

**BOARD OF TRUSTEES
MIAMI UNIVERSITY
Minutes of the September 18, 2009 Meeting**

The Secretary to the Board reported that as specified in the Regulations of the Board of Trustees of Miami University, and in compliance with Section 121.22 of the Ohio Revised Code, due notice had been given prior to the holding of this meeting of the Board of Trustees.

The meeting was called to order at 9:10 a.m. in the Heritage Room in the Phillip R. Shriver Center on the Oxford Campus with Mr. John Christie presiding. The Secretary to the Board called the roll and reported eight voting members present. In addition to the Board members, President Hodge, Vice Presidents Allison, Creamer, Herbst, Jones, and Whitehead and members of the faculty, staff, student body and community were present. The Chair declared a quorum present for the purpose of transacting business.

Present:	Lindsey Bullinger (Student Trustee)	Dennis A. Lieberman
	Donald L. Crain	Sharon J. Mitchell
	John S. Christie	David M. Shade (National Trustee)
	Jay P. Henderson (National Trustee)	Richard K. Smucker
	Sue J. Henry (National Trustee)	Fred G. Wall
	David F. Herche	Harry T. Wilks
	Heath Ingram (Student Trustee)	

Absent: S. Kay Geiger

Upon recommendation of the Chair, Mr. Crain moved, Mr. Herche seconded, and by roll call vote the Board convened to Executive Session for the purpose of discussing personnel matters and conferring with General Counsel as provided by the Open Meetings Act, Ohio Revised Code Section 121.22. At 10:25 a.m. the Board adjourned the Executive Session and convened into the Public Study Session.

Public Study Session

Vice President Jones, with the assistance of student speakers Steffanie Schilling, Sankalp Malhotra, and Adam Clampitt-Dietrich, presented a Public Study Session on "Pathways to Student Engagement and Success." The presentation reviewed Student Affairs sponsored programs available to students throughout their Miami Career, and the presentation highlighted Orientation, the First Year Institute, health and wellness programs offered through the Student Health Services, the Second Year Experience, student organizations, and Career Services. Her presentation is included as Attachment A.

At the conclusion of the Public Study Session, the Board convened to the Public Business Session at 11:00 a.m. Two speakers from the audience filed registration forms to address the Board, and the Chair recognized Mr. James Fitton and Mr. James Blount

representing the organization the Friends of Hamilton. Mr. Fitton and Mr. Blount addressed the resolution to create the position of Dean of the Regional Campuses/Associate Provost, and their written testimony is included as Attachment B.

Approval of the Minutes of the June 26, 2009 Meeting

On a motion made by Mr. Smucker and seconded by Mr. Wall, the minutes of the June 26, 2009 meeting were approved.

Consent Calendar

Upon recommendation of President Hodge, Mr. Wall moved, Mrs. Mitchell seconded, and by voice vote the resolutions on the Consent Calendar for the September 18, 2009 meeting was approved with eight Trustees voting in favor and none opposed.

Designation of Emerita/Emeritus

RESOLUTION R2010-1

BE IT RESOLVED: that the Board of Trustees hereby approves the following individuals for the rank of Professor Emerita effective with the formal dates of their retirement:

Linda L. Conaway
Theatre

Nancy Nicholson
Western Program

BE IT FURTHER RESOLVED: that the Board of Trustees hereby approves the following individuals for the rank of Professor Emeritus effective with the formal dates of their retirement:

Robert J. Campbell
Accountancy

Michael H. Waller
Paper & Chemical Engineering

BE IT FURTHER RESOLVED: that the Board of Trustees hereby approves the following individual for the rank of Administrator Emerita effective with the formal date of her retirement:

Dale Allen
Housing, Dining & Guest Services

Joyce Buttery
Information Technology Services

Sandra Mastandrea
Student Affairs

Judith Peck
Information Technology Services

Terry Thomas
Housing, Dining & Guest Services

BE IT FURTHER RESOLVED: that the Board of Trustees hereby approves the following individuals for the rank of Administrator Emeritus effective with the formal date of their retirement:

James Haskins
WMUB

Richard Hearin
Career Services

Thomas Montgomery
Information Technology Services

Kenneth Peters
Intercollegiate Athletics

Recommendations of the Committee on Naming of Campus Facilities

RESOLUTION R2010-2

BE IT RESOLVED: that the Board of Trustees hereby approves the following recommendation of the Committee on Naming of Campus Facilities:

Procter and Gamble Interactive Media Studies Center
Re-naming of the Procter and Gamble Communication and Information Center
Currently located in Laws Hall, Rooms 200, 201, 201A, 201B, 201C, 201D, 201F, 202,
204, 205, and 207

This space in Laws Hall is dedicated to the Interactive Media Studies Program and supported by an endowed fund for upkeep and modernization.

Comments by the Chair

Chair John Christie's comments are recorded verbatim.

Good morning and welcome to the first Board meeting of the academic year. The beginning of the school year brings with it a feeling of excitement about the opportunities ahead of us for the year, but we also recognize the challenges that we face. While the state of the economy and budget cuts last spring and summer were difficult for the University, we should follow President Hodge's advice in a memo he sent to the Miami community in early September. As he stated, "We must, and we will, together find a way to meet our immediate needs and lay the foundation for our long-term success."

In the Study Session this morning we heard about examples of the types of student experiences possible at Miami, which happen on a day-to-day basis and contribute to the personal and intellectual growth of our students. Coupled with the excellence that occurs in the classroom, our students receive a Miami education which prepares them for achieving life-long success. We must do everything we can to prevent budgetary difficulties and the economy from interfering with that process.

Earlier this morning the Board had the opportunity to have breakfast and meet with the officers of Associated Student Government. Each year when we meet with the leadership of student government, I become more impressed with the caliber of students who devote their time and talents to serving their fellow students. I was particularly impressed with their work on developing a multi-year strategic plan for student government. I applaud the Executive Cabinet's initiative and their willingness to plan for the future. We'll hear from ASG President Jonathan McNabb later in the meeting, but I'll take the opportunity now to congratulate him on his leadership.

Congratulations are also in order for all those involved in the opening of the Farmer School of Business a few weeks ago. This new building is a tremendous asset to Miami University. After several years of planning and construction, the beauty and functionality of the building is a reaffirmation of the vision for the Business School. Board members will have the opportunity to tour the building following the meeting, and we look forward to seeing the facilities firsthand.

I'll close my remarks the way I started. The beginning of each school year offers both opportunities and challenges. The challenges this year may be more difficult than we'd like, but the opportunities are greater, too. This is a time to be forward-looking, proactive, strategic, and optimistic. We are here to enhance our students' experiences and opportunities, both inside and outside the classroom. The Board's gratitude and thanks go to all of you who help provide for our students' successes.

Report by the President

President David Hodge reviewed the profile of the first-year class and the activities associated with the First Year Institute. Dr. Hodge complemented the address given by the Convocation speaker, Taylor Mali, who is a teacher by training and is now a "slam" poet.

President Hodge reported on his and Mrs. Hodge's activities on the Bicentennial Tour while visiting alumni groups around the country, including Denver, Cincinnati,

Chicago, New York, and California. He commented that it is a spectacular time to be at Miami, as well as a difficult time.

Dr. Hodge introduced Dr. Ronald Scott, Associate Professor of Communication who assumed the position of Interim Associate Vice President for Institutional Diversity on September 1. Dr. Scott addressed the Board and complimented the Trustees for choosing a President with a vision for making Miami University the best undergraduate institution in the country and for his commitment to diversity. Dr. Scott also complimented the President's Executive Committee for its support, and members of Student Affairs, Admissions and other offices throughout the University, as well as students, for their work in promoting diversity initiatives.

Dr. Hodge reported on recent Miami achievements, including PayScale.com's ranking of Miami as eighth of 150 universities in the Midwest in terms of mid-career salaries for graduates. He asserted the ranking supports the concept of a liberal education developing for graduates the enduring skills required in their professional careers. *US News & World Report* identified nineteen universities for their emphasis and commitment to undergraduate teaching, and Miami tied for eighth place nationally. The Howe Writing Center, in partnership with North Carolina State University and Miami's Computer Science department received an \$800,000 grant to design and implement a curriculum for computer science and engineering programs to develop student writing, reading, speaking and communications skills.

President Hodge reported that next week the Bicentennial Symposium on Engaged Learning will take place on campus. The symposium is designed to understand the engaged university. Professors Drew Cayton, Marcia Baxter-Magolda and Carolyn Haynes have organized the symposium and five experts from other universities will participate. The goal of the Bicentennial Symposium is to go to the heart of the Miami experience and to examine what needs to be done to prepare students academically to succeed in a turbulent world.

Dr. Hodge presented the Trustees with two books, the first being *Strategic Imperatives: New Priorities for Higher Education*, produced by the Association of Governing Boards. Dr. Hodge explained that this book is about the future of higher education, and his intent is to use the book as the basis for a Trustee retreat later in the year. The second book is the Bicentennial history book, *Miami University: Bicentennial Perspectives*, edited by Professor Curtis Ellison. Dr. Hodge invited Dr. Ellison to address the Board about the enduring qualities of Miami that he discerned while working on the book project. Dr. Hodge mentioned that Dr. Ellison will retire from Miami at the end of the year after having served at Miami since 1970. Professor Ellison commented that Miami's commitment to undergraduate education, the faculty's commitment to teaching, and Miami's commitment to a residential and extracurricular experience for students have been evident throughout its history.

In closing his comments, President Hodge read to the Board an e-mail message from an international student, and he stressed the type of impact an international student presence can have on a university campus. Quoting from the e-mail:

President David Hodge and Valerie Hodge,

Thank you for inviting me to the reception. I am so sorry I missed the e-mail and this precious opportunity.

You are a really democratic president. Before, the president of my high school is like a Queen. And when I saw your e-mail, I was so surprised. I began to realize that Miami is a school which supports me to grow, to learn, to find myself, instead of thinking that I am at the bottom of the Miami pyramid. This is a concept that I have never experienced.

In these three weeks, I made lots of new friends and found lots of help from different departments. And I have my best math professor ever who not only teaches me the way to solve a problem, but also teaches me how and why he chooses this way to solve a problem. He is so cool! I had my first job in a dining hall and cried about how tired I was. I had my first trip with my friends to see the amazing firework in Cincinnati. I found my favorite Bible study group where I can strengthen my faith.

As the newspaper said International students want to find families in Miami. We do. Maybe this is because we are more lonely and sometimes we feel hopeless about things we don't know. And we need more care and love to support us to keep seeking our dream. I think I found families here. We laugh and cry together.

Thank you so much. And I will enjoy every day in Miami. Have a nice day!

Academic/Student Affairs Committee Report

Committee Chair Sue Henry's report is recorded verbatim.

The Academic and Student Affairs Committee met on September 4, 2009. The Provost opened the meeting with several announcements. A new time block was instituted this year. It was the first one since Miami went to semesters in 1977. The residence halls were over-subscribed this fall as it was the first time the sophomore residency requirement was in place. The overflow students in the lounges all should be placed in residences by the end of the month. There are many vacancies in the rental units in Oxford. The Board of Regents has approved our two proposed graduate programs in (a) Cell, Molecular & Structural Biology and (b) Ecology, Evolution & Environmental Biology. The International Gerontology program has not yet been approved because it requires an additional accreditation since it is being carried out in conjunction with another school. It will debut in fall 2010.

We had several reports from the Provost's office regarding admissions and financial aid. As was reported at the previous meetings, our yield was down by approximately 300 freshmen which is about 5.4 percent. Nonetheless, there is much good news. Our applications were up by 12 percent, transfer applications were up by 11 percent and international student applications rose by 82 percent. There are more African-American students (167) in absolute numbers and in percentage (5.1 percent) than ever before. We have the highest number of multicultural and international students ever. Seventeen percent of our freshmen are first generation college students. And we surpassed the targeted number of first year University Honors students (target - 400; actual - 422).

In response to a request by the Committee, the Provost's office presented an extensive analysis of the 2008-09 admissions process. The Director of Admission Laurie Koehler presented a study of Miami's non-matriculating students indicating that -

historically and probably for the 2009 year - we lose students primarily to Ohio State, Indiana University, Ohio University, the University of Dayton and the University of Illinois. The study also showed that compared to our Ohio peer schools, our yield was lower than theirs.

It appears that the two primary reasons we are losing applicants are our brand marketing and finances. We appear to have an unclear message about who we are as a university. To out-of-state students, we appear to be saying that we are a cheap public college and the in-state students are receiving a message that we are an elitist private school. The second reason is finances and financial aid. Miami is the most expensive Ohio state supported college. And 31.9 percent of the students responding to the University's declining student survey mentioned finances as a reason for their college decision.

Ms. Koehler discussed 4 initiatives to aid in increasing our yield in the 2009-10 admission process. They are improving the campus visit; developing new markets for out-of-state students; enhancing our market share within Ohio; and increasing the involvement of divisions, academic programs, and faculty with prospective students.

The Director of the Office of Student Financial Assistance Chuck Knepfle presented a report reiterating that financial reasons seem to be prompting students' college selections. Miami offered \$30 million in aid and has budgeted \$10 million in aid. We are forecast to be just under budget. There was a 14 percent increase in the number of students asking for financial assistance and a 48 percent increase in the number of students borrowing funds. The number of needy students is up to 45 percent from 42 percent, the number of Pell Grants is up 14 percent, and the number of Miami access students is up from 171 to 198.

The firm of Scannell & Kurz Enrollment Management Consultants has been hired to evaluate our past admission and financial aid strategies. They will have a final report and proposals by December 2009. The Office of Financial Assistance also is adopting new modeling software for applicants to anticipate the amount of aid they need and will receive.

We again discussed the Benson Committee Report on the Regional campuses. We considered the recommendation of President Hodge and Provost Herbst that we adopt recommendation #1 of the committee report and recommend the creation of the new position of Dean of the Regional Campuses/Associate Provost. This would eliminate the positions of the individual deans on the Middleton and Hamilton campuses. The Committee voted to present to the Board a resolution to this effect with the understanding that a national search would commence after adoption of the proposal by the full Board of Trustees.

Associate Provost and Associate Vice President for Academic Affairs Michael Dantley gave us an update on undergraduate academic advising. The Undergraduate Academic Advising Council has been established and commenced work establishing subcommittees and defining what advising is and who academic advisors are. The Undergraduate Advising Information Office opened in August 2009 and has been answering questions about the Miami Plan, study abroad, reading the DAR and other general advising. This summer all entering freshmen received a 20 to 30 minute individualized advising session with a faculty member or first year advisor. In the

upcoming year, the Academic Advising Council will address the proposals for mandatory advising of all first and second year students, mid-term grade reporting for all first and second year students, and the proposed policy on grade incompleteness.

Dr. Gail Walenga of the Student Health Service updated us on the threat of H1N1 and the actions the University has taken. As of September 4, 134 possible cases have been reported to Student Health Services. There is no way to know how many additional cases there are because some students have just gone home or not gone to the Student Health Center. The Health Center has suspended appointments for regular check-ups so that all the staff can devote their time to seeing students with the flu. The University has established a website for students and parents discussing H1N1 and frequently asked questions. Anti-bacterial wipes and gels are available in all the residence halls and the dining rooms. Student-made posters showing healthy practices are posted in most University buildings. The University has almost completed the entire Center for Disease Control recommendations for dealing with flu including planning for a campus-wide event. Flu shots for the regular flu are beginning soon. The Provost has requested the faculty to be flexible regarding classroom attendance, assignment deadlines and exams for students who indicate they have been infected with H1N1.

Resolution to Create the Position of Dean of the Regional Campuses/Associate Provost

Provost Herbst thanked Mr. Blount and Mr. Fitton for their comments and stated that throughout the past year while discussing the Regional Campus Committee Report it has been gratifying to witness the devotion and care that both the Hamilton and Middletown communities have for the Regional Campuses. Dr. Herbst stated that it is the University's desire that the Regional Campuses continue to play a more dynamic and important role in the communities in the future.

Dr. Herbst reported that the dynamics of higher education in Southwest Ohio have changed dramatically. The University hopes to develop a strategic framework that will incrementally over time allow the Regional Campuses to serve the populations even better while they flourish. In particular, it is desirable to develop ways in which the Regional Campuses can become more autonomous in their operations in order to ensure that they are more dynamic and more entrepreneurial when developing educational opportunities for the people of Southwest Ohio. He stated that populations in Hamilton, Middletown and surrounding areas are increasingly demanding degrees that are different from the mainly campus-specific associate degrees currently offered. More and more citizens are demanding baccalaureate degrees or baccalaureate completion degrees. Developing these degrees will require more centralized and strategic visions that increasingly leverage both campuses to serve the region, such as the new Nursing Program degree currently does. More and more students are "swirling" (moving among) the campuses, making a campus-specific vision more difficult and requiring the University to develop a more region-wide view. About 1,500 students swirl among the campuses, including the Oxford campus, during any semester. Dr. Herbst stated that we need to follow the students' lead and develop a more regional perspective on the educational opportunities being offered. The Voice of America Learning Center

(VOALC) also offers new opportunities and challenges to present educational opportunities to other communities in Butler County, including West Chester and Liberty Township.

Provost Herbst stated that as a result of the factors he outlined, it is necessary to make the Regional Campuses and the VOALC more autonomous and entrepreneurial in order to quickly develop new educational opportunities. The Regional Campus system needs to be freed from some of the policies and procedures of the Oxford Campus which may be inappropriate and delay the development of new opportunities. Dr. Herbst reminded the Board that the Regional Campus Committee, chaired by Architecture Professor Robert Benson, was appointed during the previous academic year and charged with exploring the strategic framework between the Oxford Campus and the Regional Campuses. The Committee met with a large number of people, including faculty, staff, and students on all campuses, and local community members to hear their interests and concerns about the future of the Regional Campuses. The Benson Committee made a series of recommendations about how the Regional Campuses might develop in the future.

Provost Herbst stated that the first recommendation of the Committee regarded the leadership of the Regional Campuses. The Committee recommended the establishment of a Regional Campus administrator who would be the leader of the Hamilton and Middletown Campuses and the VOALC. The Committee could not come to a consensus on a title for the Regional Campus administrator, but they recognized the need to establish a position where one person could have the vision and responsibility to oversee educational opportunities that might be offered for all the people in Southwest Ohio while not diminishing the individual accomplishments of the campuses. Dr. Herbst stated that he and President Hodge recommend the creation of the position of Dean of the Regional Campuses/Associate Provost. Dr. Herbst remarked that as Dean, the person holding the position will be responsible for the academic affairs of all three locations, but also as Associate Provost the Dean will have additional responsibilities centrally, creating a strategic vision for the entire area.

Provost Herbst stated that the creation of the new Dean's position is the first step in creating a strategic framework for the Regional Campuses and VOALC. There is no plan at the moment for reviewing, resolving and/or implementing all the issues and recommendations identified by the Regional Campus Committee. Dr. Herbst said it is critical to have the new Dean in place and then have the Dean work with the faculty, staff and communities to discuss the other issues, such as degree mix, future faculty appointments, and the relationship with Oxford. The issues will have to be studied in detail and sequentially, and this is the first step in establishing leadership. In recent years there have been successes in centralizing certain aspects of the Regional Campus leadership, including the current search for a Regional Campus Registrar. Already in place is a Senior Associate Dean of Student Affairs serving both Regional Campuses.

Provost Herbst stressed that the recommendation to create the new Dean's position is not in any way a commentary upon the holders of the current Dean positions at either Regional Campus, but rather the establishment of the architecture which he believes will help the entire region in the future. He stated that under this proposal the positions of Dean of the Hamilton Campus and Dean of the Middletown Campus will be

eliminated. He emphasized that there would be no increase in administration, but rather a net decrease of one Dean's position. Provost Herbst told the Board that he could not guarantee the proposal would save money since the Associate Dean positions on the campuses will have to be reviewed, but he said that is not the purpose of the recommendation. He stated the operating costs would not be greater than at present. Dr. Herbst stated that if the Board adopted the resolution a nation-wide search, open to current Miami employees, would start immediately to recruit the new Dean with the goal of having the new person in place during the summer of 2010.

Following Provost Herbst's presentation, Mr. Wilks asked about the rationale for creating a new position and eliminating the current Regional Dean positions. He expressed concerns that an additional layer of administration would be created and the proposal would cost the University additional money. He requested that action on the resolution be postponed until a later date after more study and review took place. He also requested that the rationale for the restructuring be placed in writing and submitted to the Board. Dr. Herbst responded that the Regional Campus Committee Report indicated that the Regional Campuses were working from a position of strength and that the Committee's recommendations would allow the Regional Campuses to create additional educational opportunities for the communities in Butler County. Dr. Herbst reiterated that the two Regional Dean positions would be eliminated and replaced by one Dean of the Regional Campuses/Associate Provost, resulting in a net loss of one Dean position. He also stated that there would be no additional budget costs as a result of this restructuring. Provost Herbst stated that this resolution is the first step in a comprehensive strategic framework, and other issues cannot be pursued until the new Dean is identified.

Mr. Crain commented that he served on the Middletown Citizens Advisory Committee for twenty-two years and that the resolution to restructure the leadership model is long overdue and delaying it would serve no purpose. Mr. Crain stated that the restructuring will not cost the University additional money and it is a positive first step towards strengthening the Regional Campuses as a unit and to develop synergies between the campuses. Mr. Crain remarked that the Regional Campuses have been a focus of the Board of Trustees for the past three years and that the resolution is an indication the University is moving in a positive direction. Mr. Wall stated that he also had served on the Middletown Citizens Advisory Committee for several years and over this time he had been approached by Regional Campus members stating that the Regional Campuses had not been receiving the attention they needed and deserved from the Oxford administration. Mr. Wall also noted that the State of Ohio is emphasizing outreach in the regional campus areas and this move will give Miami the opportunity to meet the State goals. Mr. Wall stated that passing the resolution would give the Regional Campuses the attention they have sought for years.

Upon the recommendation of the Provost, Mr. Lieberman moved, Mr. Wall seconded, and by voice vote Resolution R2010-3 was adopted with seven Trustees voting in favor and one opposed (Wilks).

RESOLUTION R2010-3

WHEREAS, in the fall of 2008 the Provost commissioned the Regional Campus Committee to strategically examine the long-term relationships between the Oxford Campus, the Regional Campuses and the Voice of America Learning Center; and

WHEREAS, the Regional Campus Committee recommended that (quoting from the Committee's final report): *Miami University-Hamilton, Miami University-Middletown, and the Voice of America Learning Center be re-envisioned and viewed as one administrative unit, headed by a Regional Campus Administrator. The Regional Campus Administrator should report to the Provost and be assisted in the management of the three Regional Campus sites by associate deans.*

THEREFORE BE IT RESOLVED: that the Board of Trustees authorizes the establishment of the position Dean of the Regional Campuses/Associate Provost with the intent a nationwide search commences immediately and that the successful candidate be in place on or around July 1, 2010; and

BE IT FURTHER RESOLVED: that the positions of Regional Campus Dean, Miami University Hamilton and Regional Campus Dean, Miami University Middletown are eliminated effective with the starting date of the Dean of the Regional Campuses/Associate Provost, and Resolution R2006-15 is superseded at that time.

Finance and Audit Committee Report

Committee Chair Jay Henderson reported that the Finance and Audit Committee met on September 2, 2009, and the first topic on the agenda was a discussion about the role and focus of the Committee facilitated by a self-assessment process undertaken by Committee members. The results of the self-assessment process indicated the Committee should be more focused on the strategic issues facing the University, and to spend more time and focus on oversight and support of risk management processes within the University. A twelve month, forward-looking agenda was also developed and accepted by the Committee.

Mr. Henderson reported that the Committee extensively reviewed and discussed the Fiscal Year 2009 financial results of the University. He stated that the University had an operating loss for the year of \$25 million. The primary contributor to the operating loss was the investment results were \$28 million less than budgeted. Essentially, all of the University's operating loss was due to a shortfall in budget from investment results. Mr. Henderson also stated that the level of the University's reserves changed because of the operating loss, with last year's reserves at \$157 million, and this year's reserves are \$128 million, resulting in a reduction in reserves of \$29 million.

Mr. Henderson reported that the Committee extensively discussed tuition issues, and specifically a tuition ordinance proposed to revise the ordinance passed by the Board at its June meeting. He commented that as a result of the biennial budget adopted by the State of Ohio resulting in reductions in state funding to higher education in Fiscal Year

2011, public universities have been given the opportunity to raise tuition 3.5 percent in each year of the biennium. The Committee discussed and agreed that no tuition increase should occur in the fall and spring semesters of Fiscal Year 2010, and that a 3.5 percent increase should become effective with Summer Term I of the current fiscal year. The Committee recommended that the Board adopt the tuition ordinance on the agenda.

Mr. Henderson reported that the Finance and Audit Committee recommended approval to the Board the five resolutions regarding changes in investment policies and strategies, and the two facilities resolutions on the agenda.

Investment Subcommittee Chair Don Crain's report on behalf of the Subcommittee is recorded verbatim.

The Investment Subcommittee of the Finance and Audit Committee met on September 2, 2009. The endowment portfolio enjoyed a very strong quarter ending June 30, though it was not sufficient to reverse negative returns for the full fiscal year. The capital markets rally that began in March continued through the quarter and produced a return for the quarter of +12.09 percent. Seven of our managers posted returns in excess of 20 percent for the quarter. Our results for the full fiscal year ending June 30 were -22.36 percent. By comparison, the major domestic and global equity benchmarks saw returns for the year between -26 percent to -31 percent. The non-endowment portfolio rose 4.50 percent during the quarter, but finished the year down 7.20 percent.

We have seen continued positive returns during the first two months of the new fiscal year. We remain cautious, however, since the economy now needs to catch up to the stabilization we have experienced in the capital markets.

During the meeting, the committee discussed the annual endowment distribution and recent changes in Ohio law. The decline in market value and deflation resulted in a drop in the amount distributed by the endowment to the University in June. Fifty-nine of our endowed funds did not make a regular distribution since the value of those funds finished the year below their gift value. A new law in Ohio, the Uniform Prudent Management of Institutional Funds Act (UPMIFA) grants the board greater discretion in how to distribute from our endowed funds. Accordingly, we are recommending that the endowment distribution resolution passed last November be amended to allow these funds that did not make regular distributions to distribute the realized dividends and interest earned by those funds. This action will allow the recipients of those funds to receive about 20 percent of a full distribution, rather than zero. Almost half of these funds are for financial aid. The total amount of dividends and interest to be distributed from these funds approximates \$227,000.

Four policy changes endorsed by the committee are before the full board for your approval. The endowment investment policy and the endowment spending policy have been updated to reflect the standards that are outlined in the new UPMIFA law. In addition, revisions to the non-endowment investment policy are being recommended and a non-endowment spending policy has been proposed.

Appropriation Ordinance to Revise Fiscal Year 2009-2010 Undergraduate Student Tuition for All Campuses

Vice President Creamer reported that approximately two and one-half years ago the Governor and General Assembly set a priority for higher education that was somewhat unprecedented for decades, when annual tuition increases occurred as a normal course of business. Increased state appropriations were budgeted two and one-half years ago, and tuition was not raised at Ohio public universities for two years. The State's commitment to higher education occurred during very difficult budget situations, which emphasized the State's commitment to higher education and making it more affordable for Ohioans. During deliberations for this biennial budget, the financial difficulties increased significantly, and the initial proposals involved a tuition freeze for the first year of the biennium and a 3.5 percent cap for the second year. In previous years the lowest tuition cap had been six percent. When the budget proposal went to conference committee, the first year tuition freeze was lifted to a 3.5 percent cap, identical to the second year.

Dr. Creamer reiterated comments made at the Finance and Audit Committee meeting that students and parents had made their financial planning based on no tuition increases for the fall and spring semesters of this year, and that no increase should be made until the Summer Term because of their planning and expectations.

Following Dr. Creamer's comments Mr. Wilks questioned the need to raise tuition, especially in light of Miami's tuition relative to other Ohio public universities and comments made at the Academic/Student Affairs Committee meeting regarding many accepted students reasons for not attending Miami as being related to financial issues. Mr. Wilks requested that the ordinance not be considered at this time and wait until later in the academic year to reconsider. Mr. Christie replied that the Finance and Audit Committee and the Board had considered the issue thoroughly, and commented that many other Ohio universities have already implemented tuition increases for both fall and spring semesters. Mr. Christie stated that a decision to delay the tuition increase to the Summer Terms is a strong signal that Miami University is trying to do everything possible to help families during difficult economic times. Mr. Henderson agreed with Mr. Christie's comments. Mr. Herche asked Dr. Creamer if Ohio State University and the University of Cincinnati had taken action on tuition increases, and Dr. Creamer replied that it was his understanding both universities would take similar actions in the next two weeks to increase tuition for their summer terms. Mr. Crain commented that taking this action would result in three straight years of no tuition increases during the academic year at Miami University. Dr. Creamer commented that the University is taking action to implement further cuts to its budget while trying to balance between affordability and maintaining services. President Hodge commented that there is a need to better target scholarship money to assist with recruiting students. The President also stated that even though Miami's tuition is the highest in the state, the cost of a Miami degree is in the bottom half compared to other state universities in Ohio due to the time to graduate and high graduation rates.

Upon the recommendation of Vice President Creamer, Mr. Smucker moved, Mr. Crain seconded, and Ordinance O2010-1 was adopted by roll call vote with seven Trustees voting in favor and one opposed (Wilks).

APPROPRIATION ORDINANCE O2010-1
Undergraduate In-State Instructional Fees
All Campuses

WHEREAS, the University remains committed to providing affordable access to the highest quality undergraduate education; and

WHEREAS, the University has not increased tuition (instructional and general fees) for Ohio undergraduate students since fall 2006; and

WHEREAS, the Governor and the Ohio General Assembly intended that tuition for Ohio undergraduates attending a public college or university in Ohio remain frozen for academic year 2009-10 and this freeze was widely communicated to students and their families; and

WHEREAS, a last-minute reduction in state revenue estimates resulted in a cut in the amount appropriated in the state budget for higher education and in the Boards of Trustees of Ohio's public colleges and universities being authorized to increase tuition by three and one-half percent (3.5%) as a partial offset to the reduction in state support; and

WHEREAS, the University believes a tuition increase would impose an undue hardship on Ohio students and their families if implemented any earlier than summer 2010 since students have already completed their financial planning for the fall and spring semesters;

NOW, THEREFORE, BE IT ORDAINED: that in-state undergraduate tuition be increased by three and one-half percent (3.5%) at all Miami University campuses for the 2009-2010 academic year. The full amount of the increase shall be added only to the instructional fee. This increase shall not be assessed during the Fall and Spring Semesters but shall be assessed for all Ohio resident students beginning with Summer Term I 2010; and

BE IT FURTHER ORDAINED: that the President and the Vice President for Finance and Business Services and Treasurer are hereby authorized to establish instructional fees consistent with this Ordinance, including instructional fees for part-time students and for Summer Terms; and

BE IT FURTHER ORDAINED: that the adoption of this ordinance supersedes Ordinances O2009-2 and O2009-4.

Resolution to Amend the Endowment Investment Policy

Vice President Creamer reported that the resolutions regarding investment policies are reactions to legislation passed by the Ohio General Assembly that governs how institutions should oversee investments related to endowed gifts. The legislation follows a national model for endowment investment and spending policies. Dr. Creamer commented that even though new language is proposed in the policies, that Miami's past practices have reflected these guidelines.

Upon the recommendation of Vice President Creamer, Mr. Herche moved, Mr. Crain seconded, and by voice vote Resolution R2010-4 was unanimously adopted with eight Trustees voting in favor and none opposed.

RESOLUTION R2010-4

WHEREAS, the Board of Trustees of Miami University adopted Resolution R2003-4 on September 20, 2002, establishing the Endowment Investment Policy; and

WHEREAS, the State of Ohio enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), effective on June 1, 2009; and

WHEREAS, UPMIFA lists several factors to consider in determining a prudent investment strategy for endowment funds; and

WHEREAS, the Treasurer of the University, with the concurrence of the Finance and Audit Committee and the Investment Sub-committee, has recommended these standards be incorporated into the policy as attached;

NOW, THEREFORE BE IT RESOLVED that the Board of Trustees approves the amended Endowment Investment Policy; and

BE IT FURTHER RESOLVED that this Resolution supersedes and replaces Resolution R2003-4.

MIAMI UNIVERSITY ENDOWMENT INVESTMENT POLICY September, 2009

The Board of Trustees of Miami University recognizes its responsibility to manage prudently the funds that have been and will be given to the University's endowment fund. The Board of Trustees, its Finance Committee, its investment sub-committee, Miami staff, and outside investment managers and consultants shall discharge their duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

In managing and investing the endowment fund, the following factors shall be considered:

1. General economic conditions;
2. The possible effect of inflation or deflation;
3. The role that each investment or course of action plays within the overall investment portfolio of the fund;
4. The expected total return from income and the appreciation of investments;
5. Other resources of Miami University;
6. The need of Miami University and of the fund to make distributions and preserve capital;
7. An asset's special relationship or special value, if any, to the purposes of Miami University.

Management and investment decisions shall be made not in isolation but rather in the context of Miami University's portfolio of investments as a whole and as part of an overall investment strategy having risk and return objectives reasonably suited to the fund and to the University.

Spending from the endowment funds is intended to benefit Miami University in perpetuity; therefore, the endowment investment policy is intended to protect the principal of the funds and to produce maximum total return without assuming inappropriate risks.

GOALS

The Trustees hereby reaffirm the following goals for the University's endowment portfolio:

1. To maintain a proper balance between the preservation of principal, the total return available for spending, and the enhancement of the value of the funds.
2. To maintain a spending rate that protects the real value of the principal.
3. To provide investment returns which are reasonably stable and sufficient to meet the spending requirements.

OBJECTIVE

The Trustees expect to achieve average long-term investment returns of at least nine percent per year (net of management and administrative fees). This target rate of return anticipates a spending rate of five percent or less, three percent long-term inflation rate, and one percent annual growth in fund value.

Due to the long-term investment horizon of the endowment funds, the Trustees recognize that the portfolio can tolerate some year-to-year fluctuations in returns. However, it is expected that the portfolio will achieve the nine percent objective over the long term. A broadly diversified asset allocation will be used to enhance total return while avoiding undue risk.

Resolution to Amend the Endowment Spending Policy

Upon the recommendation of Vice President Creamer, Mr. Crain moved, Mr. Wall seconded, and by voice vote Resolution R2010-5 was unanimously adopted with eight Trustees voting in favor and none opposed.

RESOLUTION R2010-5

WHEREAS, the Board of Trustees of Miami University adopted Resolution R2004-46 on April 23, 2004, establishing the Endowment Spending Policy; and

WHEREAS, the State of Ohio enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), effective on June 1, 2009; and

WHEREAS, UPMIFA lists several factors to consider in determining a prudent distribution from endowment funds; and

WHEREAS, the Treasurer of the University, with the concurrence of the Finance and Audit Committee and the Investment Sub-committee, has recommended these standards be incorporated into the policy as attached;

NOW, THEREFORE, BE IT RESOLVED THAT: the Board of Trustees approves the amended Endowment Spending Policy; and

BE IT FURTHER RESOLVED that this Resolution supersedes and replaces Resolution R2004-46.

**MIAMI UNIVERSITY
SPENDING POLICY**

The Trustees of Miami University recognize their fiduciary responsibility to manage prudently the funds that have been and will be given to the University's endowment. Spending from these funds is intended to benefit Miami University in perpetuity; therefore, the spending policy is intended to achieve a balance between the need to preserve the purchasing power of the endowment principal at the time of the donation and the need to maximize current distribution to support the programs designated by the contributors.

GOALS

The Trustees hereby reaffirm the following goals for the endowment spending distribution:

1. To preserve the charitable impact and intergenerational equity of donor funds in perpetuity.
2. To maintain a spending formula that protects the real value of the endowment principal, recognizing that maximizing endowment growth also maximizes distribution growth.
3. To strive for stability and predictability of distributed amounts from year to year, recognizing that a certain level of volatility is inherent in the endowment's investment policy.
4. To assure past and future contributors that donated funds are, and will continue to be, prudently managed to achieve and maintain the intended charitable impact in perpetuity.

SPENDING CALCULATION

Beginning with the fiscal year ending June 30, 2004, the weighted average spending formula will be used, and will 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 computed by multiplying the most recent market value of the investment portfolio by a long-term sustainable target spending percentage, which is expected to be between 4.00% and 5.00%. The resulting spending amount is weighted by 30% in the spending formula.

The inflation element is computed by increasing the prior year's actual spending distribution by a rate of inflation measure. The resulting spending amount is weighted by 70% in the spending formula.

Annually, the Vice President for Finance and Business Services and staff will evaluate the variables underlying the two elements of the formula, the market-based spending percentage and the inflation measure, and will develop annual recommendations as to the spending formula to be used for that fiscal year. Such recommendations will be presented to the Finance Committee and the Board of Trustees for approval.

The Board of Trustees shall consider these recommendations 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; and
7. The investment policy of the institution.

Resolution to Authorize the Spending of Dividends and Interest on Underwater Funds

Vice President Creamer reported that due to stock market conditions the past year there are a number of accounts that have had a reduction in value and are termed “underwater.” The value of an underwater account today is less than the value of the original gift. The practice has been not to spend any of the appreciation of the funds, but permission is being sought to spend any dividends or interest on the funds so that some funding will be available for the purposes stipulated by the donor.

Upon the recommendation of Vice President Creamer, Mr. Herche moved, Mr. Smucker seconded, and by voice vote Resolution R2010-6 was unanimously adopted with eight Trustees voting in favor and none opposed.

RESOLUTION R2010-6

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 2004-46 established a Spending Policy effective for the fiscal year ended June 30, 2004, and authorized such Policy to remain in effect until formally modified by the Board of Trustees; and

WHEREAS, Miami University Resolution 2004-46 also directed the Vice President for Finance and Business Services annually to 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, pursuant to Miami University Resolution R2009-16, the Spending Formula was adopted, without modification, for the fiscal year ended June 30, 2009; and

WHEREAS, Uniform Prudent Management of Institutional Funds Act (UPMIFA) was enacted in Ohio effective June 1, 2009, which permits more flexibility in institutional spending policies; and

WHEREAS, the University has opted to amend the Spending Policy for the fiscal year ended June 30, 2009; and

WHEREAS, the Board of Trustees, has considered the proposed Spending Policy, as amended, 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, 2009, 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, 2009 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, 2009.

If, however, the June 30, 2009 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.

Resolution to Adopt the Amended Non-Endowment Funds Investment Policy

Vice President Creamer reported that he and his staff have worked with the Investment Subcommittee to develop a new investment asset allocation strategy to decrease volatility of operating budget allocations from these funds. A conservative spending policy has also been developed, which did not exist in the past.

Upon the recommendation of Vice President Creamer, Mr. Crain moved, Mrs. Mitchell seconded, and by voice vote Resolution R2010-7 was unanimously adopted with eight Trustees voting in favor and none opposed.

RESOLUTION R2010-7

WHEREAS, the Board of Trustees of Miami University adopted Resolution R2002-40 on June 21, 2002, establishing the Non-Endowment Funds Investment Policy, subsequently amended the policy in Resolution R2003-39 on June 10, 2003, again in Resolution R2005-45 on June 17, 2005, and again in Resolution R2008-15 on December 7, 2007; and

WHEREAS, the Treasurer of the University, with the concurrence of the Finance and Audit Committee and the Investment Sub-committee, has recommended additional revisions to the policy as attached;

NOW, THEREFORE BE IT RESOLVED that the Board of Trustees approves the amended Non-Endowment Funds Investment Policy; and

BE IT FURTHER RESOLVED that this Resolution supersedes and replaces Resolution R2008-15.

NON-ENDOWMENT FUNDS INVESTMENT POLICY MIAMI UNIVERSITY

- A. All university funds derived from the sources enumerated in Ohio Revised Code 3345.05 (A) (hereinafter referred to as Non-Endowment Funds) shall for investment purposes be designated into one of three pools: 1) University's Operating Cash pool; 2) University's Core Cash pool; and 3) University's Long-Term Capital pool.
- B. The investment of Non-Endowment Funds shall be made with an average of at least twenty-five percent of the average amount of the investment portfolio over the course of the previous fiscal year invested in securities of the United States government or of its agencies or instrumentalities, the treasurer of the state's pooled investment program, obligations of this state or any political subdivision of this state, certificates of deposit of any national bank located in this state, written repurchase agreements with any eligible Ohio financial institution that is a member of the federal reserve system or federal home loan bank, money market funds, or bankers acceptances maturing in two hundred seventy days or less which are eligible for purchase by the federal reserve system, as a reserve.
- C. The investment of Non-Endowment Funds will be guided by the objective of earning market rates of return while accepting a low level of market risk. The

portfolio's asset allocation will be statistically modeled using historical and projected risk and return characteristics of the portfolio's asset classes. The portfolio will be constructed so that the statistical models project a 15% or lower probability of loss in any one year, and a projected one-year worst-case loss of 5% or less.

D. The investment allocation objectives and instruments of each pool shall be:

➤ Operating Cash

- Objective: To meet the day-to-day cash obligations of the University.
- Investments: Short-term U.S. Treasury and government agency securities, commercial and bank paper, and AAA-rated corporate fixed income securities, with an average weighted maturity of less than one year.

➤ Core Cash

- Objective: To provide a liquid source of funds in the event the Operating Cash pool is insufficient to meet the University's cash needs.
- Investments: Intermediate-term fixed income investments in U.S. Treasury and government agency securities, corporate fixed income securities rated A or better, and commercial and bank paper, with an average weighted maturity of between one and five years.

➤ Long-Term Capital

- Objective: To optimize earned income on long-term funds which would be expended by the University in the unlikely event of severe financial exigency.
- Investments: The primary determinant of allocation will be the risk parameters established in paragraph C.

E. Asset allocation target ranges will be:

Operating Cash: between two and six months of projected cash needs.

Core Cash: between two and six months of projected cash needs.

Long-Term Capital: funds in excess of the amounts needed for operating and core cash purposes.

F. Rebalancing may occur at the discretion of the Treasurer, as conditions dictate.

- G. The Board of Trustees' Finance and Audit Committee shall serve as the Investment Committee required by Ohio Revised Code 3345.05. The Committee may retain the services of an investment advisor who satisfies the requirements of Ohio Revised Code Section 3345.05 (D) (1) and may delegate implementation of this policy to an investment subcommittee comprised of Board members and university employees. The Investment Committee shall report at least semi-annually to the Board.
- H. All fiduciaries are required to discharge their duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

Resolution to Adopt the Amended Non-Endowment Funds Annual Expenditure Policy

Upon the recommendation of Vice President Creamer, Mr. Wilks moved, Mr. Crain seconded, and by voice vote Resolution R2010-8 was unanimously adopted with eight Trustees voting in favor and none opposed.

RESOLUTION R2010-8

WHEREAS, Miami University receives and manages tuition, fees, subsidies, grants, and other sources of funds and working capital in its non-endowment fund; and

WHEREAS, the Board of Trustees desires to use these funds to support University operations and establish reserves; and

WHEREAS, the goal of the non-endowment fund is to earn market rates of return while accepting a low level of market risk, as set forth in the non-endowment investment policy; and

WHEREAS, the University sets an investment earnings goal each fiscal year as part of its non-operating revenue budget; and

WHEREAS, the University has established a reserve for investment fluctuations to help offset short-term capital market fluctuations;

NOW, THEREFORE, BE IT RESOLVED THAT: Effective for the fiscal year beginning July 1, 2009, the Board hereby adopts the following Non-endowment Funds Annual Expenditure Policy as its method for computing the investment earnings budget, establishing the reserve for investment fluctuations, and planning for surplus earnings. This Policy will remain in effect until formally modified by the Board of Trustees.

**MIAMI UNIVERSITY
NON-ENDOWMENT FUNDS ANNUAL EXPENDITURE POLICY**

- A. The annual investment earnings derived from the Miami University Non-Endowment Fund contribute to the university's non-operating revenues budget. The underlying investments are guided by the Non-Endowment Funds Investment Policy.
- B. Since it is inherently difficult to accurately budget the annual level of dividends, interest, and realized and unrealized capital gains and losses, the University instead shall rely upon an annual spending policy.
- C. A reserve for investment fluctuations will be maintained in order to buffer the portfolio from short-term capital market fluctuations. The target balance of the reserve for future investment fluctuations is three years of budgeted Non-Endowment fund investment earnings.
- D. Each year, the University budget office shall budget investment earnings as 3.50% of the average of the last 4-quarter balances of the total Non-Endowment Fund as of March 31. If the balance of the reserve for investment fluctuations is less than the budgeted amount of investment earnings, then the investment earnings budget target rate of 3.50% shall be reduced by up to 1.25 percentage points.
- E. Any earnings in excess of this budgeted level shall be allocated as follows:
 - a. If the reserve for future investment fluctuations is below its target balance (as described above), then 100% of the surplus earnings shall be used to replenish this reserve, until it reaches the target balance;
 - b. Once the reserve for future investment fluctuations target is attained,
 - i. 50% of the remaining surplus shall be allocated to the University Education & General fund (E&G) to be applied to projects as approved by the Finance & Audit Committee of the Board of Trustees
 - ii. 50% of the remaining surplus shall be retained in the Non-Endowment Fund with the intention of growing the total fund balance
- F. In the event the earnings are short of the budgeted amount, the difference shall be drawn from the reserve for investment fluctuations.
- G. This policy shall be reviewed on an annual basis.

Resolution Authorizing a Lease Agreement for a Middletown Campus Cell Tower

Vice President Creamer reported that this lease agreement will address two difficulties on the Middletown Campus. The first situation is poor cell phone coverage on the campus, and the second is a lack of redundancy for the network tied into Miami's and the state-wide network. Dr. Creamer stated that there will be no cost to the University and that a small lease payment will be made. Additionally, the aesthetics of the Middletown Campus will not be adversely affected.

Upon the recommendation of Vice President Creamer, Mr. Smucker moved, Mr. Herche seconded, and by voice vote Resolution R2010-9 was unanimously adopted with eight Trustees voting in favor and none opposed.

RESOLUTION R2010-9

WHEREAS, the Miami University Middletown Campus has certain areas where cell phone reception is weak or non-existent; and

WHEREAS, Miami University has determined that locating a cell phone tower on the Middletown Campus is the best way to augment the cell phone coverage; and

WHEREAS, Miami University sought proposals from cell phone companies for the location of a cell phone tower on the Middletown Campus; and

WHEREAS, it was determined that Cincinnati Bell Wireless, LLC provided a proposal which was acceptable to the University; and

WHEREAS, as part of the proposal, Miami University will be required to lease a portion of its Middletown Campus to Cincinnati Bell Wireless, LLC for the location of the tower.

NOW, THEREFORE, BE IT RESOLVED: that the Board of Trustees hereby authorizes the Vice President for Finance and Business Services to enter into a Lease Agreement with Cincinnati Bell Wireless, LLC which includes: (i) a term not to exceed fifteen years with two renewable terms of five years each, (ii) a monthly rent of at least \$800.00, and (iii) such other commercially reasonable terms that the Vice President for Finance and Business Services deems appropriate.

**Resolution Authorizing Award of Contracts for the Western Steam Loop
Connections Project – Phase 3**

Vice President Creamer reported that funds have been appropriated by the State of Ohio for this infrastructure project, and no local funds will be used.

Upon the recommendation of Vice President Creamer, Mr. Smucker moved, Mr. Herche seconded, and by voice vote Resolution R2010-10 was unanimously adopted with eight Trustees voting in favor and none opposed.

RESOLUTION R2010-10

WHEREAS, the Western Steam Loop Connections – Phase 3 project involves the continuation of the utility tunnel along Western Drive including the upgrade of steam and condensate lines; and

WHEREAS, Miami University has identified state and local funds in the amount of \$2,200,000 for the Western Steam Loop Connections – Phase 3 project; and

WHEREAS, the \$2,200,000 budget includes a cost of construction estimate of approximately \$1.85 million; and

WHEREAS, the State of Ohio allows contracts to be awarded up to 110% of the construction estimate necessitating a bid variation contingency of \$185,000 in addition to the \$1.85 million construction budget; and

WHEREAS, the design is being completed and receipt of bids is planned for November 2009; and

WHEREAS, the Board of Trustees desires to award contracts to the lowest responsive and responsible bidders;

NOW, THEREFORE, BE IT RESOLVED: that the Board of Trustees hereby authorizes the Vice President for Finance and Business Services and Treasurer, with the concurrence of the Board Chair and the Chair of the Finance and Audit Committee, in accordance with all State guidelines, to proceed with the award of contracts for the Western Steam Loop Connections – Phase 3 project with a total construction budget not to exceed \$2,035,000.

Resolution Authorizing Furlough Policy

Vice President Creamer reported that as part of the State budget bill passed in July, language was included to authorize Boards of Trustees to create furlough policies. He stated that the on-campus governance structure had been consulted to help develop the policy. Dr. Creamer reported that at this time, there is no intent to implement the policy. However, he stated that it is prudent to have such a policy in place in the event the University's financial situation warrants use of the policy.

Upon the recommendation of Vice President Creamer, Mr. Crain moved, Mr. Wall seconded, and by voice vote Resolution R2010-11 was unanimously adopted with eight Trustees voting in favor and none opposed.

RESOLUTION R2010-11

WHEREAS, Section 371.70.20 of Amended Substitute House Bill No. 1, of the 128th General Assembly, provides that “The board of trustees of any state institution of higher education, notwithstanding any rule of the institution to the contrary, may adopt a policy providing for mandatory furloughs of employees, including faculty, to achieve spending reductions necessitated by institutional budget deficits”; and

WHEREAS, even though the budget adopted by the University for the current fiscal year will not require a furlough absent some unforeseen economic event, the Board of Trustees of Miami University believes it is better to have such a policy and not need it than to need one and not have it; and

WHEREAS, the Board of Trustees of Miami University recognizes that the President of Miami University, after consultation with University governance groups, should have the authority to determine if and when mandatory employee furloughs, including faculty, are necessary;

NOW, THEREFORE, BE IT RESOLVED: The Board of Trustees hereby adopts and approves the Furlough Policy as attached.

Furlough Policy

In the State of Ohio’s 2009-2011 Biennial Budget, the General Assembly provided: “the board of trustees of any state institution of higher education, not withstanding any rule of the institution to the contrary, may adopt a policy providing for mandatory furloughs of employees, including faculty, to achieve spending reductions necessitated by institutional budget deficits.” (Section 371.70.20 of Amended Substitute House Bill Number 1)

The University’s long term financial stability depends on the ability to balance the operating budget each fiscal year. A “significant operating budget deficit” is defined as a documented substantial decline in the financial resources of the institution that is brought about by a reduction in state funding, loss of revenue from endowments or investments, decline in institutional enrollment or by other action or events that compel a reduction in the operating budget.

The Fiscal Priorities Committee of University Senate, the Chair of the Classified Personnel Advisory Committee (CPAC), the Chair of the Unclassified Personnel Advisory Committee (UPAC) and Chair of Senate Executive Committee shall be consulted before a determination is made that a significant operating budget deficit exists and that a furlough is required. Consultation shall be understood to be a substantive opportunity to provide feedback before a determination is made. Fiscal Priorities shall report its determination to University Senate. University Senate shall be afforded an opportunity to respond within the time frame set by the President. The time frame set by

the President shall not be less than fourteen days (14) from the date the issue was first presented to the Fiscal Priorities and Budget Planning Committee.

If, after consultation, the President reasonably believes the University is facing a significant operating budget deficit, a furlough may be implemented. This policy, supersedes all other University policies and applies to all employees regardless of source of funds, place of work or appointment terms or status, including faculty, unclassified administrative staff, and non-bargaining unit classified staff*. A furlough may be implemented upon 30 days advance written notice to affected employees.

Employees may not be furloughed for more than 20 working days in any fiscal year. Furloughed employees may be required to take up to 5 consecutive working days or 40 consecutive working hours off without pay. The President or the President's designee (s) will engage in timely and substantive consultation with the Executive Committee of Senate, Senate and the leadership of the Unclassified and Classified Personnel Advisory Committees in planning for the implementation of a furlough. Consultation may, by necessity, require intense and limited periods of time for planning.

Scheduling of furlough days or portions of days shall be the responsibility of the President or the President's designee(s) but in no event will the University close completely. Furloughs may be implemented on a differential, intermittent or staggered basis based on pay/salary level, employee classification or nature of appointment. For example, furloughs may take into account the essential operating and safety needs of the University, the availability of designated federal funding or income generated by the division, department, unit, or program. Days that the University is normally closed or days that may not normally be work days for certain groups of employees (i.e., Spring Break and the week between December 25 and January 1) may be designated as furlough days.

Employees may not use accrued paid leave during periods of furlough. The University may allocate the employees' reduction in pay over the balance of the fiscal year for payroll purposes regardless of the pay period within which the furlough occurs.

- Health care, dental care and life insurance benefits will not be affected by a furlough.
- Employees will continue to accrue vacation and sick leave during a furlough.
- Retirement contributions (by both the employee and the University) will be affected by furloughs as contributions are based on actual earnings.
- The employee remains responsible for making all employee contributions (i.e., Health care, dental care, Flexible Spending Accounts, and 403(b) contributions) and all miscellaneous authorized deductions (i.e., credit union, charitable contributions, university payments.)
- An employee's continuous Miami service, review date, and employment status will not be affected by any period of mandatory furlough.

*Classified staff represented by the AFSCME bargaining unit will follow Article 20 of the Collective Bargaining Agreement which provides for furloughs up to 120 days.

Report by the President of Associated Student Government

Jonathan McNabb, President of Associated Student Government (ASG), thanked the Board for meeting with the Associated Student Government leadership. He described the conversation as thoughtful and engaging, and he stated that he hoped the Trustees could see how students are helping students at Miami on a day-to-day basis and working to set the vision for the future.

Mr. McNabb reported that the ASG cabinet has developed a four-year vision based upon five of the strategic goals established by the University in 2008. Mr. McNabb stated that he wanted to emphasize two of the goals in his remarks to the Board. The first goal is improving the undergraduate experience at Miami. This year the focus is upon recruitment, retention, and financial issues for students. He expressed concern about the increase in tuition approved by the Board, which will make it difficult for many students and their families. However, he noted that in his research of the University's budget he understands the need to raise tuition in order to maintain programs and services for students. Mr. McNabb commented that increases in tuition should be accompanied by added value for students on a day-to-day basis, and he expressed that he thought that was happening now and would continue into the future.

Mr. McNabb stated that the second goal to share with the Board is the hope that the Bicentennial Student Center is viewed as one of the highest priorities of the institution. He commented that students continue to be very supportive of the project. Last year the Senior Legacy Campaign raised over \$90,000 for the Student Center. The year before the Senior Legacy Campaign raised \$17,000 for a funded scholarship. Mr. McNabb stated this was an example of the level of engagement students feel for the Student Center project. Mr. McNabb noted that many students are concerned about how the project will be funded. He stated that work will be done this semester to develop a strategy for students to take an active role in financing the project, and he hoped to report back to the Board at its December meeting regarding progress on this initiative.

Student Trustee Reports

Student Trustee Heath Ingram's report is recorded verbatim.

Thank you Mr. Chairman. It is, as always, a privilege to be able to address this Board again after being abroad for the summer. Since I did not have the opportunity to do so in June, I want to personally welcome Mr. Lieberman, Mrs. Mitchell, and Ms. Bullinger to the board. I am looking forward to working with all of you in the future. I would like to take a few moments and share two of my experiences with our study abroad programs and remark on the excellent job that our institution does at helping students study abroad.

As you may know, Miami offers alternative spring break programs in which students can apply for. This past spring break I was in the Eastern Caribbean doing

research on the small island nation of Dominica with Dr. Thomas Klak from the Geography Department and Dr. Charlie Stevens of the International Studies Department. Dominica is one of the few islands left in the Caribbean that has been able to retain its natural rain forest habitat and has remained largely untouched by modern tourism. It is said that Dominica is the only island Christopher Columbus would recognize today. While in Dominica I studied their country's local government system and I looked at how such a small island nation can operate itself with such limited resources. I then took my findings and compared them to the United States and tried to find ways to increase the efficiency and effectiveness of our local government system here. My peers conducted research on subjects such as the diverse wildlife, the health care system, and nutrition. An interesting fact is that Dominica has a population of just under 70,000 people, 21 of which are over the age of 100. Many Dominicans live long and healthy lives and this is likely due to the wide availability of fresh food and the mountainous island provides plenty of exercise. This was a phenomenal program and I greatly enjoyed the opportunity to participate.

I continued to expand my knowledge of our world by spending the summer at the Miami University Dolbois European Campus in Luxembourg commonly referred to as MUDEC. This was nothing short of a life changing experience. I am convinced that the strength of our program not only comes from the small, and excellent MUDEC staff, but also from community support. As I spoke with local business owners and residents it became clear to me that our friends in Luxembourg enjoy the multicultural exchange Miami students bring. Although I am sure they had a difficult time understanding my excellent French speaking skills – I certainly got the message that Miami's presence is a valued one in the small, proud nation. As an alumnus I will certainly be interested to see how our new Dean Dr. Thierry Leterre continues to improve the program.

Overall, our institution does an excellent job providing students with opportunities to study abroad. Alternative spring break programs, our campus in Luxembourg, trips to China, Africa, Latin America, our Pacific Rim program, and many others will all continue to distinguish Miami from our competition and attract quality students to Oxford. These are all programs that we can be proud of.

I would like to briefly reinforce a few points that our Student Body President spoke about earlier. The first is the Bicentennial Student Center. I cannot convey how excited I am for the future of this building and what it will mean for student life on Miami's campus. For years students have been calling for the construction of a student center as they recognized the reality that we need a focal point of student life and activity on our campus. Students today still see the need for this building and I very happy that President Hodge and the administration remains supportive of its construction. During my time left at Miami I will certainly do all that I can to ensure that the building is done right and includes all of the things students desperately need to remain competitive with our peer institutions in the state and across the nation.

As Jonathan said, an increase in tuition will give students and families pause, however, I encourage the administration to continue to be as transparent as possible about the budget process and communicate to students why it is so important that we raise our tuition. I commend the University for deciding to wait until Summer Term I to institute the tuition increase and giving families time to plan for it.

As we continue to navigate through our financial strain, I remind the Board and the administration to keep the student experience at the forefront of your minds when making decisions. We all know that Miami is dedicated to educating outstanding students. I am positive that as long as we are committed to making the best decisions on behalf of the students, then Miami will continue to be a unique institution that attracts high achieving young people from across the country and produces graduates of excellent quality.

Student Trustee Lindsey Bullinger's report is recorded verbatim.

First of all, I would like to support everything that both Jonathan and Heath have said, especially concerning the Bicentennial Student Center. I will keep it short, but I just want to add my support for this building, and acknowledge the difference a building like this could and will make on our campus.

Like Heath, I, too, have taken advantage of our alternative spring break programs with a trip to El Salvador my first year. While in El Salvador, I had the opportunity to volunteer in orphanages and throughout several communities. My favorite thing about this country was the people; everyone was so happy, friendly, and welcoming, which definitely helped in making this week one of the best of my life. It is programs such as this one, and other abroad activities, that make Miami students stand out from the rest, and I would also like to commend our Office of International Education for this.

Nearly all of you have returned to campus recently, including today, and I hope you have noticed the great energy of the first few weeks of the school year. Besides the energy that new first year students and a new school year in general bring to the fall, something else that nearly 25 percent of our students are currently preparing for is Greek Week. This week, although really two weeks, begins October 1 and is filled with physical competition ranging from speed pyramid to swimming to a group dance. Each Greek organization that participates earns points as they succeed in each individual activity. The highest point earner is named the winner. To those participating, the end result is the most important, but to everyone on campus, this week adds an energy that is very much noticed and appreciated, especially right around midterm time when an energy boost is precisely what we students need.

On a different side of competition, I have been spending a lot of my time recently on the NCAA Re-certification process. This self-study takes two years to complete and happens every ten years. The purpose of this study is to open up affairs of athletics to the university community and the public and to set standards for operating an NCAA Division 1 athletic program. I began my tenure as assistant chairperson for this process in June. Throughout the rest of the summer, the Chairperson and I finalized the steering committee, subcommittee chairs and subcommittee members. We officially kicked off on September 1st with an orientation videoconference with our NCAA staff liaison. Right now, we are interviewing student-athletes and collecting other data, a lot of data.

This is just one more way that Miami shows it is dedicated to its students and to making their undergraduate experience the very best undergraduate experience possible.

Other Business

Board Chair John Christie appointed a nominating committee for the purpose of nominating a slate of Board officers for calendar year 2010. The Chair charged the committee with developing a slate of Board officers and nominations for two representatives to the Miami University Foundation Board and presenting their recommendations to the Board at the December 11, 2009 Board meeting. Kay Geiger was appointed chair of the nominating committee, and Fred Wall and Dennis Lieberman were appointed as members.

Mr. Christie also appointed Sharon Mitchell to the Finance and Audit Committee and the Investment Subcommittee. Mr. Christie appointed Dennis Lieberman to the Academic/Student Affairs Committee.

Mr. Henderson commented upon the controversy at the University of Illinois regarding admissions practices and suggested that the Academic/Student Affairs Committee review Miami University policies and procedures.

Vice President Reports

Written reports were submitted by the following Vice Presidents:

- Jayne Whitehead, Vice President for University Advancement, Attachment C
- Debra Allison, Interim Vice President for Information Technology, Attachment D

Executive Session

At 12:35 p.m., upon recommendation of the Chair, Mrs. Mitchell moved, Mr. Crain seconded, and by roll call vote the Board convened to Executive Session for the purpose of considering the evaluation and appointment of officers of the university, as provided by the Ohio Open Meetings Act, Revised Code Section 121.22.

At 1:15 p.m. the Board adjourned the Executive Session, and with no other business coming before the Board, a motion was duly made, seconded, and by voice vote the meeting was adjourned.



Stephen D. Snyder
Secretary to the Board of Trustees

Attachment A

Pathways to Student Engagement and Success



Orientation

- Four C's - Confident, Comfortable, Connected, Curious - the goals of attending orientation
- 98% of students responded that orientation made them more confident in their decision to attend Miami
- 99% felt more prepared for their first year
- 95% said they plan to attend faculty office hours - up from 70% a year ago
- 90% responded that they plan to attend campus events

Orientation Individual Advising



- 96% of students felt their advisor took a genuine interest in their academic plan
- 89% of faculty advisors preferred individual advising over group advising
- “The advisers are so helpful. All of my questions were answered and I even got suggestions for classes I would not have looked at otherwise.”
- “I learned first hand that professors really want to help you.”

Orientation

Reflection and Goal Setting

- Students and parents engaged in written reflection four times during orientation day 1
- 65% of students said the reflection questions made them think about their transition to Miami in a way they had not considered before



Orientation

Examples of Academic Goals

- "To do well in school, learn about myself and the world in which I live. I want to explore different views of life through a diverse group of people."
- "To utilize all the options that Miami has for extra help."



Orientation

Examples of Co-curricular Goals

- “I want to step out of my comfort level and really find myself.”
- “To get involved in two things I would have never done in high school.”
- “To learn how to play broomball.”



Insert involvement video

First Year Institute

- Over 3,000 first year students participated in an icebreaker exercise facilitated by 220 upper class leaders representing 71 student organizations and President Hodge
- MADE@Miami (Mentoring, Achievement, Diversity, and Excellence) supports 210 international students, 200 multicultural students, and 160 students entering under the Miami Access Initiative
- 500 students participated in a Broomball Clinic
- Kick off for 30 Living Learning Communities

First Year Institute

- Students were introduced to the Rinella Learning Center which annually serves over 6,000 students, provides 20,000 hours of tutoring and supplemental instruction, and offers workshops for over 1,000 students
- Approximately 135 faculty and staff led student reading groups for the summer reading program “What Learning Leaves” by poet Taylor Mali who was the featured speaker at the opening convocation

Health and Wellness Student Health Services

- 20,000 visits annually
- 1,500 immunizations
- Accredited by Association for Ambulatory Health Care
- Collaborated with faculty to translate health care documents for Chinese students.



Health and Wellness Student Counseling Services

- Over 7,000 sessions with 1,224 students
- 100 medical withdrawals for psychological reasons - 75 returned to school
- 50% of clients indicated improved academic performance after using services
- 30% of clients said the services prevented them from leaving school
- Accredited by the International Association of Counseling Services

Health and Wellness

Office of Health Education

HAWKS Peer Health Educators

- Presented 50+ programs to over 1,200 students on health topics related to academic success and wellness
- Conducted 9 campus-wide awareness campaigns on alcohol, stress, sexual health, relationships, breast cancer, AIDS, cold/flu prevention
- Trained 45 Greek student leaders for the Alcohol Skills Training Program



Second Year Experience

- This is the first year of implementation with 3,085 residence hall students and 270 students living in fraternities
- This is the first time an institution of Miami's size is implementing a program for the entire second year class

Second Year Experience - Career Exploration/Commitment to Majors

- Career workshops exploring interest areas
- Strengthsfinder Assessment and workshops
- Faculty roundtables on majors and career opportunities
- Mentoring opportunities Farmer School of Business



Students interact with faculty and staff in residence halls.

Second Year Experience

Connected Academic Experiences

- Students will create their own learning communities based on academic interest areas
- Study abroad learning opportunities explored



Second Year Experience - Health and Wellness

- Increased wellness programming
- Healthy life choices
- Alcohol awareness
- Sense of self



Second Year Experience - Local and Global Citizenship

- Community service programming using student EMPOWER group
- Transition to the Oxford community
- Fraternity responsibility to the community
- Exploration of social justice, power and privilege
- Development of their own community standards within the living unit



Student Organizations and The Engaged Student

- Approximately 85% of students participate in co-curricular activities
- 50% spend over six hours a week engaged in activities
- 18% of first year students and 14% of seniors spend 16 hours a week or more



Student Organizations Service



- By the time they are seniors, 74% of students have participated in community service or volunteer work
- The Greek community volunteered 43,600 community service hours and raised \$265,000
- America Reads and Adopt a School offered 10,120 hours a semester in tutoring services, equates to a dollar value of \$194,441
- Miami on the U.S. President's Honor Roll for Service

Student Organizations - Leadership

- 70% of students participate in leadership programs
- More than 1,000 students have participated in the nationally recognized LeaderShape program in the last decade
- 60 Scholar/Leaders provide leadership workshops for high school and college students



Student Organizations - More than 350 Clubs and Organizations

• Academic	100	Career Related	29
• Cultural	39	Fine Arts	12
• Governmental	8	Grad Student	3
• Greek	52	Honorary	8
• Military	1	Programming	5
• Publications	3	Religious	15
• Service	16	Special Interest	18
• Sports Clubs	45		

Insert hearin video

Career Services Internships

- 660 internship opportunities with 416 employers in 2008-2009
- 2,014 students registered for the internships services - up 18%
- 1,493 internship interviews conducted
- By senior year, 68% of students have participated in some form of practicum, internship, field experience, co-op or clinical assignment

Career Services



- 1,128 career exploration and testing opportunities were used by students - an increase of 7%
- 5,027 interviews conducted on campus
- Recruiter-cited characteristics that distinguish Miami students from students at other schools included professionalism, preparation, strong academic program, and well-roundedness

Career Services - New Career Programs

- Mandatory orientation program for students participating in on-campus interviews
- Developed Miami linked-in.com site more than 8,000 students and alumni now networked
- Merger of career exploration and career services





Attachment B

As we have previously stated, the Friends of Miami University Hamilton support all Miami University endeavors, but our special concern is the stability and future of Miami University Hamilton.

MUH has been a priceless asset to Hamilton, Fairfield and the surrounding area for more than 40 years.

President Hodge has said that Hamilton is "quite resistant to change."

To the contrary, the Friends of MUH aren't against change. The group supports positive changes that will enhance and expand the many beneficial services of MUH.

The Friends of MUH aren't opposed to a regional campus plan -- one that will continue and improve the effectiveness of MUH. However, the group isn't ready to endorse a plan that hasn't been adequately explained to the MUH community.

We suggest that the board of trustees and the university administration take a closer look at the regional campus recommendations.

We urge that more consideration be given the views of citizens of the Hamilton-Fairfield community before enacting changes at Miami Hamilton.

The regional campus report was released in March -- six months ago -- and the MUH community is still waiting for a full explanation of its implications for Miami Hamilton.

Jim Fitton and Jim Blount, co-chairs
Friends of Miami University Hamilton

Contact information:

Jim Fitton, 719 Sanders Drive, Hamilton, Ohio 45013 -- phone 513-737-6388

Jim Blount, 1424 Cotswold Lane, Hamilton, Ohio 45013 - phone 513-863-7071

Attachment C

To: Board of Trustees

From: Jayne E. Whitehead

RE: September 18, 2009 Report

The summer of 2009 was an active one for University Advancement. At our last meeting I was able to report the preliminary results of Alumni Weekend 2009. I am pleased to report that we can now confirm the largest number of attendees ever recorded with 4,188. In 2008 we had 1,949 attendees and 2,588 attended in 2007. So this is obviously a significant increase. I noted at the last meeting we had 1,087 couples renewing vows at our Merger Moment and that this single event garnered much national attention. We have noted more than 20 news stories including a USA Today article. I reported that we had 2,200 attend the Saturday night MiamiFest but in reality we had more than 2,500 attendees – this compares to 1,350 the year before. We enrolled 180 new alumni association members compared to 33 in 2008. We sold \$21,000 in merchandise compared to less than \$10,000 in 2008. Our efforts to engage younger alumni paid off. For the first time ever, our five and ten year classes out-performed all other classes in attendance, in large measure due to expanded social networking marketing efforts. We also saw significant growth in constituent programs as 33 group events and open houses were hosted – compared to 16 last year.

In addition, we have brought Miami to eight cities with our Bicentennial Tour. These events have been very well received and we have had more than 1500 in attendance. We plan on touring an additional 8 cities with New York and Washington, DC in the next two months. The events have provided a strong regional response, again, far better than we have seen in recent years.

I reported in June that we expected to see decreased giving numbers as we prepared to close the fiscal year. Indeed we saw a decrease in cash giving and ended the year with \$27.3 million. The end of the year numbers concluded with the predicted decrease of bequests to \$6 million from \$9.2 million in the prior year. We ended the year with the expected decrease in gifts of appreciated securities of \$871,000 compared to \$2.2 million in the prior fiscal year. In addition, 2008 included a \$6.5 million life estate gift that was not repeated. The good news we can report is that gifts by check held reasonably steady with \$12.8 million received vs. \$13.8 million in the prior year and gifts by credit card likewise remained reasonably stable with \$1.5 million this year vs. \$1.8 million in the prior year.

The Campaign for Love and Honor currently stands at \$360.7 million. While growth slowed in number of commitments, the largest decrease was in the category of gifts of \$1 million and

above, which showed a decline of 90%. Gifts under \$1 million experienced a less significant 16% decline in growth. We are implementing a careful autopsy on programming to determine areas which did not weather the economic challenges well and as noted below have established aggressive goals for next year.

There are strong signs of recovery in giving as evidenced by the Annual Fund. The 2009 calendar year Miami Fund and Bicentennial Student Center giving are producing numbers similar to last year's with \$847,000 year to date compared with \$849,000 at the same time last year – pre-economic impact. The number of donors is tracking ahead of last year by 4.5% with 7,870 compared to 7,524 last year. The Parent's Fund is running 16% ahead in dollars and 19% ahead in donors. Red and White Club is running 48% ahead in dollars and 17% ahead in donors.

While it is early in the fiscal year there are additional signs of recovery. Thus far Miami Fund dollars are 4% ahead of last year and 20% ahead in donors. The Parent's Fund is 51% ahead in dollars and 79% ahead in donors. We have seen decreases in some dean's fund appeals – primarily due to their desire to solicit electronically to save costs. These appeals yielded significantly reduced responses. Overall annual fund dollars are about 7% ahead of last year.

Although it is early to make predictions about philanthropic support in FY 2010 there are indications some recovery may be forthcoming and goals have been established for the year to support the needs and priorities the university is facing. We have established a goal of \$35 million in cash giving and \$80 million in campaign support.

Attachment D

Debra Allison Report to Board of Trustees
September 18, 2009

My report to you this quarter finds the division of IT Services at a crucial crossroads. Following a budget cut of 11 percent in Fiscal Year 2009, including a loss of 22 positions, we are now facing additional cuts for Fiscal Year 2010 and Fiscal Year 2011 that will result in a 20 percent total reduction in staff. But we hear the clear call that President Hodge has issued to keep our sights focused on the future and to continue to strategically invest in the future of Miami.

While the position eliminations capture the headlines in the local press, the IT staff has been finding creative ways to reduce ongoing costs and limit the cost of new services. One strategy that has yielded success recently, and shows promise for more in the future, is strategic contract negotiations with outside vendors. While we have always sought the best price possible, in compliance with university purchasing, we are taking that practice one step further.

Working with a service provided by our information technology research consulting firm, an additional \$43,178 was saved on the original bid for the server virtualization and consolidation project. By partnering with a major print vendor we are working to renegotiate an equipment lease, with initial efforts projecting over \$71,600 in annual savings while still providing appropriate capacity to meet the university's needs. As the Voice over IP project rolled out new phones to all university offices, the project worked with our vendor partners, adjusting the specific equipment needs to the realities discovered in the deployment as departments removed more phone lines than anticipated in the business plan. And, taking a statewide approach, we served on a committee that worked with the provider of our ERP system to leverage the statewide use of the product to gain limited term price concessions.

These changes in how we do business echo the changes in how IT Services is working together as an organization. Last spring I reported that we anticipated enacting the first phase of our organizational realignment by July 1. I am happy to report that we were successful in meeting that deadline. The top level of IT management has been reduced by three positions, due to retirement and position elimination. The responsibilities of those three positions have been redistributed among the remaining six members of the Leadership Team.

But more exciting has been the development of a new body we call the Extended Leadership Team, comprised of the leadership team's direct reports. This group, although it has only been meeting for a few weeks, has already demonstrated that it will be an important component in realizing the vision set by the external review team of a more matrix-like organization where decision making happens at all levels and communication flows appropriately.

Additionally, a series of Communities of Practice are being formed to tackle specific, long-term issues such as the establishment of best practices, effective communications, and professional development. These groups pull from all levels of the organization, recognizing that good ideas are not limited to the leadership and that cultural change is best led from within.

If I sound optimistic, it is because I am. While the budget cuts are taking a serious toll on our division and we hear complaints about eliminated or reduced services,

ultimately this period in our history will result in a stronger and leaner IT organization with a sharper focus. This year we are undertaking a new strategic planning process. (The last strategic plan was written in 2004.) We are looking forward to enhanced partnerships within the University and beyond, as we strive to advance Miami's strategic goals.