2	-4.7	0.2	-4.3	-	-	-	-	2.1	
<b>4.3%</b>	<b>\$ 18,629,121</b>	<b>Lateef Investment Management</b>	<b>0.0</b>	<b>-1.1</b>	<b>0.0</b>	<b>-1.0</b>	<b>9.3</b>	<b>10.1</b>	<b>16.3</b>	<b>-</b>	<b>6.3</b>	<b>10/07</b>
		<i>Russell 3000 Index</i>	1.0	-0.5	1.0	-0.3	11.1	11.0	17.1	-	5.8	
<b>1.0%</b>	<b>\$ 4,237,999</b>	<b>Lone Cascade</b>	<b>-4.5</b>	<b>-12.4</b>	<b>-4.5</b>	<b>-10.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-1.2</b>	<b>12/13</b>
		<i>MSCI AC World Index</i>	0.2	-4.7	0.2	-4.3	-	-	-	-	0.9	
<b>5.8%</b>	<b>\$ 25,125,916</b>	<b>PIMCO RAE Fundamental Global Inst'l</b>	<b>2.6</b>	<b>-6.0</b>	<b>2.6</b>	<b>-5.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-5.8</b>	<b>3/15</b>
		<i>MSCI AC World Index</i>	0.2	-4.7	0.2	-4.3	-	-	-	-	-4.3	
<b>3.2%</b>	<b>\$ 13,932,704</b>	<b>Virtus Emerging Opportunities</b>	<b>2.2</b>	<b>-6.9</b>	<b>2.2</b>	<b>-8.2</b>	<b>-3.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.8</b>	<b>8/11</b>
		<i>MSCI Emerging Markets Index</i>	5.7	-12.6	5.7	-12.0	-4.4	-	-	-	-2.2	
<b>6.0%</b>	<b>\$ 26,296,472</b>	<b>Virtus Global Opportunities</b>	<b>1.1</b>	<b>2.4</b>	<b>1.1</b>	<b>3.4</b>	<b>6.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.7</b>	<b>10/11</b>
		<i>MSCI AC World Index</i>	0.2	-4.7	0.2	-4.3	5.5	-	-	-	8.0	
<b>4.7%</b>	<b>\$ 20,591,521</b>	<b>William Blair Global Leaders Fund</b>	<b>-2.8</b>	<b>-4.8</b>	<b>-2.8</b>	<b>-5.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.7</b>	<b>10/13</b>
		<i>MSCI AC World Index</i>	0.2	-4.7	0.2	-4.3	-	-	-	-	2.1	

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Current Allocation	Market Value		Qtr.	FYTD	Cal. YTD	----- Annualized -----					Since Inception	Inception Date
						1 Yr	3 Yr	5 Yr	7 Yr	10 Yr		
<b>6.2%</b>	<b>\$ 27,235,735</b>	<b>Hedged Equity</b>	<b>-3.0</b>	<b>-6.0</b>	<b>-3.0</b>	<b>-6.8</b>	<b>6.1</b>	<b>4.5</b>	<b>5.1</b>	<b>2.3</b>	<b>3.0</b>	<b>12/01</b>
		<i>MSCI AC World Index</i>	<i>0.2</i>	<i>-4.7</i>	<i>0.2</i>	<i>-4.3</i>	<i>5.5</i>	<i>5.2</i>	<i>12.6</i>	<i>4.1</i>	<i>5.7</i>	
		<i>HFRI Equity Hedge Index</i>	<i>-1.7</i>	<i>-6.2</i>	<i>-1.7</i>	<i>-4.5</i>	<i>2.6</i>	<i>1.8</i>	<i>6.3</i>	<i>2.7</i>	<i>4.6</i>	
<b>2.2%</b>	<b>\$ 9,656,691</b>	<b>JHL Capital</b>	<b>-8.9</b>	<b>-2.8</b>	<b>-8.9</b>	<b>-6.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-0.4</b>	<b>11/14</b>
		<i>DJ/CS HFI Long/Short Equity</i>	<i>-3.9</i>	<i>-3.8</i>	<i>-3.9</i>	<i>-2.2</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-0.1</i>	
		<i>S&amp;P 500 Index</i>	<i>1.3</i>	<i>1.5</i>	<i>1.3</i>	<i>1.8</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>1.9</i>	
<b>2.4%</b>	<b>\$ 10,606,310</b>	<b>Marble Arch Offshore Fund</b>	<b>-2.2</b>	<b>-9.1</b>	<b>-2.2</b>	<b>-6.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.6</b>	<b>10/14</b>
		<i>S&amp;P 500 Index</i>	<i>1.3</i>	<i>1.5</i>	<i>1.3</i>	<i>1.8</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>3.7</i>	
<b>1.6%</b>	<b>\$ 6,972,734</b>	<b>Starboard Value</b>	<b>4.9</b>	<b>-5.2</b>	<b>4.9</b>	<b>-7.5</b>	<b>7.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.1</b>	<b>4/12</b>
		<i>MSCI AC World Index</i>	<i>0.2</i>	<i>-4.7</i>	<i>0.2</i>	<i>-4.3</i>	<i>5.5</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>7.2</i>	
		<i>HFRI Equity Hedge Index</i>	<i>-1.7</i>	<i>-6.2</i>	<i>-1.7</i>	<i>-4.5</i>	<i>2.6</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>3.6</i>	
<b>4.6%</b>	<b>\$ 20,033,133</b>	<b>Private Equity</b>	<b>-0.6</b>	<b>-5.7</b>	<b>-0.6</b>	<b>-0.7</b>	<b>8.5</b>	<b>8.9</b>	<b>11.5</b>	<b>9.9</b>	<b>9.7</b>	<b>3/95</b>
		<i>Thomson One All Private Equity Index</i>	<i>0.0</i>	<i>-0.1</i>	<i>0.0</i>	<i>4.7</i>	<i>10.4</i>	<i>9.8</i>	<i>12.8</i>	<i>9.8</i>	<i>14.7</i>	
		<i>MSCI AC World Index</i>	<i>0.2</i>	<i>-4.7</i>	<i>0.2</i>	<i>-4.3</i>	<i>5.5</i>	<i>5.2</i>	<i>12.6</i>	<i>4.1</i>	<i>6.4</i>	
<b>0.0%</b>	<b>\$ 73,451</b>	<b>Commonfund International Private Equity III</b>	<b>0.0</b>	<b>-7.7</b>	<b>0.0</b>	<b>3.9</b>	<b>1.8</b>	<b>1.5</b>	<b>7.6</b>	<b>8.0</b>	<b>2.5</b>	<b>6/00</b>
<b>0.0%</b>	<b>\$ 99,123</b>	<b>Commonfund Private Equity IV</b>	<b>0.0</b>	<b>-3.5</b>	<b>0.0</b>	<b>2.5</b>	<b>6.9</b>	<b>12.7</b>	<b>15.4</b>	<b>12.9</b>	<b>9.5</b>	<b>6/00</b>
<b>0.1%</b>	<b>\$ 495,298</b>	<b>Commonfund Private Equity V</b>	<b>0.0</b>	<b>3.3</b>	<b>0.0</b>	<b>13.5</b>	<b>10.0</b>	<b>12.0</b>	<b>14.4</b>	<b>11.2</b>	<b>-2.0</b>	<b>3/02</b>
<b>0.3%</b>	<b>\$ 1,272,716</b>	<b>Goldman Sachs Private Equity Offshore 2004</b>	<b>0.0</b>	<b>-0.7</b>	<b>0.0</b>	<b>-1.3</b>	<b>7.3</b>	<b>8.5</b>	<b>10.4</b>	<b>2.4</b>	<b>-3.7</b>	<b>11/05</b>
<b>1.4%</b>	<b>\$ 6,295,121</b>	<b>Goldman Sachs Private Equity Partners IX</b>	<b>0.0</b>	<b>-1.6</b>	<b>0.0</b>	<b>6.7</b>	<b>11.0</b>	<b>8.6</b>	<b>8.4</b>	<b>-</b>	<b>-0.7</b>	<b>8/07</b>
<b>1.7%</b>	<b>\$ 7,606,353</b>	<b>Hamilton Lane Co-Investment Fund II</b>	<b>0.0</b>	<b>-8.0</b>	<b>0.0</b>	<b>-3.3</b>	<b>13.9</b>	<b>15.1</b>	<b>13.0</b>	<b>-</b>	<b>1.7</b>	<b>2/08</b>
<b>0.5%</b>	<b>\$ 2,066,828</b>	<b>Hamilton Lane Secondary Fund II</b>	<b>-5.3</b>	<b>-17.3</b>	<b>-5.3</b>	<b>-13.8</b>	<b>2.5</b>	<b>5.5</b>	<b>8.1</b>	<b>-</b>	<b>6.0</b>	<b>10/08</b>
<b>0.4%</b>	<b>\$ 1,622,732</b>	<b>Pomona Capital VI</b>	<b>0.0</b>	<b>-2.0</b>	<b>0.0</b>	<b>0.1</b>	<b>2.9</b>	<b>3.2</b>	<b>4.7</b>	<b>8.1</b>	<b>-5.0</b>	<b>9/05</b>
<b>0.0%</b>	<b>\$ 197,663</b>	<b>Commonfund Venture Capital IV</b>	<b>0.0</b>	<b>-5.4</b>	<b>0.0</b>	<b>-8.3</b>	<b>-8.0</b>	<b>1.9</b>	<b>5.4</b>	<b>5.3</b>	<b>3.0</b>	<b>3/99</b>
<b>0.1%</b>	<b>\$ 303,848</b>	<b>Commonfund Venture Capital V</b>	<b>0.0</b>	<b>-5.0</b>	<b>0.0</b>	<b>-8.5</b>	<b>0.0</b>	<b>-0.5</b>	<b>2.1</b>	<b>1.4</b>	<b>-5.9</b>	<b>1/00</b>
<b>24.2%</b>	<b>\$ 105,668,179</b>	<b>Global Debt</b>	<b>0.6</b>	<b>-3.3</b>	<b>0.6</b>	<b>-2.7</b>	<b>3.7</b>	<b>4.9</b>	<b>10.7</b>	<b>5.7</b>	<b>6.3</b>	<b>12/96</b>
		<i>Blended Index<sup>2</sup></i>	<i>-0.9</i>	<i>-0.4</i>	<i>-3.3</i>	<i>-3.3</i>	<i>-1.7</i>	<i>1.0</i>	<i>2.7</i>	<i>3.8</i>	<i>4.7</i>	
<b>22.6%</b>	<b>\$ 98,471,547</b>	<b>Global Debt ex-Private Capital</b>	<b>0.7</b>	<b>-3.1</b>	<b>0.7</b>	<b>-2.3</b>	<b>3.5</b>	<b>4.7</b>	<b>11.0</b>	<b>6.1</b>	<b>6.2</b>	<b>12/96</b>
		<i>Blended Index<sup>2</sup></i>	<i>-0.9</i>	<i>-0.4</i>	<i>-3.3</i>	<i>-3.3</i>	<i>-1.7</i>	<i>1.0</i>	<i>2.7</i>	<i>3.8</i>	<i>4.7</i>	

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Current Allocation	Market Value		----- Annualized -----								Since Inception	Inception Date
			Qtr.	FYTD	Cal. YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr		
5.0%	\$ 21,686,193	<b>Interest Rate Sensitive</b>	0.5	-3.6	0.5	-3.9	-0.5	2.5	5.7	5.0	5.5	10/00
		<i>Barclays Multiverse Index</i>	5.9	5.5	5.9	4.4	0.9	1.9	4.0	4.4	5.4	
0.6%	\$ 2,505,724	Commonfund High Quality Bond Fund	2.8	3.2	2.8	1.7	2.8	4.2	6.7	5.6	5.9	10/00
		<i>Barclays U.S. Aggregate Bond Index</i>	3.0	3.7	3.0	2.0	2.5	3.8	4.5	4.9	5.3	
4.4%	\$ 19,180,469	Templeton Global Total Return	0.2	-4.6	0.2	-4.7	-0.7	2.6	-	-	3.3	10/10
		<i>Baclays Multiverse Index</i>	5.9	5.5	5.9	4.4	0.9	1.9	-	-	1.5	
17.6%	\$ 76,785,354	<b>Public &amp; Hedged Credit</b>	0.7	-3.0	0.7	-2.0	5.1	5.5	14.5	-	7.5	6/06
		<i>ML High Yield Bond</i>	3.2	-3.9	3.2	-4.0	1.8	4.7	12.4	-	7.0	
2.7%	\$ 11,629,320	Beach Point Total Return	1.9	-3.7	1.9	-2.8	2.4	-	-	-	4.3	8/12
		<i>ML High Yield Bond Index</i>	3.2	-3.9	3.2	-4.0	1.8	-	-	-	3.6	
		<i>HFRI Event Driven Index</i>	-1.0	-6.8	-1.0	-6.3	1.5	-	-	-	3.7	
2.5%	\$ 11,090,560	Beach Point Loan Fund	2.0	2.0	2.0	2.5	3.7	-	-	-	3.9	1/13
		<i>CS Leveraged Loan Index</i>	1.3	-1.9	1.3	-1.1	2.2	-	-	-	3.3	
5.8%	\$ 25,201,390	Canyon	-0.3	-5.1	-0.3	-4.3	3.3	5.0	12.0	-	7.0	6/06
		<i>ML High Yield Bond Index</i>	3.2	-3.9	3.2	-4.0	1.8	4.7	12.4	-	7.0	
		<i>HFRI Event Driven Index</i>	-1.0	-6.8	-1.0	-6.3	1.5	2.0	6.9	-	3.7	
6.6%	\$ 28,864,084	Golden Tree	0.6	-2.7	0.6	-1.1	8.4	7.0	18.0	-	8.5	6/06
		<i>ML High Yield Bond Index</i>	3.2	-3.9	3.2	-4.0	1.8	4.7	12.4	-	7.0	
		<i>HFRI Event Driven Index</i>	-1.0	-6.8	-1.0	-6.3	1.5	2.0	6.9	-	3.7	
1.7%	\$ 7,196,632	<b>Private Credit</b>	0.0	-5.3	0.0	-6.8	5.3	6.4	9.6	3.7	7.0	6/03
		<i>Thomson One Distressed Index</i>	0.0	-2.5	0.0	-0.6	5.8	6.9	13.1	8.8	11.3	
0.1%	\$ 425,508	Commonfund Distressed Debt II	0.0	-16.6	0.0	-20.4	-6.7	-2.2	4.3	-0.3	3.8	6/03
0.4%	\$ 1,957,232	Commonfund Distressed Debt III	0.0	-9.5	0.0	-10.6	0.8	3.4	7.0	-	0.0	5/06
1.1%	\$ 4,813,892	Goldman Sachs Distressed Opportunities	0.0	-1.9	0.0	-3.2	9.9	10.3	11.1	-	4.5	6/08
12.4%	\$ 53,963,977	<b>Global Real Assets</b>	-1.0	-17.0	-1.0	-17.0	-4.5	-0.1	0.2	-1.2	4.7	9/95
		<i>Global Real Assets Benchmark<sup>3</sup></i>	-1.2	-12.1	-12.6	-12.6	-1.0	1.2	6.0	4.5	-	

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Current Allocation	Market Value		----- Annualized -----								Since Inception	Inception Date
			Qtr.	FYTD	Cal. YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr		
<b>3.6%</b>	<b>\$ 15,480,429</b>	<b>Public Real Assets</b>	<b>-2.9</b>	<b>-39.3</b>	<b>-2.9</b>	<b>-40.3</b>	<b>-13.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-1.6</b>	<b>10/11</b>
		<i>Blended Index<sup>4</sup></i>	1.2	-12.7	-18.4	-18.4	0.4	-	-	-	2.6	
		<i>CPI + 5%</i>	1.3	2.4	5.4	5.4	6.0	-	-	-	6.2	
<b>2.6%</b>	<b>\$ 11,418,821</b>	<b>Eagle Global MLP</b>	<b>-7.9</b>	<b>-42.6</b>	<b>-7.9</b>	<b>-43.9</b>	<b>-11.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.1</b>	<b>10/11</b>
		<i>Alerian MLP Index</i>	-4.2	-27.4	-4.2	-31.8	-10.3	-	-	-	-1.0	
<b>0.9%</b>	<b>\$ 4,061,608</b>	<b>RS Global Natural Resources</b>	<b>14.4</b>	<b>-27.2</b>	<b>14.4</b>	<b>-26.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-18.8</b>	<b>6/13</b>
		<i>S&amp;P North America Nat'l Resources Index</i>	6.3	-16.1	6.3	-18.3	-	-	-	-	-6.5	
<b>8.8%</b>	<b>\$ 38,483,548</b>	<b>Private Real Assets</b>	<b>0.0</b>	<b>-5.5</b>	<b>0.0</b>	<b>-4.7</b>	<b>-0.4</b>	<b>1.3</b>	<b>1.3</b>	<b>-0.4</b>	<b>5.1</b>	<b>9/95</b>
		<i>Thomson One Private Real Estate Index</i>	0.0	3.8	0.0	8.6	12.6	11.1	8.4	5.0	10.2	
		<i>S&amp;P GSSI Natural Resources Index</i>	6.3	-16.1	6.3	-18.3	-7.6	-6.6	5.6	1.2	-	
		<i>NCREIF Timberland Index</i>	-0.3	2.4	-0.3	2.9	7.7	6.6	4.0	6.7	7.7	
<b>3.3%</b>	<b>\$ 14,434,389</b>	<b>Private Real Estate Composite</b>	<b>0.0</b>	<b>1.5</b>	<b>0.0</b>	<b>3.6</b>	<b>6.4</b>	<b>6.9</b>	<b>0.8</b>	<b>-</b>	<b>-13.3</b>	<b>5/06</b>
<b>0.5%</b>	<b>\$ 2,088,997</b>	<b>Metropolitan Real Estate Partners IV</b>	<b>0.0</b>	<b>-0.5</b>	<b>0.0</b>	<b>-1.3</b>	<b>3.5</b>	<b>4.3</b>	<b>1.1</b>	<b>-</b>	<b>-12.7</b>	<b>5/06</b>
<b>0.9%</b>	<b>\$ 3,987,542</b>	<b>Penn Square Global Real Estate</b>	<b>0.0</b>	<b>-2.0</b>	<b>0.0</b>	<b>-0.7</b>	<b>2.5</b>	<b>3.4</b>	<b>4.4</b>	<b>-</b>	<b>-4.7</b>	<b>1/08</b>
<b>0.5%</b>	<b>\$ 2,150,901</b>	<b>Penn Square Global Real Estate II</b>	<b>0.0</b>	<b>5.6</b>	<b>0.0</b>	<b>10.0</b>	<b>14.3</b>	<b>7.6</b>	<b>-</b>	<b>-</b>	<b>-71.2</b>	<b>2/10</b>
<b>1.1%</b>	<b>\$ 4,956,949</b>	<b>WCP Real Estate IV</b>	<b>0.0</b>	<b>4.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.3</b>	<b>3/15</b>
<b>0.3%</b>	<b>\$ 1,250,000</b>	<b>GEM Realty Evergreen</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>2/16</b>
<b>5.5%</b>	<b>\$ 24,049,159</b>	<b>Private Natural Resources</b>	<b>0.0</b>	<b>-9.1</b>	<b>0.0</b>	<b>-9.0</b>	<b>-3.6</b>	<b>-1.3</b>	<b>1.4</b>	<b>3.5</b>	<b>7.1</b>	<b>9/95</b>
<b>0.0%</b>	<b>\$ 60,603</b>	<b>Commonfund Energy III</b>	<b>0.0</b>	<b>-38.0</b>	<b>0.0</b>	<b>-34.3</b>	<b>-17.4</b>	<b>-0.8</b>	<b>4.3</b>	<b>6.2</b>	<b>12.0</b>	<b>9/95</b>
<b>0.3%</b>	<b>\$ 1,154,748</b>	<b>Commonfund Natural Resources V</b>	<b>0.0</b>	<b>-17.6</b>	<b>0.0</b>	<b>-19.1</b>	<b>-9.5</b>	<b>-2.0</b>	<b>2.7</b>	<b>4.9</b>	<b>-10.2</b>	<b>9/03</b>
<b>0.2%</b>	<b>\$ 958,202</b>	<b>Commonfund Natural Resources VI</b>	<b>0.0</b>	<b>-17.1</b>	<b>0.0</b>	<b>-15.9</b>	<b>-2.6</b>	<b>1.2</b>	<b>5.3</b>	<b>-0.2</b>	<b>4.1</b>	<b>9/05</b>
<b>0.4%</b>	<b>\$ 1,920,912</b>	<b>Commonfund Natural Resources VII</b>	<b>0.0</b>	<b>-18.1</b>	<b>0.0</b>	<b>-16.6</b>	<b>-5.9</b>	<b>-1.2</b>	<b>3.0</b>	<b>-</b>	<b>-11.2</b>	<b>1/07</b>
<b>1.5%</b>	<b>\$ 6,549,194</b>	<b>Commonfund Natural Resources VIII</b>	<b>0.0</b>	<b>-8.3</b>	<b>0.0</b>	<b>-5.2</b>	<b>4.6</b>	<b>-4.4</b>	<b>0.4</b>	<b>-</b>	<b>-1.1</b>	<b>11/08</b>
<b>0.5%</b>	<b>\$ 2,217,829</b>	<b>Goldman Sachs Concentrated Energy</b>	<b>0.0</b>	<b>-31.0</b>	<b>0.0</b>	<b>-33.4</b>	<b>-23.5</b>	<b>-12.3</b>	<b>-8.2</b>	<b>-</b>	<b>-8.3</b>	<b>4/08</b>
<b>1.8%</b>	<b>\$ 7,701,989</b>	<b>Timbvest II</b>	<b>0.0</b>	<b>0.7</b>	<b>0.0</b>	<b>-0.2</b>	<b>1.8</b>	<b>1.4</b>	<b>1.0</b>	<b>-</b>	<b>0.3</b>	<b>5/07</b>
<b>0.8%</b>	<b>\$ 3,485,682</b>	<b>Timbvest III</b>	<b>0.0</b>	<b>0.7</b>	<b>0.0</b>	<b>0.0</b>	<b>5.9</b>	<b>4.7</b>	<b>-</b>	<b>-</b>	<b>4.5</b>	<b>12/10</b>

**Miami University Foundation**  
**Summary of Allocation and Performance**  
**Report for Periods Ending March 31, 2016**

Current Allocation	Market Value		----- Annualized -----								Since Inception	Inception Date
			Qtr.	FYTD	Cal. YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr		
<b>10.1%</b>	<b>\$ 44,110,912</b>	<b>Diversifying Strategies</b>	<b>-2.3</b>	<b>-5.5</b>	<b>-2.3</b>	<b>-4.4</b>	<b>3.0</b>	<b>2.6</b>	<b>5.9</b>	<b>4.5</b>	<b>5.4</b>	<b>3/04</b>
		<i>HFRI Fund Weighted Composite Index</i>	<i>-0.8</i>	<i>-4.3</i>	<i>-0.8</i>	<i>-4.1</i>	<i>2.1</i>	<i>1.8</i>	<i>5.6</i>	<i>3.4</i>	<i>4.5</i>	
<b>5.1%</b>	<b>\$ 22,133,008</b>	<b>Evanston Weathrlow Fund</b>	<b>-5.0</b>	<b>-8.1</b>	<b>-5.0</b>	<b>-7.1</b>	<b>3.3</b>	<b>3.0</b>	<b>6.2</b>	<b>4.7</b>	<b>5.6</b>	<b>3/04</b>
		<i>S&amp;P 500 Index</i>	<i>1.3</i>	<i>1.5</i>	<i>1.3</i>	<i>1.8</i>	<i>11.8</i>	<i>11.6</i>	<i>17.0</i>	<i>7.0</i>	<i>7.4</i>	
		<i>Barclays U.S. Aggregate Bond Index</i>	<i>3.0</i>	<i>3.7</i>	<i>3.0</i>	<i>2.0</i>	<i>2.5</i>	<i>3.8</i>	<i>4.5</i>	<i>4.9</i>	<i>4.4</i>	
<b>2.6%</b>	<b>\$ 11,420,091</b>	<b>Sandler Capital</b>	<b>-0.9</b>	<b>2.2</b>	<b>-0.9</b>	<b>0.8</b>	<b>3.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.1</b>	<b>4/12</b>
		<i>MSCI AC World Index</i>	<i>0.2</i>	<i>-4.7</i>	<i>0.2</i>	<i>-4.3</i>	<i>5.5</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>7.2</i>	
		<i>HFRI Equity Hedge Index</i>	<i>-1.7</i>	<i>-6.2</i>	<i>-1.7</i>	<i>-4.5</i>	<i>2.6</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>3.6</i>	
<b>2.4%</b>	<b>\$ 10,557,813</b>	<b>Strategic Value Partners</b>	<b>2.4</b>	<b>-7.5</b>	<b>2.4</b>	<b>-3.6</b>	<b>2.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.4</b>	<b>2/13</b>
		<i>ML High Yield Bond Index</i>	<i>3.2</i>	<i>-3.9</i>	<i>3.2</i>	<i>-4.0</i>	<i>1.8</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>2.0</i>	
		<i>HFRI ED: Distressed Restructuring Index</i>	<i>-1.3</i>	<i>-9.8</i>	<i>-1.3</i>	<i>-10.1</i>	<i>-0.8</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-0.3</i>	
<b>7.8%</b>	<b>\$ 34,029,696</b>	<b>Cash</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>	<b>0.3</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.1</b>	<b>6/11</b>
		<i>U.S. 91-Day Treasury Bills</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>0.1</i>	
<b>4.5%</b>	<b>\$ 19,659,392</b>	<b>Star Ohio MUF</b>	<b>0.1</b>	<b>0.3</b>	<b>0.1</b>	<b>0.4</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.1</b>	<b>6/11</b>
		<i>U.S. 91-Day Treasury Bills</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>0.1</i>	
<b>0.5%</b>	<b>\$ 2,116,194</b>	<b>Star Ohio Univeristy</b>	<b>0.1</b>	<b>0.3</b>	<b>0.1</b>	<b>0.4</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.1</b>	<b>6/11</b>
		<i>U.S. 91-Day Treasury Bills</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>0.1</i>	
<b>1.2%</b>	<b>\$ 5,242,007</b>	<b>Star Ohio Plus</b>	<b>0.1</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.1</b>	<b>12/15</b>
		<i>U.S. 91-Day Treasury Bills</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>0.1</i>	
<b>0.0%</b>	<b>\$ 32,828</b>	<b>Blackrock Cash</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>6/11</b>
		<i>U.S. 91-Day Treasury Bills</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>0.1</i>	
<b>0.3%</b>	<b>\$ 1,357,531</b>	<b>Chase University</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.2</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.2</b>	<b>6/11</b>
		<i>U.S. 91-Day Treasury Bills</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>0.1</i>	
<b>1.3%</b>	<b>\$ 5,621,744</b>	<b>Chase MUF</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.2</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.2</b>	<b>6/11</b>
		<i>U.S. 91-Day Treasury Bills</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>0.1</i>	

**Miami University Foundation**  
**Summary of Investment Performance**  
Report for Periods Ending March 31, 2016

**Footnotes:**

\* Performance returns are net of investment management fees.

\* Calculated returns may differ from the manager's due to differences in security pricing and/or cash flows.

\* Manager and index data represent the most current available at the time of report publication.

\* Hedge fund and private capital manager market values and rates of return may be based on estimates and may be revised until completion of an annual audit by the manager.

\* For managers and indices that report returns on a lag, 0.0% is utilized for the most recent time period until the actual return data are reported.

\* The fiscal year ends in June.

<sup>1</sup> MUF Custom Index is currently comprised of: 45.0% MSCI AC World Index, 7.5% NCREIF Property Index, 15.0% HFRI Fund Weighted Composite Index, 3.0% Alerian MLP Index, 20.0% Barclays Multiverse TR, 3.0% Bloomberg Commodity Index, and 6.5% S&P North America Nat Resources Index. Please see Appendix for benchmark history.

<sup>2</sup> Blended Index is currently comprised of: 100.0% Barclays Multiverse TR. Please see Appendix for benchmark history.

<sup>3</sup> Global Real Assets Benchmark is comprised of: 37.5% NCREIF Property Index, 15.0% Alerian MLP Index, 15.0% Bloomberg Commodity Index, and 32.5% S&P North America Nat Resources Index.

<sup>4</sup> Blended Index is comprised of: 33.3% Alerian MLP Index, 33.4% FTSE NAREIT All Equity Index, and 33.3% S&P North America Nat Resources Index.



Lean Projects Update  
**Lean Project Update**  
as of 6/1/2016

MU-Lean Project Status Totals					Completed Projects			
Division	Active	Completed	Future	Total	Cost Avoidance	Cost Reduction	Revenue Generated	Total
Finance and Business Services	167	799	57	1023	\$13,861,189	\$5,545,118	\$4,718,996	\$24,125,303
Procurement Realized*					\$10,031,937	\$3,416,973	\$1,047,633	\$14,496,543
President+Intercollegiate Athletics	1	2	0	3	\$2,540	\$150,000	\$1,015	\$153,555
Advancement	5	10	0	15	\$37,000	\$213,790	\$100,000	\$350,790
Enrollment	8	27	0	35	\$336,853	\$0	\$37,705	\$374,558
Information Technology Services	1	17	1	19	\$433,113	\$0	\$4,180	\$437,293
Provost (including regionals)	9	9	1	19	\$2,338,367	\$0	\$0	\$2,338,367
<b>Lean Project Total - MU</b>	<b>191</b>	<b>864</b>	<b>59</b>	<b>1114</b>	<b>\$27,040,999</b>	<b>\$9,325,881</b>	<b>\$5,909,529</b>	<b>\$42,276,409</b>

\*Procurement Realized through March 2016. Procurement increment reported quarterly- January 2016 through March 2016.

MU-Lean Project Changes since 4-1-16 report					Newly Completed Projects since 4-1-16 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	54	4	55	\$575,028	\$235,641	\$169,300	\$979,969
Procurement Realized*					\$1,192,367	\$69,679	\$69,428	\$1,331,474
President+Intercollegiate Athletics	0	0	0	0	\$0	\$0	\$0	\$0
Advancement	1	1	-1	1	\$0	\$0	\$0	\$0
Enrollment	-1	2	0	1	\$0	\$0	\$0	\$0
Information Technology Services	0	0	1	1	\$0	\$0	\$0	\$0
Provost (including regionals)	0	0	1	1	\$0	\$0	\$0	\$0
<b>Lean Project Total - MU</b>	<b>-3</b>	<b>57</b>	<b>5</b>	<b>59</b>	<b>\$1,767,395</b>	<b>\$305,320</b>	<b>\$238,728</b>	<b>\$2,311,443</b>