

THE OHIO STATE UNIVERSITY
OFFICIAL PROCEEDINGS OF THE
ONE THOUSAND THREE HUNDRED AND TWENTY-NINTH MEETING
OF THE BOARD OF TRUSTEES

Columbus, Ohio, March 7, 1997

The Board of Trustees met at its regular monthly meeting on Friday, March 7, 1997, at The Ohio State University Fawcett Center for Tomorrow, Columbus, Ohio, pursuant to adjournment.

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Minutes of the last meeting were approved.

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March 7, 1997 meeting, Board of Trustees

The Chairman, Mr. Wexner, called the meeting of the Board of Trustees to order on March 7, 1997, at 10:30 a.m. He requested the Secretary to call the roll.

Present: Leslie H. Wexner, Chairman, Alex Shumate, Theodore S. Celeste, George A. Skestos, David L. Brennan, James F. Patterson, Zuheir Sofia, Tamala Longaberger Kaido, Holly A. Smith, and Mark Berkman.

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PRESIDENT'S REPORT

President Gee:

Ladies and gentlemen, welcome, we are honored to have all of you here today. February brought several distinguished guests to our campus and as a part of our closing ceremonies of the United Black World Month, former surgeon general of the United States, Dr. Joycelyn Elders, addressed a student audience.

Last week the 1996 Wexner prize was presented to film director, Martin Scorsese. Mr. Scorsese's engaging manner and insightful comments about the Arts and, in particular, I might note, the film industry certainly confirmed the wisdom of the international arts advisory committee selection. The Wexner prize, by the way let me remind all of you again, honors creativity and risk taking in the arts and these qualities surely are reflected in Mr. Scorsese's body of work.

Joining us for the festivities was Roger Ebert, film critic for the *Chicago Sun Times* and a nationally respected authority on the movies. I want, particularly, to note the opportunities that will range for students to interact with our guests. These lively discussions were a highlight and are an important part of the Wexner prize program.

Not the least among our distinguished guests this month were the over 1,000 academically gifted seniors who were invited to compete for 100 of our most prestigious scholarships. Each invited student is in the top three percent of his or her high school class and has already received a \$1,200 scholarship from Ohio State. Based on their performance in the essay competition: 10 will be presidential scholars with virtually all expenses paid for four-years; 30 will win full tuition scholarships; and 60 will be awarded one-half tuition scholarships.

The number participating in this competition continues to grow as more high ability students seek admission to Ohio State. We honored 150 of our most outstanding current undergraduate students this month at the salute to academic achievement. This is a wonderful occasion because students invite a faculty member who has been especially important in their own development. This results in a very diverse group, some very senior faculty and other relatively new to the university.

Garth Robbins, our 1997 Marshall Scholar, spoke on behalf of the students. He particularly emphasized the value of undergraduate research in his education and he encouraged us to increase those opportunities as a part of the student experience.

Another of our students earned an exceptional international distinction this month. Blaine Wilson, a senior gymnast and U.S. Olympian, won the all-around championship of the American Cup International Gymnastics meet a week ago. Our men's gymnastics team continues its number one ranking as they prepare to defend their national championship title. I might just note, Mr. Chairman, that Blaine Wilson won that particular Olympic event by a point and a half, which is the largest score that any gymnast has ever won and he won it over the number one world-ranked Chinese gymnast, so that is fabulous.

PRESIDENT'S REPORT (contd)

President Gee: (contd)

We had the opportunity to showcase our exceptional men's glee club and the university concert band at a performance in Cleveland Severance Hall. As the director said, before the concert, "these students playing in beautiful Severance Hall is like playing in the Rose Bowl," and believe me, they gave a championship performance for a sold out audience. If you think it was a high pressure event for the students, it was nerve racking for me as I did the narration on Copeland's Lincoln portrait. The concert was also carried live on WCLV radio in Northern Ohio.

The audience included a number of our Cleveland area young scholars, newly admitted students, and, of course, many of our alumni and friends. It was a wonderful, wonderful night for the university and an event that I hope that we can duplicate in other major cities.

I am pleased to report that a number of our graduate programs fared well in the recent *U.S. News and World Report* Survey of Graduate Programs. It comes as no surprise that for the third year in a row our College of Education ranks in the top 10 finishing 7th; the College of Pharmacy program ranked 7th; the College of Veterinary Medicine ranked 8th; and the College of Public Health Master and Health Sciences Administration is 11th. The College of The Arts' ceramic specialty program and the College of Business' real estate program ranked in the top 5 in the country. Ranked 15th was the College of Medicine's Primary Care Physicians Program. The Fisher College of Business rose to 22nd from 28th last year, confirming that this college is truly on the move and has great momentum. So I congratulate the deans and chairs whose efforts are bringing us this national recognition.

I would also like to note that the Controlling Board just recently and enthusiastically endorsed our COTA initiative. John Carney went down and represented the university before the Controlling Board. They were charmed by him. We are now sending him to represent us in the rest of our budget, but nonetheless, he did a wonderful job.

Finally, ladies and gentlemen, we cannot look back on this month without reflecting again on the loss of a very special member of our university family. Officer Michael Blankenship is still very much on our minds and in our hearts. Personally, there are several things that I will long remember from this experience.

First, Mike Blankenship was a friend of mine and was a wonderful individual whose commitment to teaching and, we are a university, whose commitment to students, and the safety of this community was unwavering even as he gave the last full measure of himself to these commitments.

Further more the condolences expressed are not only to the Blankenship family but to the university were a death and breath that was truly remarkable. I will not forget the line of police cars in front of Mershon Auditorium and the lines of people along the sidewalk and all that they represent.

Especially poignant for me though, was the candlelight vigil organized by the Undergraduate Student Government. As I looked out on the students and the faculty and staff, neighbors and friends gathered there, I took strength from sharing our grief and from the renewed commitment that we made to each other as a community. I would note to our police officers who are here that it is truly a significant commentary on this university and this police department that students would organize such an event and would view this as a very personal loss.

PRESIDENT'S REPORT (contd)

President Gee: (contd)

Finally, I want to acknowledge before the board, the courageous, I would say more than courageous, even heroic leadership of Chief Ron Michalec and Associate Vice President for Business and Administration, John Kleberg. In a time of tragedy their professionalism and grace was a beacon for the rest of us. Unbelievable, what they did. And now I would like to call upon student trustee Holly Smith for a special presentation. Holly --

Ms. Smith:

As President Gee mentioned, Officer Blankenship touched the lives of so many students, faculty, and staff at The Ohio State University. The students at Ohio State wanted to ensure that the memory of Michael Blankenship remains in our hearts forever. As a result, the students of Ohio State and, specifically, the Undergraduate Student Government, have initiated and wholeheartedly believe, that the University Police Headquarters should be named in memory of Officer Blankenship.

We would like to express our sincerest condolences to Officer Blankenship's family. You have been and will continue to be in our thoughts and prayers. I would like to read the resolution:

NAMING OF BUILDING

Resolution No. 97-87

Synopsis: Naming of the building located at 2090 Kenny Road is proposed.

WHEREAS upon the recommendation of the President, with the concurrence of the President's Executive Committee and the Undergraduate Student Government, it has been proposed that the building located at 2090 Kenny Road, which will become the new headquarters of the University Police, be named "Michael Blankenship Hall" in memory of Officer Michael Blankenship who served to protect the entire Ohio State University community; and

WHEREAS the work of The Ohio State University Police strives to create a safe environment for students, faculty, staff, and visitors to learn, work, and enjoy the atmosphere of our great campus; and

WHEREAS the horrible tragedy of February 10, 1997, made the entire University community more aware of the dangerous and heroic duty that The Ohio State University Police perform every day and that often goes unnoticed; and

WHEREAS the work of Officer Blankenship and that of the entire University Police has benefited students, faculty, and staff through their efforts to teach, inform, and protect all of us:

NOW THEREFORE

BE IT RESOLVED, That the building located at 2090 Kenny Road be named "Michael Blankenship Hall" in memory of this courageous officer; and

BE IT FURTHER RESOLVED, That the Board waive the requirements in Board bylaw 3335-5-08 (F) to allow for the naming at this time.

Upon motion of Mr. Skestos, seconded by Mr. Patterson, the Board of Trustees adopted the foregoing resolution by unanimous voice vote.

March 7, 1997 meeting, Board of Trustees

Ms. Smith:

I would also, at this time, like to present this resolution to the family. Again, we express our sincerest condolences.

Mr. Wexner:

I have commented at other times about the alma mater and its helm and that notion of how Affirm Thy Friendship Ohio at times like this takes on very different and special meaning. Obviously, the students, the University, the staff, Mike's colleagues, and the Trustees, can't but help to try to share the loss, but really can't share and feel what you feel. But this University, over time, expresses its friendship in ways that are truly astonishing, and I think that this is an example of it.

We thank you, and you are welcome to stay through our meeting. They are not so interesting or so friendly, but kind of family events. Thank you. Holly, thank you.

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HOSPITALS BOARD REPORT

Mr. Skestos:

The Strategic Planning Committee and the Hospitals Board met February 27, 1997. The Strategic Planning Committee received a presentation from a health care consultant on local current and emerging trends and issues in health care, and major shifts in the local health care market. The consultant also identified several initiatives which could help the Medical Center maintain a competitive position.

The Hospitals Board was introduced to a digital imaging radiology information system known as "filmless" radiology. This computer system enables physicians, who are not in radiology, to simultaneously review x-rays with the radiologist. In addition to the operational advantages, digital imaging can be expanded to link communications within the Hospitals, with local satellite facilities, and with affiliated hospitals and physician offices. Digital radiology will continue to be integrated throughout the Medical Center as the budget permits.

The Hospitals Board approved recommending to The Ohio State University Board of Trustees a loan of \$1 million to MedOhio Health, Inc. for the continued implementation of the Home Health Care Program.

Mr. Chairman, at this time, I would like to present a resolution for the Board's approval:

HOME HEALTH CARE PROGRAM (AGREEMENT WITH MEDOHIO HEALTH, INC.)

Resolution No. 97-88

WHEREAS in February 1995, the Board of Trustees authorized The Ohio State University and its Medical Center to enter into an agreement with MedOhio Health, Inc. for the provision of a home health care program for patients served by the Medical Center; and

WHEREAS MedOhio Health, Inc., has developed and implemented a home health care program for the patients served by the Medical Center; and

WHEREAS MedOhio Health, Inc., has requested an additional loan of \$1,000,000 to further assist in early stages of development of the program; and

**HOME HEALTH CARE PROGRAM
(AGREEMENT WITH MEDOHIO HEALTH, INC.) (contd)**

WHEREAS the University Hospitals Board has approved loaning this additional amount to MedOhio Health, Inc., for use in the home health care program:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees authorizes the University to loan MedOhio Health, Inc., up to \$1,000,000 as additional funding for the implementation of the home health care program.

Upon motion of Mr. Skestos, seconded by Mr. Celeste, the Board of Trustees adopted the foregoing resolution by unanimous roll call vote, cast by Messrs. Wexner, Shumate, Celeste, Skestos, Patterson, and Sofia, and Ms. Longaberger Kaido.

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STUDENT RECOGNITION AWARD

Mr. Berkman:

Reiko Yoshida is a senior Electrical Engineering student who was born in Sasuka, Japan. She moved to Ohio when she was six and chose to attend Ohio State because she knew that it had opportunities that she would not be able to find anywhere else. While here, she has not only been an exceptional scholar, but a model student in terms of service and devotion to The Ohio State University community.

A member of the Phi Sigma Ro Engineering Sorority for the past three years, she currently sits on the executive board. She is a member of the Thau Beta Pi engineering honorary and with this organization has worked to better the lives of many through joint projects with Habitat for Humanity.

She is the student representative to the Get Well Ohio Team, which is devoted to facilitating alcohol awareness on campus by changing student attitude toward substance abuse. She has served through the Office of Student Wellness, as a member of the Student Affairs leadership team, which addresses itself to enhancing the student experience at Ohio State.

For the past three years, she has coordinated the University-wide Engineering Career Fair, which brings roughly 30 companies and 600 engineering students together to share information on co-ops and internships. On a more mechanical note, she is a member of OSU's hybrid vehicle team and is focusing on design considerations for a ventilation system that may one day be implemented as the more energy efficient vehicles of the future to be built.

Reiko is here today with Dean Dave Dickinson, Associate Dean in the College of Engineering and the honors advisor for engineering students. Both Reiko and Dean Dickinson are invited to come forward for the presentation of the Student Recognition Award.

Mr. Wexner:

Reiko, thank you and congratulations.

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STUDENT AFFAIRS COMMITTEE REPORT

Ms. Smith:

This morning, the Student Affairs Committee heard a presentation on the OSU Success Center by Nancy Zimpher, Bill Hall, Kate Riffie, and Louise Douce. This project is a collaborative effort by the Department of Athletics, the College of Education, and the Office of Student Affairs.

The Student Success Center will consist of an academic learning center, a career services component, a student athletic support services component, and a counseling and consultation services component. The Success Center will provide educational support for both student athletes and the general student population.

The Success Center has very distinct goals: improving the student success; facilitating OSU's retaining and attracting high quality students; helping faculty promote student learning; and becoming a model of integrated services. This is a project that is on the cutting edge and that will provide students with the skills for life-long learning. The Student Affairs Committee is very excited about this project and looks forward to hearing more about it in the future.

In addition this morning, the Committee heard a report from Campus Partners. Terry Foegler, President of Campus Partners, shared with the Committee the four major objectives of the redevelopment plan, which include: the High Street commercial revitalization; increased levels of home ownership; issues facing the student housing core area; and academic involvement of the University. Again, this is an issue that the Student Affairs Committee believes is very important and we look forward to hearing more in the future.

I would now like to call on Kellie Hay, President of the Council of Graduate Students, to give the student government report this morning.

STUDENT GOVERNMENT REPORT

Ms. Kellie Hay:

Good morning, it is an honor to address you this morning. I am going to begin with USG's report, and I am sure you will not be surprised that Mr. Carney has a few things in the fire.

In April, the Undergraduate Student Government will be hosting the first annual celebration of Diversity Week. This will be the first time all of the constituency offices will come together. In the past, there have been celebrations of African-American week, Hispanic week, and Native American week. This event will bring together all of these constituencies plus other groups. Any student can be involved.

USG will bring all of these constituencies together for a week-long festival. The festival will bring over 50 student groups together with the hope that we will not only recognize these groups, but also to educate the general student body about the importance of diversity on campus. CGS and IPC are also celebrating this event and when we get down the road, I will tell you how we are going to participate. We very much support what they are doing.

John also gave me some highlights of what will be going on: a volleyball and basketball tournament, where student organizations compete against each other; several keynote speakers throughout the week; the CGS diversity forum -- and I will talk a little bit about this later when I get to my report; and a concert at the Newport Music Hall to end the event.

STUDENT GOVERNMENT REPORT (contd)

Ms. Hay (contd):

We hope this will change the way we inform students, faculty, and staff about diversity on campus, and we would appreciate the Board's support through participation. For part of the events that will go on, there will be a research competition and we are going to be soliciting judges from the University community and the community at-large. We welcome the Board's participation and so does Mr. Carney.

Other issues and projects. The USG safety map is underway and Mr. Carney talked about this in the Senate last week. It is designed to highlight the most well-traveled and well-lit routes on campus so incoming students of next year's class can be informed about which is the safest way to get to the libraries, West Campus, and the Residence Halls during night time travel.

I am going to move now to the IPC report. Last week in Senate, Eric Reeves, President of IPC, communicated to that group that IPC has just ratified their constitution. They have constructed a new constitution, it was passed, ratified, and presented to Senate. It had major improvements in it, particularly with respect to how elections will be made with respect to a new advisory committee and that their Vice President's role now is going to include the job of the Treasurer. They are restructuring. The new constitution is effective this May and elections for next year's office will be held April 14 and 15, so they are working on that.

The event that IPC is sponsoring -- coming up soon -- is a service day, which will be held on April 11 in the Ohio Union. This will be a day for professional students to give back to The Ohio State University and the community. Some of the services provided will be to help with taxes and dental checks.

I am going to move now to the CSG report. We too have a few irons in the fire. I am going to start with some issues that turned up in Student Affairs today, beginning with the recreation facility. Every Monday at 8:30 pm until we are done, all three student governments are working on a joint Memorandum of Understanding or at least working toward what that might look like as we move down the progression of the new recreation center.

I think what is striking about this new group coming together is the boundary being blurred between student governments and their particular constituencies. We are all working together and tied to that is what CSA -- a sub-committee of the Council of Student Affairs -- is doing. We are working on a referendum policy because from the student perspective that is absolutely necessary. In the past, there has never been a policy or any guidelines that give us direction in terms of how student referendums are called, how the process is negotiated, who is included, how voting mechanisms will work, and who is going to be doing the implementation. So we are arguing that CSA is the appropriate mechanism for a policy like this to emerge, as is the governing senate body for students, and it has a direct tie to the Board of Trustees.

Next on my list is GCUE. I know that you are all familiar with the CUE Report, the Committee on the Undergraduate Experience. CSG is launching -- in full partnership with the Graduate School and with the support from the Office of Academic Affairs, Office of Student Affairs, and many other places on campus -- GCUE.

We are undertaking an exhaustive needs assessment that attends to the academic pursuits and the quality of life for graduate students at this University. We are hoping to have a similar sort of structure as CUE and that there be a balance between faculty and graduate students. We have three standing committees to deal with: 1) professional development and employment; 2) governance policy and advocacy;

STUDENT GOVERNMENT REPORT (contd)

Ms. Hay (contd):

and 3) student services. I am sure that you know that student services is a huge, huge endeavor that we are taking on -- it deals with child care, health care, traffic and parking and everything. It effects the quality of life for all students, but, particularly, in terms of graduate students.

We are also looking at non-traditional and part-time students since they have different needs than the rest of us who live right here near campus, particularly those that commute. So we are doing our best to keep this thing moving. It has a two-year time line. Right now we have just completed the document which we will release next month to this body and to the Senate.

Our committee is 90 percent constructed and we plan to get to work in the spring. We have developed a survey instrument and if the Committee approves it, we will start gathering data in the spring, write sections of the report in the fall, finalize the writing process in the winter, and present the report to the University at-large next spring. We hope that it will effect policy changes and improvements much like CUE has.

Now what I want to tie together with USG's celebration of diversity is what CGS is trying to do to support it. We are launching a diversity paper competition which will allow graduate and professional students to compete against each other or with one another, and the undergraduates will have their own category. We are going to give cash awards for the first through third place winners and a reception at Drake Union. I think that this will be a great effort to bring all three student governments together on an issue like this that deserves the University's attention. So I am happy to tell you about that.

Tied to that diversity paper presentation is our Research Forum which is coming up April 19. I think this is the most important program that CGS does for the University community, and it does a lot for the mentoring and development of graduate student research on this campus.

We have a budget that is well accounted for, we have a lot of support from the Office of Research, from the Graduate School, and from our own development committee. Our budget for this year's Forum promises to be an improvement and an extension of what we have done in the past. We have opened up the categories from traditional scientific kinds of papers and experiments, to a poster session. We have also opened it up so that people in the arts can do performances, in addition to writing a paper.

We have outstanding judges and money this year to bring people in from the outside. I have asked the Provost, as well as other people to help us with names for cutting edge scholars that would be willing to come in. We have high hopes that we are going to get a few.

The last thing that I would like to say -- and this is something that is coming from all three student governments -- is to encourage the Board to revisit the issue of student legal services. This is something that is a very important issue for all of us.

A lot of work has gone into a feasibility study in terms of surveying the students. One person who did a lot of the work, in particular, was Hollie Buri. She talked with CSA, CGS, many other student organizations, and faculty. This process had gone well along and then it sort of stopped because of the agenda of the year.

STUDENT GOVERNMENT REPORT (contd)

Ms. Hay (contd):

We encourage you to revisit it, to give it full attention, and to treat it as a budgetary priority, if possible, because this is something that we think is absolutely important and necessary for Ohio State University students. That concludes my report. Thank you.

Mr. Wexner:

Any questions, Holly?

Ms. Smith:

No. Thank you, Kellie. That concludes my report.

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EDUCATIONAL AFFAIRS COMMITTEE REPORT

Mr. Shumate:

Before calling upon Provost Sisson to present the resolutions for consideration, I would like to report on the meeting of the Educational Affairs Committee this morning. We received a report from Professor Randy Smith, who gave us a progress on the Office of Academic Affairs' 1997 Reaccreditation Review of the University.

I think as most of the Board members know, the Accreditation Steering Committee is completing their report and will be sending an excerpt of that report to the Board over the next 30 days. This report will be presented to a 21-person external review team. Early in April, that team -- whose members include administrators from peer institutions -- will visit the Columbus campus and at least one regional campus, May 4-7. At the April Board meeting, Mr. Chairman, we will receive a full report on this important project.

At this time, I would like to call upon Provost Sisson for the resolutions.

Provost Sisson:

Thank you, Mr. Shumate. Mr. Chairman, I would like to present the following:

DISTINGUISHED SERVICE AWARDS

Resolution No. 97-89

Synopsis: Approval of eight individuals to receive Distinguished Service Awards is proposed.

WHEREAS the President's Executive Committee, upon the recommendation of the Committee on Distinguished Service Awards, nominated and recommended eight individuals for approval by the Board of Trustees to receive the Distinguished Service Award at a time convenient to the University and the recipients:

Judy Barker
John T. Eby
David L. Meeker
Florence Zacks Melton

DISTINGUISHED SERVICE AWARDS (contd)

J. Gilbert Reese
Madison H. Scott (posthumous)
Dorothy Teater
J. Robert Warmbrod

WHEREAS these awards are given in recognition of distinguished service to The Ohio State University and the awards are in accordance with action taken by the Board of Trustees in 1952:

NOW THEREFORE

BE IT RESOLVED, That the Distinguished Service Awards be approved for awarding as designated above.

HONORARY DEGREES

Resolution No. 97-90

Synopsis: The awarding of five honorary degrees is recommended for approval.

WHEREAS the Committee on Honorary Degrees and the University Senate, pursuant to rule 3335-5-488 of the Administrative Code, have approved for recommendation to the Board of Trustees awarding of an honorary degree as listed below:

Ismail Seragaldin	Doctor of Natural Resources Management
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and

WHEREAS pursuant to paragraph (C) of rule 3335-3-03 of the Administrative Code, the President, after consultation with the Steering Committee of the University Senate, recommended to the Board of Trustees awarding of honorary degrees as listed below:

John W. Berry, Sr.	Doctor of Business Administration
Edward E. Hagenlocker	Doctor of Science
Erie Sauder	Doctor of Humane Letters
R. David Thomas	Doctor of Business Administration

NOW THEREFORE

BE IT RESOLVED, That the above honorary degrees be awarded in accordance with the recommendation at a time convenient to the University and the recipients.

PERSONNEL ACTIONS

Resolution No. 97-91

RESOLVED, That the personnel actions as recorded in the Personnel Budget Records of the University since the February 7, 1997 meeting of the Board, including the following Appointment/Reappointment of Chairpersons, Reappointment of Principal Administrative Official, Leave of Absence Without Salary, Professional Improvement Leaves, and Promotions as detailed in the University Budget be approved.

PERSONNEL ACTIONS (contd)

Appointment of Chairperson

October 1, 1996 through September 30, 2000

Division of Comparative Studies in the Humanities

Thomas P. Kasulis

Reappointment of Acting Chairperson

October 1, 1996 through June 30, 1997

Near Eastern, Judaic and Hellenic Languages
and Literatures

Reuben Ahroni

Reappointment of Principal Administrative Official

R. REED FRALEY, Executive Director of University Hospitals and Associate Vice President for Health Sciences, effective March 1, 1997, through February 28, 2001, pursuant to rule 3335-3-17 of the Administrative Code.

Leave of Absence Without Salary

VIRGINIA E. RICHARDSON, Professor, College of Social Work, effective Spring Quarter 1997, to write a book on social work practice with the elderly.

Professional Improvement Leaves

MING T. LIU, Professor, Department of Computer and Information Science, effective Autumn Quarter 1997, Winter Quarter and Spring Quarter 1998.

MARY M. O'SULLIVAN, Professor, School of Physical Activity and Educational Services, effective Autumn Quarter 1997, Winter Quarter and Spring Quarter 1998.

RAMA K. YEDAVALLI, Professor, Department of Aerospace Engineering, Applied Mechanics and Aviation, effective Autumn Quarter 1997 and Winter Quarter 1998.

JOSEPH H. HARITONIDIS, Associate Professor, Department of Aerospace Engineering, Applied Mechanics and Aviation, effective Autumn Quarter 1997, Winter Quarter and Spring Quarter 1998.

MARDI C. HASTINGS, Associate Professor, Department of Mechanical Engineering, effective Autumn Quarter 1997, Winter Quarter and Spring Quarter 1998.

CAROLYN J. MERRY, Associate Professor, Department of Civil and Environmental Engineering and Geodetic Science, effective Autumn Quarter 1997, Winter Quarter and Spring Quarter 1998.

JANE MURPHY, Associate Professor, Knowlton School of Architecture, effective Winter Quarter, Spring Quarter, and Autumn Quarter 1998.

GIORGIO RIZZONI, Associate Professor, Department of Mechanical Engineering, effective Autumn Quarter 1997, Winter Quarter and Spring Quarter 1998.

REPHAEL S. WENGER, Associate Professor, Department of Computer and Information Science, effective Autumn Quarter 1997, Winter Quarter and Spring Quarter 1998.

SHANG-TIAN YANG, Associate Professor, Department of Chemical Engineering, effective Autumn Quarter 1997, Winter Quarter and Spring Quarter 1998.

PERSONNEL ACTIONS (contd)

Promotion

COLLEGE OF HUMAN ECOLOGY

PROMOTION TO PROFESSOR

David W. Andrews, [Family Relations & Human Development and Home Economics Education] - effective July 1, 1997

RESOLUTIONS IN MEMORIAM

Resolution No. 97-92

Synopsis: Approval of two Resolutions in Memoriam.

RESOLVED, That the Board adopt the following Resolutions in Memoriam and that the President be requested to convey copies to the family of the deceased.

Bernard A. Block

The Board of Trustees of The Ohio State University expresses its sorrow upon the death on January 10, 1997, of Bernard A. Block, Assistant Professor Emeritus in the University Libraries.

Professor Bernard Block joined the faculty of the University Libraries in 1969 after receiving a Bachelor of Arts in History degree from The Ohio State University and a Master of Science in Library Science degree from Drexel University. He served the libraries for 22 years as a reference librarian and as head of the Government Documents Division. During this time Professor Block received a Master of Arts in History from The Ohio State University. As a faculty member, Professor Block was well-known for his lectures on legislative research and United Nations sources.

Professor Block was considered an expert in the field of state, federal, and international documents. He was the author of more than 80 abstracts, reviews and articles in his area of expertise.

Professor Block was active in the Government Documents Roundtable of the American Library Association, the Business History Conference, the Special Libraries Association, and the Organization of American Historians. He was also active in state and local organizations. Professor Block was a member of Phi Beta Kappa, Phi Alpha Theta, Beta Phi Mu, and Mensa.

On behalf of the University community, the Board of Trustees expresses to the family of Professor Block its deepest sympathy. It was directed that this resolution be inscribed upon the minutes of the Board of Trustees and that a copy be tendered to the family as an expression of the Board's realization of the loss that the family, his students, the University, and his many friends and associates have sustained.

George Wadlington

The Board of Trustees of The Ohio State University expresses its sorrow upon the death on December 28, 1996, of George Wadlington, Professor Emeritus in the Ohio State University Extension.

Professor Wadlington was born October 22, 1928, in Kingston, Ohio. He received his B.S. in Agricultural Education in 1951, and his MS, also in Agricultural Education, in 1965 from The Ohio State University.

RESOLUTIONS IN MEMORIAM (contd)

George Wadlington (contd)

George began his Extension career in Ohio when he joined the faculty at The Ohio State University on July 1, 1952 as the Associate County Agent in Auglaize County. In August 1954 he was appointed the County Agricultural Agent in Preble County, and in 1969 he became the Area Supervisor for the Eaton Area Center. He held this position until his retirement on March 31, 1982.

Professor Wadlington's contributions in providing excellent Extension educational programs during his career earned him the respect and admiration of his coworkers and associates throughout the state. His work with urban programming resulted in his being appointed Chair for a statewide committee. He was especially innovative in the area of communication methodology. He was an early user of video tape equipment and implemented a number of procedures for improving communications between County Extension agents and their clientele. He was also very active in recruiting students to The Ohio State University.

On behalf of the University community, the Board of Trustees expresses its sympathy and understanding to his family as well as friends. It was directed that this resolution be inscribed in the minutes of the Board of Trustees as an expression of the Board's heartfelt sympathy.

Upon motion of Mr. Shumate, seconded by Ms. Longaberger Kaido, the Board of Trustees adopted the foregoing resolutions by unanimous roll call vote, cast by Messrs. Wexner, Shumate, Celeste, Skestos, Brennan, Patterson, and Sofia, and Ms. Longaberger Kaido.

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RESEARCH FOUNDATION REPORT

Mr. Celeste:

New information on the new awards for January 1997 can be found in the Board book under the Research Foundation tab. Total awards for Fiscal Year 1997 through January 31, 1997 are \$116.4 million or 14 percent above Fiscal Year 1996.

Again you have at your places the March 1997 Monthly Highlights brochure featuring research at The Ohio State University. Hopefully you have been finding these useful and if you have any suggestions about changes or additions, you might let Ed Hayes know. Figures at the bottom of the first page display the award totals at the beginning of last year and the running 12-month total for both awards and expenditures, based on the trends, show our awards and expenditures rates continue to grow.

Four projects are highlighted in the brochure. Professor Robert Fass, from the Department of Internal Medicine and the Adult AIDS Clinical Trials Group, has received an award of \$1.6 million from the National Institute of Allergy and Infectious Diseases, NIH. To participate in the discovery and development of therapies that will include the quality of duration of life for HIV infected individuals. This is a multi-disciplinary collaboration to provide and execute protocols and provide clinical care in an integrated fashion.

Professor Lauren Bakaletz, from the Department of Otolaryngology, has received a grant of \$156,000 from the National Institute on Deafness and other Communication Disorders, NIH. This project will examine various aspects of middle ear infection in order to further the development of effective vaccine or intervention strategy against middle ear infection.

Campus Partners, a collaborative program for the campus neighborhood, has received a grant of \$400,000 from the Department of Housing and Urban Develop-

RESEARCH FOUNDATION REPORT (contd)

Mr. Celeste: (contd)

ment. This project will focus on work and homelife issues in the Weinland Park area, which is located just southeast of campus. The grant will establish and enhance activities such as a dialogue bridge for community planning, organizing and education, job training, a resource for assisting people who are starting a small business in the neighborhood, and family housing stability.

Professor Claudio Gonzalez, from the Ohio Agricultural Research and Development Center, at Wooster, received \$146,000 from the World Bank for a project entitled, "Microfinance Programs in Developing Countries." The objective of the proposed research is to provide conceptual framework for the analysis of APEX Mechanisms for microfinance organizations in order to compile sufficient evidence on the success or failure of the mechanisms in actual experience. The goal of the research is to derive lessons from study and offer recommendations based on theory and practice that would be of immediate interest to policymakers.

Also included in the monthly highlight brochure are two research newsfeatures: 1) "Scientist Engineer Natural Insecticide to Be More Deadly;" and 2) "New Gene May Promote Cancer by Preventing Cell Death."

Mr. Chairman, I would like to move to approve the Research agreement between The Ohio State University and The Ohio State University Research Foundation for the January 1997 Contracts and Grants listed in back of the Research Foundation tab.

REPORT OF RESEARCH CONTRACTS AND GRANTS

Resolution No. 97-93

Synopsis: The reports on research and other sponsored program contracts and grants and the summary for January 1997 are presented for Board acceptance.

WHEREAS monies are solicited and received on behalf of the University from governmental, industrial, and other agencies in support of research, instructional activities, and service; and

WHEREAS such monies are received through The Ohio State University Research Foundation:

NOW THEREFORE

BE IT RESOLVED, That the research agreement between The Ohio State University and The Ohio State University Research Foundation for the contracts and grants reported herein during the month of January 1997 be approved.

Upon motion of Mr. Celeste, seconded by Mr. Shumate, the Board of Trustees adopted the foregoing resolution by unanimous voice vote.

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INVESTMENTS COMMITTEE REPORT

Mr. Skestos:

Mr. Chairman, our Investments Committee met earlier today and we received several updates from the Treasurer, Jim Nichols, along with the Monthly Endowment Fund Report. I would like to now call upon Jerry May for the Development Report.

UNIVERSITY DEVELOPMENT REPORT

Mr. Jerry May:

Thank you, Mr. Skestos. In your book, under the Development Tab, you can see details of support to the University in the first seven months of this fiscal year.

One thing that I would like to update you on that is not in there -- and we do on a monthly basis in direct mail to senior volunteers, including yourselves -- is that the campaign itself -- being 3.5 years from completion and part way into this period -- has gifts of \$386 million. It has net pledges of \$76 million -- cash pledges that will be paid over the next 3-5 years generally -- and net plan gifts of \$59 million -- those are bequest intentions. Our campaign total is \$521 million to date towards the \$850 million goal. That is 61 percent of the goal at approximately halfway into the campaign. So we are ahead of schedule and we are pleased with what we have received so far.

We received \$6 million in private gifts during the month of January, generally our slowest month, but it was another good month and the campaign has helped that. We have received so far \$568.6 million in private gift support in the first seven months of this year. Program support to the colleges is up 36 percent and direct support for the faculty, for the endowed chairs, endowed professorships, and endowed faculty funds -- that we have talked about and President Gee has highlighted, periodically, what a difference those make -- those funds are up 37 percent this year, in terms of gift receipts.

The Endowment continues at a very strong pace, once again, because of the focus of the campaign and the academic leadership focusing on different areas, whether they are student scholarships, or whether they are endowed chairs or professorships. We have added \$27.7 million to the Endowment in the first seven months of this year. Last year at this time we were at \$20 million. So we are 38 percent ahead and we think that this particular area -- the Endowment -- has really started to mature at the University in terms of our donors, and the public's attitude and support of the Endowment. What a difference it makes in the quality of the institution.

If I could just parenthetically comment, when President Gee referred to the recent rankings of The Fisher College of Business as one example. Clearly the new facilities are having an impact, but also the private support in terms of endowed chairs and endowed professorships, and now a lot more MBA fellowships, are the kinds of things that are making a difference in those rankings over a period of time.

With that, Mr. Chairman, unless there are any questions, I would like to ask you to present to the Board of Trustees the approval of the establishment of 13 new named endowed funds and the revision of three endowed funds. Total gifts received during that period for the Endowment are \$597,000.

Mr. Wexner:

I am curious, when do we get to the magic \$1 billion in the Endowment? When will we get to that number?

Mr. May:

We are just taking it \$1 million at a time. Mr. Wexner, we are on a course to exceed the \$850 million. We can never let up and we can never let any of our constituents feel that this is going to be easy, it is not easy.

UNIVERSITY DEVELOPMENT REPORT (contd)

Mr. Wexner:

I know how difficult it is to raise money, but I am just curious as to about when you think the Endowment will get to \$1 billion?

Mr. May:

The Endowment itself getting to \$1 billion?

Mr. Wexner:

Yes.

Mr. May:

Our personal goal -- Mr. Shkurti, Mr. Nichols, and the Development shop, along with the Provost and we have actually stated this publicly, but we didn't put it in writing -- is that by the year 2000 -- with the combination of an aggressive investment management program, with a very aggressive fund-raising program featuring endowment goals -- we would like to hit \$1 billion.

I think that we are close to that track. We just can't let up in either segment, we can't let up. At that point and time, we will be the third Big 10 institution to reach it. Northwestern University -- as you would expect being a private institution -- has been raising endowment for 100 years and is at well over \$1.7 billion. The last I looked, the University of Michigan -- which has been raising major gift money about 20 years longer than we have in a systematic way -- was at about \$1.3 billion. I think that we are on track to hit that \$1 billion soon.

Mr. Wexner:

It is a long way from where we have been to where we are. To get to \$1 billion is long and hard work not only on the fund-raising side, but on the management of funds and managing the return aggressively. I think that it is really important to the historic memory of the Board that \$1 billion goal, and time passes relatively fast. It is harder to raise money, but yet the significance of the first billion dollars in the Endowment is of strategic importance to the University.

A decade from now I think that people will look back at the work that you, Mr. Shkurti, Mr. Nichols, and the President have done and recognize the true value of \$1 billion as an enormous amount of money. I can't imagine this University reaching its competitive potential without that kind of support from its vast alums and friends.

Mr. May:

I think that you are exactly right.

Mr. Skestos:

I liked your optimism when you said, "the first \$1 billion."

Mr. Wexner:

Well I know from personal experience that the first million dollars is the toughest.

March 7, 1997 meeting, Board of Trustees

UNIVERSITY DEVELOPMENT REPORT (contd)

Mr. May:

So true. So true.

Mr. Shumate:

Mr. Chairman, I am looking forward to that experience.

REPORT ON UNIVERSITY DEVELOPMENT

Resolution No. 97-94

Synopsis: The report on the receipt of gifts and the summary for January 1997 are presented for Board acceptance.

WHEREAS monies are solicited and received on behalf of the University from alumni, industry, and various individuals in support of research, instructional activities, and service; and

WHEREAS such gifts are received through The Ohio State University Development Fund and The Ohio State University Foundation; and

WHEREAS this report includes the establishment of thirteen (13) new named endowed funds and amendments to three (3) endowed fund:

NOW THEREFORE

BE IT RESOLVED, That the acceptance of the report from The Ohio State University Development Fund and The Ohio State University Foundation during the month of January 1997 be approved.

REPORT ON UNIVERSITY DEVELOPMENT (contd)

TOTAL UNIVERSITY PRIVATE SUPPORT

July-January

1995-96 Compared to 1996-97

GIFT RECEIPTS BY DONOR TYPE

	Dollars July through January		
	<u>1995-96</u>	<u>1996-97</u>	<u>% Change</u>
Individuals:			
Alumni (Current Giving)	\$16,042,548	\$13,372,000	-17
Alumni (From Bequests)	<u>3,407,477</u>	<u>8,796,642</u>	158
Alumni Total	\$19,450,025	\$22,168,642	14
Non-Alumni (Current Giving)	\$8,225,075	\$8,282,854	1
Non-Alumni (From Bequests)	<u>751,376</u>	<u>2,091,977</u>	178
Non-Alumni Total	\$8,976,451	\$10,374,831	-3
Individual Total	\$28,426,476	\$32,543,473	16 ^A
Corporations/Corp. Foundations	\$16,857,993	\$15,689,998	-7 ^B
Private Foundations	\$7,037,609	\$8,580,095	22 ^C
Associations & Other Organizations	<u>\$1,413,226</u>	<u>\$1,746,497</u>	24 ^D
Total	\$ 53,735,304	\$ 58,560,063	9

GIFT RECEIPTS BY DONOR TYPE

NOTES

- A Individual giving is up 14% due to the fact that 273 individuals have given at the level of \$10,000 or more (\$23,377,982). Last year for the same period 226 individuals had given at this level (\$18,517,648).
- B Corporate giving is down 7%. Last year there were 313 corporations providing private support of \$10,000 or more (\$13,512,709). This year private support at the \$10,000 level is \$12,288,760 (312 corporations).
- C During the first seven months this year, 86 private foundations gave at the \$10,000 or more level (\$8,060,058). Last year for the same period, 77 foundations gave at this level (\$6,683,460).
- D Giving from associations and non-corporate organizations is up 24% due to an 33% increase in gifts at the \$10,000 or more level.

REPORT ON UNIVERSITY DEVELOPMENT (contd)

TOTAL UNIVERSITY PRIVATE SUPPORT (contd)

July-January (contd)

1995-96 Compared to 1996-97 (contd)

GIFT RECEIPTS BY PURPOSE

	Dollars July through January		
	<u>1995-96</u>	<u>1996-97</u>	<u>% Change</u>
Gift Receipts to Current Use & Endowment Funds:			
Buildings/Equipment	\$11,327,554	\$8,745,579	-23
Faculty Support	\$4,096,070	\$5,615,931	37
Program Support	\$24,264,140	\$33,058,870	36
Student Financial Aid	\$7,778,952	\$5,563,004	-28
Annual Funds-Colleges/Departments	\$5,441,425	\$5,030,547	-8
Annual Funds-University	<u>\$827,163</u>	<u>\$546,132</u>	-34
Total	\$ 53,735,304	\$58,560,063	9

GIFT ADDITIONS TO ENDOWMENT

	Dollars July through January		
	<u>1995-96</u>	<u>1996-97</u>	<u>% Change</u>
	\$20,096,981	\$27,686,462	38

THE OHIO STATE UNIVERSITY DEVELOPMENT FUND

	<u>Previous Gifts</u>	<u>Current Gifts</u>	<u>Total Gifts</u>
<u>Establishment of Named Endowed Funds</u>			
The Margaret E. Snider Marching Band Scholarship Fund (Scholarships - Participants in Ohio State University Marching Band)		\$50,000.00	\$50,000.00
The Greene County Alumni Scholarship Endowment Fund (Merit Scholarships to Graduates of Greene County High Schools)	\$15,025.00		\$15,025.00
The Patsy Parrish Jones Scholarship Fund (Scholarships - Newark Campus)	\$15,000.00		\$15,000.00

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY DEVELOPMENT FUND (contd)

	<u>Previous Gifts</u>	<u>Current Gifts</u>	<u>Total Gifts</u>
<u>Establishment of Named Endowed Funds (contd)</u>			
The Evert C. Strickland and Esther L. Hedges Strickland Scholarship Fund in Education (Scholarships - College of Education)	\$15,000.00		\$15,000.00

Change in Name of Named Endowed Funds

From: The Robert S. Young, M.D. Endowment Fund in Family Medicine
To: The Marie J. and Robert S. Young Fund in Family Medicine

Change in Name and Description of Named Endowed Fund

From: The Lena Bailey Dean's Fund
To: The Lena Charles Bailey Memorial Fund

Change in Description of Named Endowed Fund

The Charles W. Foulk Memorial Fund

THE OHIO STATE UNIVERSITY FOUNDATION

	<u>Previous Gifts</u>	<u>Current Gifts</u>	<u>Total Gifts</u>
<u>Establishment of Named Endowed Funds</u>			
The Dr. Harry F. Bartels Veterinary Practice Management Fund (Support of Educational Courses in Skills of Practice Management - College of Veterinary Medicine)		\$250,162.50	\$250,162.50
The William K. Westwater Medical Research Fund (Support for Medical Research - College of Medicine)		\$51,821.88	\$51,821.88
The Anne Powell Riley Cancer Research Endowment Fund (Support for Cancer Research in the Comprehensive Cancer Center - Arthur G. James Cancer Hospital and Research Institute)		\$44,537.50	\$44,537.50
The Pauline M. and Justin Boyer Scholarship Fund in Pharmacy (Scholarships - College of Pharmacy)		\$31,010.75	\$31,010.75

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY FOUNDATION (contd)

	<u>Previous Gifts</u>	<u>Current Gifts</u>	<u>Total Gifts</u>
<u>Establishment of Named Endowed Funds (contd)</u>			
The Ann Katherine Carr Carter Scholarship Fund (Scholarships for Grandview Heights High School Graduates - College of Education)		\$25,000.00	\$25,000.00
The Dr. Lloyd C. Ferguson Scholarship Fund in Veterinary Medicine (Scholarships - College of Veterinary Medicine)	\$25,000.00		\$25,000.00
The John W. King University Scholar Fund (Scholarships for University Scholars)		\$25,000.00	\$25,000.00
The Kathryn L. and Edmund B. Quinn Arthritis Fund (Support for Advancement of Medical Knowledge & Treatment of Arthritis)		\$25,000.00	\$25,000.00
The Ruth E. Smith Memorial Leadership Endowment Fund for Alpha Delta Pi Sorority (Support for Enhancement of Leadership Skills for Alpha Delta Pi Sorority Members)		\$25,000.00	\$25,000.00
	_____	_____	_____
Total	\$70,025.00	\$527,532.63	\$597,557.63

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY DEVELOPMENT FUND

ESTABLISHMENT OF NAMED ENDOWED FUNDS

The Margaret E. Snider Marching Band Scholarship Fund

The Margaret E. Snider Marching Band Scholarship Fund was established March 7, 1997, by the Board of Trustees of The Ohio State University with a gift to The Ohio State University Development Fund from the estate of the late Margaret E. Snider of Morral, Ohio.

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The income from this fund shall be awarded annually to students actively participating in The Ohio State University Marching Band. Any unused income shall be returned to the principal.

Recipients shall be selected by the Director of the School of Music with the Director of the Marching Band in consultation with the University Committee on Student Financial Aid, and approved by the Dean of the College of the Arts.

It is the desire of the donor that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees after prior consultation with the appropriate college officials in order to carry out the desire of the donor.

\$50,000.00

The Greene County Alumni Scholarship Endowment Fund

The Greene County Alumni Scholarship Endowment Fund was established March 7, 1997, by the Board of Trustees of The Ohio State University with gifts to The Ohio State University Development Fund from the Greene County Alumni Club, individual alumni and friends.

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall be distributed to the Office of Student Financial Aid to be used to provide academic merit scholarships to students graduating from Greene County high schools with preference for students qualified under the Alumni Scholars Program criteria, ranked and recommended by the Greene County Alumni Club.

It is the desire of the donors that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees in consultation with the appropriate college dean, department chairperson or program administrative officer in order to carry out the desire of the donors.

\$15,000.00
(Grandfathered)

The Patsy Parrish Jones Scholarship Fund

The Patsy Parrish Jones Scholarship Fund was established March 7, 1997, by the Board of Trustees of The Ohio State University with gifts to The Ohio State University Development Fund from Patsy P. Jones.

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY DEVELOPMENT FUND (contd)

ESTABLISHMENT OF NAMED ENDOWED FUNDS (contd)

The Patsy Parrish Jones Scholarship Fund (contd)

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall provide one or more scholarships for students who are pursuing a major in pre-nursing, pre-allied medicine, or pre-medical school and who are enrolled at The Ohio State University Newark Campus. Scholarship recipients must rank in the top twenty percent (20%) of their high school class, be a resident of Licking County, and shall be selected by the Dean or designee in consultation with the University Committee on Student Financial Aid. Financial need is not a requirement. The scholarship shall be awarded annually and may be renewed. If there are no candidates in any given year, the earnings are to be added to the fund's principal.

It is the desire of the donor that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then the income shall be used for purposes similar to those specified by the donor, as directed by the Board of Trustees of The Ohio State University in order to carry out the desire of the donor.

\$15,000.00
(Grandfathered)

The Evert C. Strickland and Esther L. Hedges Strickland
Scholarship Fund in Education

The Evert C. Strickland and Esther L. Hedges Strickland Scholarship Fund in Education was established March 7, 1997, by the Board of Trustees of The Ohio State University with gifts to The Ohio State University Development Fund from the estate of Evert C. Strickland (M.A. Education '35; Ph.D. Education '55), and Esther L. Hedges Strickland (M.A. Education '57), in recognition of their commitment to teacher education and to The Ohio State University.

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall be used to provide scholarship support for a student(s) in the College of Education who is preparing for teacher and/or school administrator certification. Criteria for selection shall be high academic standing and demonstrated financial need. Selection of the scholarship recipient(s) shall be made by the Dean of the College of Education in consultation with the University Committee on Student Financial Aid.

It is the desire of the donors that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees in consultation with the Dean of the College of Education in order to carry out the desire of the donors.

\$15,000.00 (Grandfathered)

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY DEVELOPMENT FUND (contd)

CHANGE IN NAME OF NAMED ENDOWED FUND

The Marie J. and Robert S. Young Fund in Family Medicine

The Robert S. Young, M.D. Endowment Fund in Family Medicine was established June 4, 1993, by the Board of Trustees of The Ohio State University with gifts to The Ohio State University Development Fund from Dr. and Mrs. Robert S. Young, the Department of Family Medicine, family, colleagues and friends of Professor Emeritus Robert S. Young (M.D. '47; B.A. Arts - Medicine '44) of Johnstown, Ohio. The name of the fund was revised March 7, 1997.

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall support projects and programs which foster education in family medicine and, when appropriate, rural medicine as recommended by the Chairperson of the Department of Family Medicine.

It is the desire of the donors that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees in consultation with the Dean of the College of Medicine, Chairperson of the Department of Family Medicine, or program administrative officer in order to carry out the desire of the donors.

CHANGE IN NAME AND DESCRIPTION OF NAMED FUND

The Lena Charles Bailey Memorial Fund

The Lena Bailey Dean's Fund was established April 3, 1992, by the Board of Trustees of The Ohio State University, with gifts to The Ohio State University Development Fund from friends and colleagues of Dr. Lena Bailey (Ph.D. Education '69). The name and description were revised March 7, 1997.

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall be used for priorities in the College of Human Ecology under the direction of the Dean of the College of Human Ecology, in consultation with the department chairpersons.

It is the desire of the donors that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees in consultation with the appropriate college dean, department chairperson, or program administrative officer in order to carry out the desire of the donors.

CHANGE IN DESCRIPTION OF NAMED FUND

The Charles W. Foulk Memorial Fund

The Charles W. Foulk Memorial Fund was established October 10, 1960 by the Board of Trustees of The Ohio State University with gifts to The Ohio State University Development Fund by a bequest from Charles W. Foulk (B.A. 1894), former Professor of Chemistry at the University. The fund was revised March 7, 1997.

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY DEVELOPMENT FUND (contd)

CHANGE IN DESCRIPTION OF NAMED FUND (contd)

The Charles W. Foulk Memorial Fund (contd)

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall be used by the Department of Chemistry at the discretion of the chairperson of the department.

It is the desire of the donor that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees in consultation with the appropriate college dean, department chairperson, or program administrative officer in order to carry out the desire of the donor.

THE OHIO STATE UNIVERSITY FOUNDATION

ESTABLISHMENT OF NAMED ENDOWED FUNDS

The Dr. Harry F. Bartels Veterinary Practice Management Fund

The Dr. Harry F. Bartels Veterinary Practice Management Fund was established March 7, 1997, by the Board of Trustees through funds received by the University from The Ohio State University Foundation, which has established an endowed fund with a gift from Harry F. Bartels (D.V.M. '54), Sagamore Hills, Ohio.

The annual income shall be used to fund educational courses of study for veterinary students and practicing veterinarians in the skills of practice management (i.e. human resources, financial management, marketing, etc.).

\$250,162.50

The William K. Westwater Medical Research Fund

The William K. Westwater Medical Research Fund was established March 7, 1997, by the Board of Trustees through funds received by the University from The Ohio State University Foundation, which has established an endowed fund with gifts from William K. Westwater (B.A. Arts & Sciences '35), of Columbus, Ohio.

The annual income shall be used to support researchers conducting research in the Medical Research Facility, with selection made through a grant application process. Researchers may apply for one-year funding grants, which are not limited to senior faculty, through the Associate Dean for Research, College of Medicine. Selection shall be made by the Associate Dean for Research in consultation with the Dean of the College of Medicine. The grants may be used for, but not limited to supplies, equipment, salaries for research personnel and activities required for quality medical research.

\$51,821.88

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY FOUNDATION (contd)

ESTABLISHMENT OF NAMED ENDOWED FUNDS (contd)

The Anne Powell Riley Cancer Research Endowment Fund

The Anne Powell Riley Cancer Research Endowment Fund for the Comprehensive Cancer Center - The Arthur G. James Cancer Hospital and Research Institute was established March 7, 1997, by the Board of Trustees through funds received by the University from The Ohio State University Foundation, which has established an endowed fund with gifts from Anne Powell Riley.

The annual income shall be used to support cancer research in the Comprehensive Cancer Center - The Arthur G. James Cancer Hospital and Research Institute as approved by the Director of the Comprehensive Cancer Center - Arthur G. James Cancer Hospital Research Institute.

\$44,537.50

The Pauline M. and Justin Boyer Scholarship Fund in Pharmacy

The Pauline M. and Justin Boyer Scholarship Fund in Pharmacy was established March 7, 1997, by the Board of Trustees through funds received by the University from The Ohio State University Foundation, which has established an endowed fund with gifts from Pauline M. Boyer (B.S.Pharm. '43) of Columbus, Ohio.

The annual income shall be used to provide one or more scholarships in varying amounts to deserving students in the College of Pharmacy, based on criteria established by the College of Pharmacy Scholarship Committee. The scholarship(s) shall be determined by the Dean of the College of Pharmacy or his/her designee in consultation with the University Committee on Student Financial Aid.

\$31,010.75

The Ann Katherine Carr Carter Scholarship Fund

The Ann Katherine Carr Carter Scholarship Fund was established March 7, 1997, by the Board of Trustees through funds received by the University from The Ohio State University Foundation, which has established an endowed fund with gifts from Philip T. Carter, Mrs. Gary V. Sherlock and Mrs. Carter. Ann Katherine Carr Carter (B.S.Ed. '27; M.A. Education '61) was a sixth grade teacher at the Grandview Heights, Ohio, Edison Elementary School. This fund was established to honor Mrs. Carter and her commitment to teaching.

The annual income shall be used to provide one or more scholarships to students who are graduates of the Grandview Heights High School who are studying at The Ohio State University and who plan to pursue an education for the purpose of teaching at the elementary or secondary level. Selection of scholarship recipients shall be based on superior academic performance and need for financial assistance. Selection of the recipient(s) shall be made by the district superintendent in conjunction with the high school principal and the Dean of the College of Education and in consultation with the University Committee on Student Financial Aid.

\$25,570.00

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY FOUNDATION (contd)

ESTABLISHMENT OF NAMED ENDOWED FUNDS (contd)

The Dr. Lloyd C. Ferguson Scholarship Fund in Veterinary Medicine

The Dr. Lloyd C. Ferguson Scholarship Fund in Veterinary Medicine was established March 7, 1997, by the Board of Trustees through funds received by the University from The Ohio State University Foundation, which has established an endowed fund with gifts from Elizabeth J. Ferguson, daughter, in accordance with the wishes of Lloyd C. Ferguson (D.V.M. '34, OSU Professor Emeritus), and additional gifts from friends, relatives and colleagues to honor his life and work.

The annual income shall be distributed to The Ohio State University to provide scholarship assistance to students beginning graduate work in microbiology and with preference given to those who show promise in expanding scientific knowledge. The recipient(s) will be selected by the Dean of the College of Veterinary Medicine or the Dean's designee, in consultation with the University Committee on Student Financial Aid.

\$25,000.00

The John W. King University Scholar Fund

The John W. King University Scholar Fund was established March 7, 1997, by the Board of Trustees through funds received by the University from The Ohio State University Foundation, which has established an endowed fund with a gift from John W. King (B.S.Bus.Adm. '49), Norwood, Ohio.

The annual income shall be used to provide undergraduate scholarships for students qualifying as University Scholars based on merit. Recipients should be students majoring in subjects which will contribute to the ability of the United States to compete economically, over the long term, with other countries. Without limiting the generality of the preceding sentence, such subjects today would include those currently offered by the College of Mathematical and Physical Sciences, the College of Biological Sciences, and the College of Engineering, such as mathematics, physics, chemistry, engineering, technology, biology, or environmental sciences. Financial need may (but need not) be considered. This scholarship shall be administered by the University Honors Center in consultation with the University Committee on Student Financial Aid.

\$25,000.00

The Kathryn L. and Edmund B. Quinn Arthritis Fund

The Kathryn L. and Edmund B. Quinn Arthritis Fund was established March 7, 1997, by the Board of Trustees through funds received by the University from The Ohio State University Foundation, which has established an endowed fund with a gift from the trust of Edmund B. Quinn of Columbus, Ohio.

The annual income shall be used to support the advancement of medical knowledge and treatment of the disease of arthritis, to include medical education, patient care, basic and clinical research, and programs at The Ohio State University Hospitals. Income distribution shall be made at the recommendation of the Executive Director of University Hospitals in consultation with the Medical Director of University Hospitals.

\$25,000.00

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY FOUNDATION (contd)

ESTABLISHMENT OF NAMED ENDOWED FUNDS (contd)

The Ruth E. Smith Memorial Leadership Endowment Fund
for Alpha Delta Pi Sorority

The Ruth E. Smith Memorial Leadership Endowment Fund for Alpha Delta Pi Sorority was established March 7, 1997, by the Board of Trustees through funds received by the University from The Ohio State University Foundation, which has established an endowed fund with gifts designated for support of the Office of Student Life from Joseph R. and Carolyn L. Smith of Eaton, Ohio, in memory of Ruth E. Smith, member of the Alpha Delta Pi Sorority.

As an early admissions student to Ohio State, Ruth Smith began her college career with high hopes of helping to mold young minds in her chosen field of Education. Her interest in people also brought her to Alpha Delta Pi Sorority, where she made many friends and touched many lives. Ruth always maintained her own identity amid the "sorority girl" image, always with her sorority's best interest at heart. As an officer, she was well respected and inspired others to challenge themselves, in turn enriching their sorority experience.

The annual income shall be distributed to the Office of Student Life to be used to enhance the leadership skills of individual Alpha Delta Pi Sorority members including but not limited to the expenses associated with travel and participation in national leadership training, leadership development of chapter officers and members on campus, and leadership grants to chapter officers who might otherwise be required to seek employment which might limit their ability to carry out their responsibilities. Should the local chapter of Alpha Delta Pi become inactive, annual income shall be added to principal for up to ten years of continuous inactivity, whereupon the annual income shall be used for leadership development of sorority members from any active chapter at the discretion of the university office overseeing the sorority program.

\$25,000.00

Upon motion of Mr. Skestos, seconded by Ms. Longaberger Kaido, the Board of Trustees adopted the foregoing resolution by unanimous voice vote.

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FISCAL AFFAIRS COMMITTEE REPORT

Mr. Skestos:

Mr. Chairman, I would like to begin by calling on Mr. Shkurti to present a report on Revenue Benchmarks.

REVENUE BENCHMARK REPORT

Mr. William Shkurti: [Slide presentation]

Thank you, Mr. Chairman. In the spirit of large dollar signs, I would like to talk about the Revenue Benchmark Report. The detailed version of this is in your Board books, the user-friendly version will be up on your screen, and it is also in hard copy in front of you.

Today, I will be focusing on the summary from where Ohio State stands in regard to some revenue benchmarks and then next month we will be talking about expenditure

REVENUE BENCHMARK REPORT (contd)

Mr. Shkurti: (contd)

benchmarks. I want to stress the purpose of this as being informational, this is not a meeting to make decisions or recommendations about where we should be, but rather to take a look at where we are. As I said, I will focus on revenues.

We will also look at some comparable competitive peer institutions. I want to point out that we have changed the definition slightly from last year and the purpose of this is not to change the definition every year, but to get a better context to look at the University. What we will be looking at is the top 20 public institutions in the country and that is a slight modification of last year's list, which the faculty referred to as the "Sweet Sixteen." We have added a couple of institutions and dropped a couple, but it is essentially comparable institutions.

I also want to say a word about sources of data. What I will be offering you is the best data available, either from official reports, or the Ohio Board of Regents, the Census Bureau, and the American Association of Universities. There are differences in accounting practices between institutions that sometimes affect these numbers, and I will try to point those out where appropriate.

Finally, the other point that I would like to mention is that Eric Kunz, who is turning the slides, is more than a slide turner. He is also the head of the Office of Resource Planning and Institutional Analysis, and they are the people who did a lot of the work to put these numbers together.

As we turn to the first chart, we took a comparison of OSU's annual undergraduate resident tuition on a variety of benchmarks. And as you can see, OSU's rate is \$3,468 for an academic year. That is seven percent below the top 20 public institutions that I just mentioned. It is 8 percent below the average for the 13 public institutions in Ohio and it is 9 percent below the top 10 publics -- the average for the top 10 publics of those top 20 that I mentioned. So anyway that you look at it -- although if you are paying the tuition, obviously, \$3,000 is a lot of money -- compared to peer institutions or other state institutions that are not as comprehensive as Ohio State, our tuition is a bargain.

The other thing that I would like to point out is the difference. For example, between OSU and say the average for Ohio's 13 publics is about \$300 per student. I was asked at a legislative hearing, "Well, that's not really a lot of money, unless you are a student." It may not seem to be a lot of money, but if you multiply that times 40,000 students that is a lot of money. If we had \$12 million more, there are a lot of good things we could do. So we are not in the business to raise tuition for the purpose of raising tuition, we are in the business of providing the best education that we can for the dollars available. Compared to almost any benchmark, our tuition for our resident undergraduate students is below the average for most other institutions.

Now the next chart takes a look at our revenues as a whole and how they have changed over the last six years since 1991. The reason I used 1991 is because that is when President Gee came on board and it is also the year we have used as a benchmark to see how things changed. This compares state subsidies, tuition, and all revenues to the general fund where most of our teaching, research, and student activities are funded.

Generally what tends to get reported in the newspapers is that our tuition has gone up an average of 6.3 percent a year during this period, which is twice the rate of inflation. But if you take a look at state subsidy, in the left-hand corner, you can see on average over that period it increased 0.8 percent, so it did not keep up with

REVENUE BENCHMARK REPORT (contd)

Mr. Shkurti: (contd)

inflation. The combination of the two, plus additional revenues, increased at an average of 3.5 percent, which is a little more than inflation over this period.

But I need to stress that this is the first year that we really started to move ahead of inflation. We were behind it for a while, but also it is a little bit misleading because of the way that we are required to account for our revenues is before we discount for student financial aid. If you take student financial aid out of there, that 3.5 percent increase is less than that. As I said, we are barely keeping even with inflation. Again, our revenues have increased. Tuition has increased fastest of all, but our other revenues have not increased to match inflation.

The next chart gives you a sense that if you take all the University's revenues as a share of the total budget -- the total \$1.7 billion budget -- how those shares changed over the last six years. You can see the share that is accounted for by the general fund -- where student tuition goes and the state instructional subsidy goes -- that share has declined by seven percent over that period.

On the other hand, restricted dollars -- where a lot of our fund-raising shows up in our accounting system and also different grants and contracts -- has increased 4.7 percent as a share of the University's budget over that period. Our earnings units -- which include things like the Hospitals and Athletics as a share of the budget -- have increased 6.9 percent. In part that reflects the opening of the new Cancer Hospital and Research Institute in that period.

The significance of this for our management purposes is it is a good sign that we are diversifying our revenues, but the problem is both restricted and earnings revenues have strings attached to them and limits on what they can be used for. So that if our general fund, our student tuition, and our state support is not keeping up with our needs, it is a lot harder to meet some of the more routine things that we need to do such as paying our faculty and staff, paying the electric bills, and making various improvements.

So it is a mixed message. It is good that we are diversifying, but there is a strain on the general funds budget even though the institution as a whole is doing well. This is different than the private sector, where there is a lot more flexibility to move money around, as I am sure you all know from your own businesses.

The next table shows our total revenues, not just tuition, per student FTE compared to the 20 peer institutions that I mentioned earlier. What it shows is the dark bar, on the right-hand side, is marked as Ohio State. That is 20 percent below the average for the top 20 institutions in the country in the year that we are showing here and 30 percent below the average of the top 10 institutions. Again, I will not argue, and I have not argued in the past, that OSU would be better by just having more money, but we are competing with folks who do have more money than we do and in the competitive world money does make a difference.

The next chart is some good news. This shows our relative funding status compared again to these 20 peer institutions. As it points out in Fiscal Year 1995, as I mentioned, we were at 80 percent of their average, or 20 percent below. In 1991, we were at 24 percent below, so we have made some progress and that progress was essentially in that one year, Fiscal Year 1995.

I suspect that when we get the data in on both Fiscal Year '96 and '97, we will continue to make improvements compared to our competitors. Although I will talk about it later -- and we have talked about some of the inadequacies in the executive

REVENUE BENCHMARK REPORT (contd)

Mr. Shkurti: (contd)

budget recommendations this coming biennium -- in the current biennium, Ohio State did relatively well compared to its competitors, and we want to acknowledge that. The problem is even though we did relatively well and even if we do relatively well in these current two years, we are still way behind where our competitors are and need to continue to make progress.

The next part of the chart deals with the implications of the recommendations and the executive budget. We have talked about that and it has been banded around in the media quite a bit so I won't go into great detail, but I think that I do need to address what the recommendations of the executive budget mean for OSU.

The one point that I want to make clear at the beginning is that although we were disappointed in the recommendations, it is an increase over the current biennium and that OSU's budget, therefore, will be able to be balanced without a return to the budget reductions that we endured in Fiscal Years 1991-1995. But, and this is a big but, there was significantly less revenue growth for us projected in the coming biennium, which is 1998-99, than we are currently enjoying in the 1996-97 biennium.

Although the revenue growth in the current biennium is certainly a lot better than what we went through in the previous years, it still does not catch us up to our competing institutions. What this means is that OSU will be less competitive in recruiting and retaining the best faculty and student scholars than we otherwise would be and that it will not stop, but it will slow down our ability to fund continued improvements in the student experience, and in academic computing which are priorities.

It means likely postponements of fixed investments and things like the student information system and instructional technology. It means the student set-aside -- that we were able to work through with the students in this biennium -- is likely unfeasible unless the budget changes, but we want to emphasize that we continue to encourage student involvement in the budget process. It means, in terms of the way that tuition caps are set up -- and I will address that again in a minute -- that certain inequities and University-wide tuition and fee structures are frozen. It means that there will be more pressure on the University for various course specific charges and fees.

OSU has held the line compared to our competitors in the past for this because I think the Board has rightfully felt that we shouldn't nickel and dime our students. On the other hand, the way that the State has implemented this and this kind of Soviet-style, one-size fits all tuition cap, it means that OSU is penalized for holding the line on these things in the past. And people who have been more aggressive in getting around the tuition caps and doing course specific fees, which are not covered in the tuition caps, are rewarded.

Finally, over the longer term for the State of Ohio if the budget recommendations are not changed, we think that there will be lost opportunities for additional investment in key areas: emerging technology at OSU, where OSU is still playing catch up from our inability to invest in molecular life sciences and advanced computing technologies in the early '90's; and the investment in higher education which provides human capital -- and is the key ingredient for economic growth for the State of Ohio -- means that there will be fewer higher paying jobs and less economic growth for the State in the future.

I mentioned the tuition caps and the next chart gives you an example of what happens under the way that the current tuition caps are proposed, which simply fixes everyone at a fixed percentage increase. It shows -- because our tuition is low to begin

REVENUE BENCHMARK REPORT (contd)

Mr. Shkurti: (contd)

with -- that for every dollar that we increase tuition -- if we get it up to \$104, for example, on this chart -- Ohio University under the same tuition cap -- because they are higher to begin with -- gets a \$112; the University of Cincinnati gets \$120; and the University of Miami of Ohio gets \$147. If we go to the other states, poor old Purdue is a little below us, and then Indiana, Penn State, and the University of Michigan -- if they were under the same system -- would get more dollars under the same percentage. So we think, again, that the method for tuition caps proposed in the executive budget are very unfair to us and penalizes us for doing the things that we think the State would want us to.

Now in spite of all of this, I think that OSU still remains a tremendous value to the people of Ohio and this is our annual chart that emphasizes that. If you use the *U.S. News and World Report* rankings, we have the best academic reputation -- which means our students do and our faculty do -- in the State of Ohio. Ohio State is ranked 37th nationally among all of the institutions, yet our fees are lower than all of those other institutions pictured there for resident undergraduates. So that makes OSU, I think, a tremendous value.

In summary, we can conclude from the revenue benchmarks that OSU is underfunded compared to most of our peer and competitive institutions. That the recommendations and the executive budget for the coming biennium do not address this problem and the way in which the tuition caps are designed, in fact, makes it worse. Our first priority has to be to convince the General Assembly to provide more support and, as you know, we are working on that.

It also means that OSU needs to continue to search for alternative sources of revenues for strategic investment, whether it is private fund-raising or other methods, including the reallocation of existing revenues and expenditures to accomplish our goals. I am still optimistic that even though we may not be funded as liberally as some other institutions, we continue to do better with less. We will continue to do that regardless of the funding level provided by the State, but we need to continue to make our case to the State of Ohio and to the people of Ohio.

Mr. Chairman, I will be glad to answer any questions any of the Board members may have.

Mr. Wexner:

Are there any questions?

Mr. Brennan:

Bill, you have really convinced us. I am serious. What response do you get from the legislators when you talk to them like this?

Mr. Shkurti:

It is interesting and there are a variety of responses. The most common one is, "We think that you guys have done a lot ." In fact, the Governor's budget director has also said the same thing. There has never been a disagreement in terms of us going in the right direction. What we hear is, "We have got a lot of other needs" or "\$300 difference really isn't that much."

My sense is that the legislators are struggling. They want to do the right thing, but they are being buffered by a number of competitive pressures on a limited amount

REVENUE BENCHMARK REPORT (contd)

Mr. Shkurti: (contd)

of resources. Part of it is that there is a history in Ohio -- and I was born and raised in Ohio in a part of the state, Mr. Brennan, that you know very well; I feel very proud of this State -- but there is an interesting mixture of old ethnic-type, tight fistness and fiscal policy in Ohio. Most Ohioans don't want to pay more in taxes, but most Ohioans do want economic growth and they want a strong primary and secondary education system and a strong higher education system. How we reconcile those differences and those contradictions is a part of what we are struggling with.

I think that the point we have been trying to make is -- and President Gee obviously has taken the lead and I know the Board members have as well -- if you are looking to where the State can invest a limited number of dollars that in turn creates more economic growth that creates more dollars, higher education ought to be the first place that you look at, not the last place. We just have to continue to make that case.

Mr. Brennan:

I am intrigued by the tuition cap argument. What is the rationale? I mean the market is going to control what we can charge. There is only so much ability to pay in the first place. Certainly you have made the point to the legislators that substantially increasing dollars put us in this position. Nobody who wants to come here, who should come here, will be denied admission for lack of financial help because we are going to be here to help them. Does that fall on deaf ears? I don't understand how the discourse goes, Bill, as to why a tuition cap makes sense in light of all of the other information that you have shown us.

Mr. Shkurti:

Mr. Chairman and Mr. Brennan, I think that there are two different parts to this. One legislator expressed to me privately, he said, "You guys are fine, we don't trust the others."

The way tuition caps initially got started was that the State was willing to put additional money into higher education back in the '80's, but was worried about the competitive pressures among the various universities for more faculty, better faculty, better facilities, and so forth. This simply meant that the State would provide more money and the universities would raise tuition any way and that they were insensitive to that. So the caps were originally put on as a part of an enforced contract saying that if we are going to give you more money on this hand, then we don't want you gauging your students on the other. I can understand that and I was a part of that decision process.

What has happened now is that the State has kind of said, "Well, we don't have enough money so we can't give you the support that you need, but we don't want you jacking up tuition anyway, and that's it." Out of all of the stuff that has come out of the Higher Education Funding Commission and the battling back and forth, the part that I personally was the most upset about was the way that the tuition caps were put in the executive budget. There was no discussion back and forth.

To me it is a very arbitrary decision and I am sure that whoever made it and whoever recommended that to the Governor was doing what they thought was best, but it really is not. I was somewhat flip in saying that it is a somewhat Soviet-style, but it really is. Central authority makes a declaration one-size fits all and it doesn't matter what anybody else does, that is it. That is not the way to run things.

REVENUE BENCHMARK REPORT (contd)

Mr. Shkurti: (contd)

I think the other thing that has changed since the '80's is the competitive pressures on universities, and on public and consumer resistance to tuition increases. It is a lot different than it was. What I have said -- and I know that this is consistent with what the Board, the President, and others have said -- is even if we didn't have tuition caps we would feel constrained in what we did in the way of tuition. Now it may not be necessarily what the State has decreed, but we would be very careful in this because if we raise tuition too much, it hurts us in terms of retention of existing students and of recruiting new students.

But under the recommendations that came out of the executive branch, we really don't have that ability. It amuses me that you are asked to assume fiduciary responsibilities for a \$1.7 billion institution -- with a big hospital and an athletic program and the second largest campus in the country -- but the State says to you that you can not raise tuition more than \$11.36 more than we say that you can on your own initiative even if you want to. In fact, even if you do -- and it is above 3 percent, but not more than 4 percent -- this is where you have to spend it. That is not a healthy situation.

President Gee:

You know, David, it is bad public policy -- if you think about it as a public policy issue -- but obviously the issue in the era of infinite appetite and finite resources has a strong political overtone. We can't give you enough money, but we also don't want to carry the burden of having the tuition raised on our watch. It is very sad.

Mr. Brennan:

So the political answer is that if tuition has to be raised, I don't want to be blamed for it?

President Gee:

Yes. If one takes a look at the public survey out there about higher education, there are two very striking issues. One is the fact that higher education is viewed as one of the single most significant components of the future of this nation and on the other hand no one wants to pay for it. That is the disconnect that we have. We want to have wonderful universities, and we love that fact that we have wonderful universities, but we don't want to pay for them. That is the difficulty that we face in the '90's.

I have been a president all through the '80's and now I am a president seven years into the '90's. There is absolutely a different and fundamentally significant seismic quiver that has occurred in terms of the different ways that people view the issue now than they did 10 years ago.

Mr. Wexner:

I think that there is a lot to be made within the campus community and within the State in publicly comparing, in hard dollar terms, what our tuition is against the state institutions and the peer institutions in the state. In particular, to have the legislature recognize that we compete in a way with Ohio University. But our real competitors are the top 10 publics, and this is who we are fighting against in a global and international world. By restraining and retarding us, they are restraining and retarding the State. So the State would recognize the importance of foreign offices on a world basis because they see the world as international and globalized, but yet

REVENUE BENCHMARK REPORT (contd)

Mr. Wexner: (contd)

the flagship teaching and research institution of the State is retarded from playing on the playing field that it is playing on. We are an international institution and clearly have national reach and international benefit for the State. It's a very peculiar parallel.

President Gee:

Yes. I feel like I am running against Carl Lewis with a crutch. It's difficult. The other issue is that I think that we fundamentally will never make the case for raising tuition to a substantial level with the public. I think that there is absolute logic for it, but we will never do that. Therefore, our argument ultimately has to be that we are not bullish on tuition, we are bullish on support from the State that allows us to maintain a tuition equity. That is where our argument becomes very important.

The reason I think that we have to make the argument is the most significant thing about higher education -- out of all of the areas in which the State puts its dollars -- is we are probably the single most significant investment in terms of return on State investment by a factor of 4 or 5 than anything else that they invest in and many things are not investments. Many things are just that. We have to pay for this because it is a service and that investment factor is the issue that we have to ultimately make.

Mr. Patterson:

This discussion -- and, Bill, from time to time we have had these discussions -- on what are possible new sources of revenue for the University and what is it that we begin to look at the constraints of State support and tuition. I think perhaps we should begin to formalize that and strategize what are these new possible sources. We need to list them and begin to put them on the table for consideration.

One example, David, you wrote a memo a few weeks ago that had to do with continuing education and distance learning and you see that as a potential huge source of revenue. These are the things that I think that we need to begin to get specific about and discuss.

Mr. Shumate:

Related to that, Bill, is the material that you mailed to us. On page 6, it talks about revenue sources and there is a category called, "All other." What are the components of that?

Mr. Shkurti:

This is an interesting illustration of Mr. Patterson's point. This is all other sources of general fund revenue. Let me just give you an idea of how we are trying to diversify our financial base.

Part of it is the overhead that we get from the federal government on our research activities and even though it went down this last year in the six-year period, between fiscal year '91 and '97, it increased an average of 6.4 percent a year. So in other words, we are bringing in our faculty -- even though there are less of them -- and we are bringing in more federal research dollars and collecting overhead on that, which in turn could be used to sponsor graduate students and pay for facilities and so forth at almost twice the rate of inflation.

REVENUE BENCHMARK REPORT (contd)

Mr. Shkurti: (contd)

The next one, as I mentioned, are the auxiliaries: the Hospitals, Athletics, Residence and Dining, and Traffic and Parking. You may find this one amusing, but University overhead -- that is what we charge the auxiliaries for their share of operating the University -- increased an average of 6.8 percent a year. Some of them have complained, but, in fact, most of them are good University citizens and have cheerfully turned over these dollars.

In fact, what this shows -- if I were to talk in Mr. Wexner's terms of a strategic look at the University -- is what is different about us. We are extremely big; we have a lot of business-like operations to a degree they can contribute -- and the Hospitals contributes as a teaching laboratory and a variety of other ways, both hospitals -- but they also contribute to this overhead which helps us spread, in a fair way, our administrative costs across the University. That's a real source of income; that's \$5 million a year that we otherwise wouldn't have. So that's another source. Again, that's been growing at 6.8 percent a year.

Another source is temporary investments. Although that has been relatively flat over the five years, that is not because it is not being managed well. Interest rates, as you know, are much lower than they used to be. Over the last couple of years, we have increased the return on temporary investments.

The next one is the unrestricted endowment and you'll find this interesting. This is endowment money that has no strings attached. The average annual increase in that, over the last 6 years, has been 16.8 percent. Now part of that Jerry deserves credit for because his people have been out raising the money. Part of it was -- for those of you that were here through the infamous near meltdown about 4 years ago in the University budget -- when we tried to find \$7.5 million somewhere without cutting it out of the units. What we found was the University was not budgeting its unrestricted gift money -- which was primarily the Mershon Endowment -- in a systematic way.

So we found by pulling all of that together and by treating that as a budgetary resource, that we had another \$2 million a year in continuing money off of that Endowment that we could apply to the University strategic resources. So although this has averaged out at 16.8 percent a year, it really had almost doubled in one year when we did that change in the way that we treated that account for budget purposes.

Then miscellaneous is the final category of that and these are things like income from vending machines. Some of that kicks back to the central University funds and we put it in and recycle it. And what we're finding is --

President Gee:

We don't like the word *kickback*.

Mr. Shkurti:

I'm sorry -- that we target back to central University funds. What we are finding though -- with being one of the largest universities in the country -- is that a lot of other people would like us as customers. To the degree we can do that intelligently and in a businesslike and professional manner, that can also be a source of income. So those are all possibilities.

REVENUE BENCHMARK REPORT (contd)

Mr. Shkurti: (contd)

What I would point out though is that the President is fond of using the D-day analogy and that we have to do a D-day invasion probably every other week because of our complexity. D-day succeeded for a lot of reasons -- air power was important, naval gun fire support, and all of these things -- but in the end, it was the foot soldiers being able to tromp up on the beach and get to the other side.

Our foot soldier, in the budgetary sense, is the State instructional subsidy. We can do all of the other wonderful things and, I suspect, 10 years from now people will really be pleased at least with that part of what we have done in terms of how that grows. Over the short-run, the biggest impact we can have for our students and for the people of Ohio is getting something done to increase the \$270 million a year that we receive in State instructional subsidy.

So I think a multi-faceted D-day offensive is appropriate, but combined arms succeed because of the courage of the foot soldier. Our foot soldiers are the taxpayers of Ohio, in this case, and we need their help.

President Gee:

That is wonderful.

Mr. Shkurti:

If I may say, Mr. President, a President's job is to inspire those under him. I probably should quit while I'm ahead, Mr. Chairman.

Mr. Wexner:

Thank you very much.

Mr. Skestos:

Thank you, Bill.

(See Appendix XXXIII for background information, page 655.)

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Mr. Skestos:

I would now like to present the following resolutions:

**EMPLOYMENT OF ARCHITECTS/ENGINEERS,
REQUEST FOR CONSTRUCTION BIDS, AND
REPORT OF AWARD OF CONTRACTS**

Resolution No. 97-95

RHODES HALL LOBBY RENOVATION
LIMA AGRICULTURAL BUILDING
LIMA CAMPUS - LIFE AND PHYSICAL SCIENCES BUILDING
DOAN HALL ROOF REPLACEMENT
STEAM LINE REPLACEMENT

**EMPLOYMENT OF ARCHITECTS/ENGINEERS,
REQUEST FOR CONSTRUCTION BIDS, AND
REPORT OF AWARD OF CONTRACTS (contd)**

Synopsis: Authorization to employ architectural/engineering firms and request construction bids for the Rhodes Hall Lobby Renovation and Lima Agricultural Building projects, request construction bids for the Lima Campus - Life and Physical Sciences Building project, and accept the report of award of contracts and establishment of contingency funds for the Doan Hall Roof Replacement and Steam Line Replacement projects is requested.

WHEREAS University Hospitals desires to proceed with renovation of the lobby and reception area in Rhodes Hall to improve the function and character of the area; and

WHEREAS the total estimated project cost is \$250,000 and the total estimated construction cost is \$200,000, with funding provided by University Hospitals; and

WHEREAS the Lima Campus desires to proceed with construction of an agricultural building to house the University Extension and Federal/State agricultural agencies plus a large shared meeting room; and

WHEREAS the total estimated project cost is \$1,049,000 and the total estimated construction cost is \$980,000, with funding provided by Lima Campus and income from building leases; and

WHEREAS the Lima Technical College desires to construct a new facility to house laboratory, classroom, and office space for the science departments of both schools on the Lima Campus; and

WHEREAS the total estimated project cost is \$15,225,000 and the total estimated construction cost is \$12,000,000, with funding provided by House Bill 790 (\$750,000) and House Bill 748 (\$14,475,000); and

WHEREAS resolutions adopted by the Board of Trustees on December 1, 1995 and September 13, 1996 authorized the President and/or Vice President for Business and Administration to request construction bids in accordance with established University procedures, and if satisfactory bids were received to award contracts for the following projects:

(* Recommended alternates included in these amounts)

Doan Hall Roof Replacement

This project replaces the entire roof on Doan Hall. The total project cost is \$1,476,776; funding is provided by University Hospitals. The completion date is November 1998. The contract awarded is as follows:

Design:	Robert H. Fuller & Associates, Columbus, Ohio
General Contract:	United Roofing, Holland, Ohio
Amount:	\$1,203,000 *
Estimate:	\$1,233,000 *
Total All Contracts:	\$1,203,000 *
Contingency Allowance:	\$120,300
Total Project Cost:	\$1,476,776

Steam Line Replacement

This project replaces approximately 900 feet of buried steam and condensate distribution piping. The present line is being relocated to make way for another project and to continue service and size the main line for anticipated future load west of the Olentangy River. The total project cost is \$1,300,000; funding is provided by University funds. The completion date is October 1997. The contract awarded is as follows:

**EMPLOYMENT OF ARCHITECTS/ENGINEERS,
REQUEST FOR CONSTRUCTION BIDS, AND
REPORT OF AWARD OF CONTRACTS (contd)**

Steam Line Replacement (contd)

HVAC Contract:	J. A. Croson of Columbus, Columbus, Ohio
Amount:	\$1,158,000
Estimate:	\$1,202,200
Total All Contracts:	\$1,158,000
Contingency Allowance:	\$142,000
Total Project Cost:	\$1,300,000

NOW THEREFORE

BE IT RESOLVED, That the President and/or Vice President for Business and Administration be authorized to select qualified architectural/engineering firms as necessary for the Rhodes Hall Lobby Renovation and Lima Agricultural Building projects and that the fees for these services be negotiated between the firm selected and the University; and

BE IT FURTHER RESOLVED, That the President and/or Vice President for Business and Administration be authorized to request construction bids for the Rhodes Hall Lobby Renovation, Lima Agricultural Building, and Lima Campus - Life and Physical Sciences Building projects in accordance with established University and State of Ohio procedures, and if satisfactory bids are received, to issue contracts with all actions to be reported to this Board at the appropriate time; and

BE IT FURTHER RESOLVED, That pursuant to the actions previously authorized by the Board, the report of award of contracts and establishment of contingency funds for the Doan Hall Roof Replacement and Steam Line Replacement projects is hereby accepted.

(See Appendix XXXIV for maps, page 669.)

PURCHASE OF REAL PROPERTY

Resolution No. 97-96

1568 NEIL AVENUE
COLUMBUS, OHIO

Synopsis: Authorization to purchase the improved real property at 1568 Neil Avenue in Columbus, Ohio, is proposed.

WHEREAS The Ohio State University has been presented with an opportunity to purchase the improved real property located at 1568 Neil Avenue in Columbus, Ohio; and

WHEREAS this property has an appraised value of \$112,000 to \$117,000, and the owner, Eldin S. Rector, of Columbus, Ohio, has offered to sell the property to the University at a price of \$117,000; and

WHEREAS this property is located within the University Master Plan's South Campus acquisition line and the appropriate University offices have determined that purchase of this property is in the best interest of the University; and

WHEREAS funds for the purchase will be provided from the land purchase account:

PURCHASE OF REAL PROPERTY (contd)

NOW THEREFORE

BE IT RESOLVED, That the President and/or the Vice President for Business and Administration be authorized to purchase, in the name of the State of Ohio for the use of The Ohio State University, the improved real property located at 1568 Neil Avenue at a price not to exceed \$117,000, upon such terms and conditions as are deemed to be in the best interest of the University, subject to the University receiving the necessary approvals from the Ohio Board of Regents and the State Controlling Board.

(See Appendix XXXV for background information and map, page 675.)

Mr. Skestos:

Mr. Lewellen, would you please present the last three resolutions?

President Gee:

By the way, I'm not certain, have you been formally introduced? This is Larry Lewellen, Acting Vice President for Human Resources, who is in real life the Assistant Vice President. Larry has taken on Linda Tom's position and is doing a wonderful job. Welcome, Larry.

Mr. Larry Lewellen:

Thank you. This is the end of my first month of acting and I'm bringing three resolutions forward, so either I'm getting really wound up or Linda left some workload behind. We can't decide which.

The first resolution is the designation of Appointing Authority and it is transferring from Linda Tom to me, the responsibility and accountability of administering the Classified Civil Service Rules. This is known as the appointing authority under the Ohio Revised Code. This will, of course, be forwarded eventually to the successful candidate filling the Vice President position.

**DESIGNATION OF APPOINTING AUTHORITY AND TRANSFER OF
AUTHORITY FOR CLASSIFICATION ADMINISTRATION**

Resolution No. 97-97

Synopsis: Designation of Appointing Authority for Classified Civil Service employees and transfer of authority for Classification Administration is proposed.

WHEREAS due to the resignation of Vice President Linda Tom, it is necessary to designate a new Appointing Authority for Classified Civil Service employees and to transfer the authority for the Classification Administration:

NOW THEREFORE

BE IT RESOLVED, That upon the recommendation of the President, Larry Lewellen, Acting Vice President for Human Resources, be designated as the Appointing Authority for the non-instructional (Classified Civil Service) employees of the University pursuant to Chapter 124. of the Ohio Revised Code, and be given authority for Classification Administration, effective immediately.

Mr. Lewellen:

The second resolution is PERS Service Credit pick-up plan. What this does is create a cost savings opportunity for staff in allowing the use of pretaxed funds for purchasing pension service credit in the Public Employees Retirement System, if they have service credit available through unpaid leaves, military service or out-of-state service, and situations like that.

PERS PICK-UP PLAN FOR ELECTIVE CONTRIBUTIONS

Resolution No. 97-98

Synopsis: Authorization for The Ohio State University to pick-up contributions to purchase additional service credit in the Public Employees Retirement System (PERS) of Ohio for employees who elect such pick-up pursuant to Ohio Administrative Code 145-9-08, and Internal Revenue Code § 414(h)(2) is proposed.

WHEREAS pursuant to federal and Ohio laws, participating employees of The Ohio State University could defer the federal and state income taxes on a portion of their wages or salaries if the University would "pick-up" (assume and pay) contributions to purchase additional service credit by such employees to the Public Employees Retirement System of Ohio ("PERS"); and

WHEREAS the University will not incur any additional costs in the deferment of federal and state income taxes; and

WHEREAS the appropriate University offices have recommended the approval of the PERS Section 414 (h)(2) Pick-Up Plan set forth in Appendix XXXVI, which follows, hereto and incorporated herein by this reference:

NOW THEREFORE

BE IT RESOLVED, That The Ohio State University hereby adopts the PERS Pick-Up Plan set forth in Exhibit A, which follows, hereto and incorporated herein by this reference;

BE IT FURTHER RESOLVED, That the Vice President for Human Resources and/or any other appropriate officers of the University are hereby authorized to act for and on behalf of the University in developing the necessary legal instruments and amendments thereto, and taking all actions necessary to implement the provisions of this resolution.

(See Appendix XXXVI for background information, page 677.)

Mr. Lewellen:

The third and final resolution revises the rules for the Classified Civil Service to allow us to phase in a new broad banded compensation system. As I mentioned in the Fiscal Affairs Committee, we currently have 2,600 classifications for approximately 14,000 staff. We are shooting to get that to 200-300 at most. I need to say *at most* after the Fiscal Affairs Committee meeting. This is phase one of these changes to the rules for Classified Civil Service, and we'll be bringing forward other changes around May to further increase our flexibility and management efficiency.

**REVISION OF THE CLASSIFIED CIVIL SERVICE RULES OF
THE OHIO STATE UNIVERSITY**

Resolution No. 97-99

Synopsis: Adoption of revised Chapter 3335-55 of the Classified Civil Service Rules to allow implementation of an improved classification plan is proposed.

**REVISION OF THE CLASSIFIED CIVIL SERVICE RULES OF
THE OHIO STATE UNIVERSITY (contd)**

WHEREAS the University traditionally used a rigid and complex Classification Plan for its Classified Civil Service employees; and

WHEREAS the University is transforming its Classifications into a Broadbanded Classification Plan for broader classifications, broader pay ranges, and simplified compensation administration; and

WHEREAS the rules for classifications are comprised in Administrative Code 3335-55; and

WHEREAS Chapter 3335-55 of the Administrative Code has been restructured through the rule-making process to allow for the phasing-in of the Broadbanded Classification Plan; and

WHEREAS the University has complied with Ohio Revised Code Chapter 119. in promulgating a new and revised Administrative Code 3335-55 regarding classifications at the University, in that reasonable notice was given to University employees, a sixty-day notice and comment period and a public hearing were provided to receive feedback from the University Community, as well as many focus groups and open forums were held on the Broadbanded Classification Plan:

NOW THEREFORE

BE IT RESOLVED, That University Rules 3335-55-01, 3335-55-02, 3335-55-03, 3335-55-05, 3335-55-06, 3335-55-07, and 3335-55-08 are hereby revised to allow the current Classification Plan and the Broadbanded Classification Plan to be implemented together in phases for a smooth transition.

(See Appendix XXXVII for background information, page 681.)

Upon motion of Mr. Skestos, seconded by Mr. Shumate, the Board of Trustees adopted the foregoing resolutions by unanimous roll call vote, cast by Messrs. Wexner, Shumate, Celeste, Skestos, Brennan, Patterson, and Sofia, and Ms. Longaberger Kaido.

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Thereupon the Board adjourned to meet Friday, April 4, 1997, at The Ohio State University Prior Health Sciences Library, Columbus, Ohio.

Attest:

William J. Napier
Secretary

Leslie H. Wexner
Chairman