

THE OHIO STATE UNIVERSITY
OFFICIAL PROCEEDINGS OF THE
ONE THOUSAND THREE HUNDRED AND FORTIETH MEETING
OF THE BOARD OF TRUSTEES

Columbus, Ohio, March 6, 1998

The Board of Trustees met at its regular monthly meeting on Friday, March 6, 1998, 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 6, 1998 meeting, Board of Trustees

The Chairman, Mr. Shumate, called the meeting of the Board of Trustees to order on March 6, 1998, at 10:35 a.m. He requested the Secretary to call the roll.

Present: Alex Shumate, Chairman, Theodore S. Celeste, Michael F. Colley, George A. Skestos, David L. Brennan, James F. Patterson, Zuheir Sofia, Tamala Longaberger, Daniel M. Slane, and Soraya Rofagha.

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PRESIDENT'S REPORT

Dr. Richard Sisson:

Last month I remarked on the record of the basketball team. So I thought that I should note this month that our men's team did win a conference game! Remarkable! This young team -- they would just never give up! That is spirit. We have played the final basketball game in St. John Arena -- a memorable occasion. Especially poignant was the tribute paid to Coach Fred Taylor -- the coach when I was going to school here -- by the fans and by former players, and all of us who love this University. From our nationally ranked Top Ten teams in ice hockey, men's volleyball, and men's gymnastics, to outstanding individual performances in a number of sports, our student athletes continue to earn accolades for their University.

Speaking of honors and awards, it is time, again, for us to recognize our very best teachers and scholars, and servants of this University. Beginning last Tuesday, I am making surprise appearances in classrooms and meetings, presenting an apple -- and they are blinding in their brilliance -- and cash awards to some remarkable members of our faculty. We are honoring nine faculty with the Alumni Award for Distinguished Teaching, six with the Distinguished Scholar Award, and two with the Faculty Award for Distinguished University Service.

In February, Chairman Shumate and I had the opportunity to honor 125 of our most outstanding undergraduates at the Salute to Undergraduate Academic Achievement. Students brought faculty mentors who had been particularly important to their academic development. Also this month, the University Honors Center invited more than 1,000 talented high school seniors to the Maximum Scholarship Competition. At stake were 120 of our most prestigious scholarships. All who qualified to participate have been named University Scholars and receive a \$1,200 scholarship.

What brings these students to Ohio State? Without question, it is distinguished faculty and strong academic programs. *U. S. News and World Report* released its annual ranking of graduate programs in February. The College of Education continues its national prominence in a number of specialty areas. We had a strong showing from the Fisher College of Business and the College of Law is moving up. In addition, a number of arts and sciences' disciplines scored very well, as well as engineering, psychology, and political science continue to be shining lights for us.

Many activities in the last month have reflected our commitment to outreach and engagement. We have taken the University's resources to the people in order to effectively address important issues. The Central and East European Business Conference in Lorain, Ohio, was co-sponsored by our Slavic Department, our Slavic Studies Center, and the new National Slavic and East European Resource Center in Lorain. We brought together leaders in business, government, and education to explore opportunities for American business in these emerging markets. And I was informed that I was the first president of The Ohio State University ever to be at such a function as this in Lorain, Ohio.

PRESIDENT'S REPORT (contd)

Dr. Sisson: (contd)

In February, we took a group of Ohio State faculty to Florida for the Winter College Program. We are blessed to have many wonderful alumni and friends in Florida, who were invited to participate. The curriculum included Professor Keith Bedford's seminar on how beaches work, Dr. Phil Schneider's discussion of the use and misuse of medications, and Athletic Director Geiger's presentation on Jazz.

I should mention that Professor Steve Buser in the Fisher College brought some students from his investment class and they simply "wow'ed" the audience. They are a part of a continuous group of students who have turned \$5 million of Foundation funds, committed to their stewardship in 1990, into \$15 million at the beginning of 1998. I wonder if anyone in this room has done any better with respect to investing in the stock market.

The James Cancer Hospital and Research Institute and the Ireland Cancer Center in Cleveland were among the sponsors of a town hall meeting on the Progress and Promise of Cancer Research. The Director of the National Cancer Institute and the Executive Director of the National Coalition for Cancer Survivorship joined Representative John Kasich and Dean Bernadine Healy for this important panel discussion. I was personally very pleased to participate in the first meeting of the OSU CARES Advisory Team. This began what we expect to be a series of discussions with leaders from across the state to hear their ideas about how the University can be of greater service to business, industry, and the people of Ohio.

The Ohio State University clearly is a partner with our colleagues in K through 12 education, working together to improve education for all students. The people of Ohio will have an opportunity to vote on two important ballot issues in May. As I have traveled throughout the state in the past weeks, and as I have met with literally dozens of elected officials and government leaders, I have heard time and again how important it is that we invest in education -- at every level -- to ensure a bright future for economic development and the quality of life in our state. I will continue to carry this message forward in the critical weeks ahead.

Among our many outreach activities, no single event in my memory has carried the name Ohio State further than the CNN International Town Meeting. We had top billing on the first four pages of the *New York Times* following the event -- and it was positive -- and still commanded the front page of last Sunday's *Chicago Tribune* and a feature on the op-ed page in Tuesday's *New York Times*.

You know from my editorial and from my public statements that I feel strongly about the importance of that occasion even with my being deeply upset by those who raucously interfered with the rights of others to hear. Let me share a couple of items from my mailbag and newspaper clippings. First, Secretary of Defense William Cohen sent a note, he starts out with:

"Dear Dr. Sisson," and says a number of things, but then he ends his letter by saying, "Your entire staff was very accommodating to all of us and they greatly facilitated my visit. Please convey my appreciation to William H. Hall, Assistant Vice President for Student Affairs, who was particularly helpful during my stay. Thank you again for your hospitality. Sincerely, Bill Cohen."

PRESIDENT'S REPORT (contd)

Dr. Sisson: (contd)

From former Chancellor Elaine Hairston:

"What that afternoon said to me is that the intellectual life of Ohio State is very much alive and well -- just as we would all want it to be."

One of our faculty members wrote:

"A primary value of a university is to foster forums for the debate of important issues. I was encouraged by the passion. In my experience passion, if not neat, reflects a measure of the integrity involved."

The *Chicago Tribune* last Sunday noted:

"Some observers believe the town hall meeting might have been a watershed in recent U.S. politics, showing that the Washington Beltway mentality often ignores the concerns of those elsewhere in the nation."

On March 3, Thomas Friedman's foreign affairs column in the *New York Times* was based -- and it was reprinted in the *Columbus Dispatch*, as well as a large number of other newspapers around the country -- on the premise that the Senate hearings on NATO would have been much more effective if they had been held at The Ohio State University where the students of The Ohio State University would have ask much better questions!

There is no doubt that the Town Meeting required a tremendous amount of work on the part of many people. And all of us who were there can recall how stressful it was when dissent became so noisy and in a number of cases unacceptably so. But, I do believe it was an important occasion for the University. We will hear more about this later in the agenda.

Mr. Chairman, that concludes my report.

Mr. Shumate:

Thank you very much. Again, thank you for your leadership during this interim period, we really appreciate it.

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CONSENT AGENDA

Mr. Shumate:

At this time, we will focus on our consent agenda which is before the Trustees. There are 10 items for your consideration this morning and, if there are no objections, I would ask for a motion to approve the resolutions on the consent agenda.

RENAMING OF DEPARTMENT

Resolution No. 98-104

WHEREAS restructuring in the College of Food, Agricultural and Environmental Sciences moved the faculty of Rural Sociology out of the former Department of Agricultural Economics and Rural Sociology into a new unit; and

WHEREAS the remaining faculty in the restructured department are associated with agricultural, environmental, and development economics; and

WHEREAS the Department needs a name that reflects the teaching, research, service, and extension activities of the unit; and

WHEREAS the Department established priorities and followed a pattern of agreed upon procedures to identify a name, resulting in the proposed, "Department of Agricultural, Environmental, and Development Economics; and

WHEREAS the process has been properly consultative both within and beyond the College, and has the approval by vote of faculty in the Department and College; and

WHEREAS the proposed change has the approval of the Council on Academic Affairs, and was approved by the University Senate at its January 24, 1998 meeting:

NOW THEREFORE

BE IT RESOLVED, That the above mentioned departmental name change is hereby approved, effective immediately.

AMENDMENTS TO THE RULES OF THE UNIVERSITY FACULTY

Resolution No. 98-105

Synopsis: Approval of the following editorial amendments to the Rules of the University Faculty are recommended.

WHEREAS the University Senate pursuant to rule 3335-1-09 of the Administrative Code is authorized to recommend through the President to the Board of Trustees the adoption of amendments to the Rules of the University Faculty as approved by the University Senate; and

WHEREAS the proposed changes in the Rules of the University Faculty were approved by the University Senate Rules Committee:

Amended Rule

3335-47-06 Tenure initiating unit.

- (A) Unchanged.
- (B) A single division, department, school, or college must serve as the tenure initiating unit for each regular faculty member, including individuals with multiple appointments. Multiple appointments to the regular faculty totaling fifty per cent or more of service to the university shall be considered to be the same as a single appointment of fifty per cent or more for the purpose of determining eligibility for tenure ~~or tenure candidacy~~.

Balance unchanged.

AMENDMENTS TO THE RULES OF THE UNIVERSITY FACULTY (contd)

NOW THEREFORE

BE IT RESOLVED, That the foregoing amendments to the Rules of the University Faculty be adopted as recommended.

DISTINGUISHED SERVICE AWARDS

Resolution No. 98-106

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:

John J. Barone
Vernon R. Cahill
Gay B. Hadley
Frank W. Hale, Jr.
Joan Huber
Joanne Wharton Murphy (posthumous)
Richard J. Solove
Frank Wobst

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.

PERSONNEL ACTIONS

Resolution No. 98-107

RESOLVED, That the personnel actions as recorded in the Personnel Budget Records of the University since the February 6, 1998 meeting of the Board, including the following Concurrent Appointment, Appointment, Appointment/Reappointment of Chairpersons, Reappointment of Principal Administrative Official, Leaves of Absence Without Salary, Professional Improvement Leaves, and Emeritus Titles as detailed in the University Budget be approved.

Concurrent Appointment

Name: WILLIAM E. KIRWAN
Title: Professor
Department: Mathematics
Effective: July 1, 1998
Salary: N/A
Concurrent Position: President, The Ohio State University

PERSONNEL ACTIONS (contd)

Appointment

Name: BERNICE E. CULLINAN
Title: Visiting Professor (The Charlotte S. Huck Professorship in Children's Literature)
Department: School of Teaching and Learning
Term: August 1, 1997 through December 31, 1997
Present Position: Professor, New York University, and Editor, Wordsong, Boyds Mills Press

Appointment of Chairperson

August 15, 1998 through September 30, 2002

African-American and African Studies

John W. Roberts

Reappointment of Chairpersons

July 1, 1998, through June 30, 1999

Aerospace Engineering, Applied Mechanics
and Aviation
Chemical Engineering
Civil and Environmental Engineering and
Geodetic Science
Computer and Information Science
Electrical Engineering
Industrial, Welding, and Systems Engineering

Gerald M. Gregorek
Liang-Shih Fan

Keith W. Bedford
Stuart H. Zweben
Yuan F. Zheng
Richard A. Miller

Reappointment of Principal Administrative Official

F. DOMINIC DOTTAVIO, Dean and Director of The Ohio State University at Marion, effective July 1, 1998, through June 30, 2003, pursuant to rule 3335-3-17 of the Administrative Code.

Leaves of Absence Without Salary

JEREDITH J. MERRIN, Associate Professor, Department of English, effective Winter Quarter 1998, to accept a Visiting Poet/Professor position at the University of California at Irvine.

WINSTON O. SOBOYEJO, Associate Professor, Department of Materials Science and Engineering, effective Winter Quarter and Spring Quarter 1998, to work on a book project at The Massachusetts Institute of Technology in Cambridge, Massachusetts.

PAUL M. FEEHAN, Assistant Professor, Department of Mathematics, effective Autumn Quarter 1998, Winter Quarter and Spring Quarter 1999, to accept a membership at the Institute for Advanced Studies in Princeton.

Leave of Absence Without Salary--Correction in Dates

FENG ZHAO, Assistant Professor, Department of Computer and Information Science, change leave from January 1, 1998, through December 31, 1999, to January 1, 1998, through December 31, 1998.

PERSONNEL ACTIONS (contd)

Professional Improvement Leaves--Change in Dates

HASSAN Y. ALY, Associate Professor, Department of Economics (Marion Campus), change leave from Winter Quarter, Spring Quarter, and Autumn Quarter 1998, to Autumn Quarter 1998, Winter Quarter and Spring Quarter 1999.

BURKHARD A. SCHAFFRIN, Associate Professor, Department of Civil and Environmental Engineering, and Geodetic Science, change leave from Spring Quarter and Autumn Quarter 1998, and Winter Quarter 1999, to Autumn Quarter 1998 and Winter Quarter 1999.

Emeritus Titles

ALBERT H. SOLOWAY, College of Pharmacy, with the title Dean and Professor Emeritus, effective April 1, 1998.

MOON H. KIM, Department of Obstetrics and Gynecology, with the title Professor Emeritus, effective April 1, 1998.

RICHARD H. STRAUSS, School of Public Health, with the title Professor Emeritus, effective March 1, 1998.

RESOLUTIONS IN MEMORIAM

Resolution No. 98-108

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.

Robert Bartoszynski

The Board of Trustees of The Ohio State University expresses its sorrow upon the death on January 17, 1998, of Dr. Robert Bartoszynski, Professor in the Department of Statistics.

Dr. Bartoszynski was born in Warsaw, Poland, July 9, 1933. He came to the United States in 1958 as a graduate student at the University of California at Berkeley. He obtained his Ph.D. in mathematics from The Institute of Mathematics of the Polish Academy of Sciences in Warsaw Poland in 1959 where he was employed from 1955 to 1985. He served as Head of the Department of Applied Probability from 1972 to 1985. During his tenure in the Polish Academy of Sciences, he held visiting appointments at Warsaw University, Tulane University, University of California at Berkeley, Sydney University, and University of New South Wales, Australia, University of Kentucky, Rice University, Indiana University, University of Florida, and Purdue University. In 1983, he became a professor in the Department of Statistics at The Ohio State University.

Professor Bartoszynski did fundamental research in the theory of stochastic processes and the probabilistic modeling of biological phenomena. This includes important work in the theory of epidemics, prey-predation models, the development of cancer and the metastasis of tumors. The stochastic process he developed for modeling rabies has been extensively studied in the literature and is called "the Bartoszynski Process" in his honor.

Dr. Bartoszynski served on the Editorial Boards of several professional journals both in the United States and in Europe. He was awarded numerous prestigious awards and grants, was elected a Fellow of the Institute of Mathematical Statistics and a member of the International Statistical Institute.

RESOLUTIONS IN MEMORIAM (contd)

Robert Bartoszynski (contd)

He was a member of the American Statistical Association, Bernoulli Society, and Polish Mathematical Society. He published about 80 scientific articles, books, and book chapters. Most recently, he authored a textbook, Probability and Statistical Inference, which reflects his philosophy of teaching probability and statistics and the preparation of which was the great joy of the last years of his life.

Long remembered by a statistical community as a world class scientist, Dr. Bartoszynski was devoted teacher, advisor, and mentor. His sense of humor and his joy in problem solving contributed to his reputation as a congenial colleague.

On behalf of the University community, the Board of Trustees expresses to the family of Dr. Robert Bartoszynski its deepest sympathy and sense of understanding of their loss. It was directed that this resolution be inscribed upon the minutes of the Board of Trustees and that a copy be tendered to his family as an expression of the Board's heartfelt sympathy.

Osborn T. Smallwood

The Board of Trustees of The Ohio State University expresses its sorrow upon the death on January 1, 1998, of Osborn T. Smallwood, outstanding administrator, rhetorical scholar, author, and Professor Emeritus in the School of Journalism and Communication.

Originally from New Orleans, Louisiana, Osborn Smallwood received a Bachelor's degree at North Carolina A & T, a Master's degree at Howard University, and a Doctor of Philosophy degree at New York University in the field of English.

Upon receiving his Master's in 1939, he was appointed Chairman of the Department of English at Samuel Houston College in Austin, Texas. Three years later, in 1942, he became a Historical Research Specialist at the Office of Price Administration in Washington, D.C. Following the completion of this assignment in 1944, he served as Pastor of St. Matthew's Lutheran Church in Baltimore, Maryland (1944-1946).

During the period from 1947 through 1961, Professor Smallwood was a faculty member at Howard University. While there, he took a leave of absence to accept an appointment as Fulbright Guest Professor of English at Anatolia College in Salonica, Greece (1955-57).

From 1961 to 1970, Professor Smallwood was a Foreign Service Officer for the U.S. Information Agency. In this capacity, he was Director of the German American Institute (1961-66), Executive Director, U.S. Information Center (1966-69), and Consul, American Consultant General in Frankfurt (1969-70).

In 1970, Dr. Smallwood came to Ohio State as Director of International Programs -- a position he held until 1974. For the next three years, he served as Assistant Vice President for International Programs. From 1977 until his retirement in 1980, he joined the Department of Communication as a full-time Professor.

Throughout his distinguished career, Dr. Smallwood published numerous articles and monographs in national and international journals, as well as a book on Universities and Transnational Approaches to the Solution of World Problems. He was, in addition, an active participant in professional organizations, and a popular and influential administrator and teacher who was admired for his competence and integrity.

RESOLUTIONS IN MEMORIAM (contd)

Osborn T. Smallwood (contd)

On behalf of the University, the Board of Trustees expresses to the family of Osborn Smallwood its sympathy and sense of understanding concerning their loss. It was directed that this resolution be inscribed upon the minutes of the Board of Trustees and a copy be tendered to the family as an expression of the Board's heartfelt sympathy.

REPORT OF RESEARCH CONTRACTS AND GRANTS

Resolution No. 98-109

Synopsis: The reports on research and other sponsored program contracts and grants and the summary for January 1998 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 1998 be approved.

APPOINTMENT TO JACK NICKLAUS MUSEUM, INC.

Resolution No. 98-110

Synopsis: Appointment of University Representative to Board of Directors of Jack Nicklaus Museum, Inc. is proposed.

WHEREAS the Jack Nicklaus Museum is to be built on land leased by The Ohio State University to Jack Nicklaus Museum, Inc. (formerly known as Jack Nicklaus Private Operating Foundation, Inc.); and

WHEREAS the Bylaws of Jack Nicklaus Museum, Inc. specify that one of the seats on the Board of Directors shall be occupied by a trustee or employee of The Ohio State University who is appointed and elected by the Board of Trustees to represent The Ohio State University on such Board of Directors; and

WHEREAS it is in the interest of The Ohio State University to have representation on the Board of Directors of Jack Nicklaus Museum, Inc.; and

WHEREAS the University recommends that Virginia M. Trethewey, Vice President for Legal Affairs and General Counsel, be appointed as part of her duties as a University officer and employee to serve as a Director on the Jack Nicklaus Museum, Inc.'s Board of Directors:

NOW THEREFORE

APPOINTMENT TO JACK NICKLAUS MUSEUM, INC. (contd)

BE IT RESOLVED, That the Board of Trustees of The Ohio State University hereby approves the appointment and elects Virginia M. Trethewey to serve as a Director of Jack Nicklaus Museum, Inc., representing the University in such capacity as part of her official duties and responsibilities to the University and entitling her to any immunity, insurance, indemnity, and representation to which officers and employees of the University now are, or hereafter may become, entitled.

EASEMENT

Resolution No. 98-111

**CITY OF COLUMBUS
KING AVENUE STREET IMPROVEMENT**

Synopsis: Authorization to grant an easement on King Avenue for street improvement is proposed.

WHEREAS the City of Columbus has requested a 40-year easement consisting of two parcels of land; one parcel being a temporary construction easement consisting of approximately 0.46 acres of land; the second parcel being an easement consisting of approximately 0.4 acres of land for the purpose of making street improvements along the north side of King Avenue starting on University property near the center of the Olentangy River and traveling in an easterly direction to the University property line located near the east end of Evans Hall; and

WHEREAS this street improvement will benefit the University and those traveling on King Avenue; and

WHEREAS the City of Columbus will compensate the University for the temporary construction easement in the amount of \$11,400, will compensate the University in an amount of \$12,070 for loss of shrubbery and landscaping improvements near King Avenue and Cannon Drive, and, based on the appraised value of the property, will compensate the University in an amount of \$24,470 as consideration for the granting of this easement, for total compensation of \$47,940; and

WHEREAS the appropriate University offices have recommended the approval of the easement:

NOW THEREFORE

BE IT RESOLVED, That the Vice President for Business and Administration be authorized to request the Deputy Director of Public Works of the Department of Administrative Services, pursuant to his statutory duties, to act for and on behalf of the University in developing the necessary legal instruments to provide for the easement.

(See Appendix XXXVII for map, page 651.)

PURCHASE OF REAL PROPERTY

Resolution No. 98-112

**6.5 ACRES OF UNIMPROVED LAND ON FEDER ROAD
COLUMBUS, OHIO**

Synopsis: Authorization to purchase 6.481 acres of unimproved real property located on Feder Road in Columbus, Ohio is proposed.

PURCHASE OF REAL PROPERTY (contd)

**6.5 ACRES OF UNIMPROVED LAND ON FEDER ROAD
COLUMBUS, OHIO (contd)**

WHEREAS The Ohio State University has been presented with the opportunity to purchase approximately 6.481 acres of unimproved real property located at the northwest corner of Feder Road and Evans Way Court in Columbus, Ohio; and

WHEREAS this property has an average appraised value of \$225,000 per acre, and the owner, Bob Evans Farms, Inc., has offered to sell the property to the University for \$216,000 per acre; and

WHEREAS the appropriate University offices have determined that the purchase of this property is in the best interest of the University; and

WHEREAS funds for the purchase will be provided from University Hospitals, to be repaid from net receipts from the operation of the property:

NOW THEREFORE

BE IT RESOLVED, That the President and/or 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 approximately 6.481 acres of unimproved real property located on Feder Road at a price not to exceed \$216,000.00 per acre, 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 XXXVIII for background and map, page 653.)

REPORT ON UNIVERSITY DEVELOPMENT

Resolution No. 98-113

Synopsis: The report on the receipt of gifts and the summary for January 1998 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 two (2) 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 1998 be approved.

REPORT ON UNIVERSITY DEVELOPMENT (contd)

TOTAL UNIVERSITY PRIVATE SUPPORT
 July-January
 1996-97 Compared to 1997-98
GIFT RECEIPTS BY DONOR TYPE

<u>Change</u>	Dollars July through January		
	<u>1996-97</u>	<u>1997-98</u>	<u>%</u>
Individuals:			
Alumni (Current Giving)	\$13,372,000	\$10,271,372	-23%
Alumni (From Bequests)	<u>8,796,642</u>	<u>4,251,057</u>	-52%
Alumni Total	\$22,168,642	\$14,522,429	-34%
Non-Alumni (Current Giving)	\$ 8,282,854	\$ 6,501,850	-22%
Non-Alumni (From Bequests)	<u>2,091,977</u>	<u>4,234,598</u>	102%
Non-Alumni Total	\$10,374,831	\$10,736,448	3%
Individual Total	\$32,543,473	\$25,258,877	-22% ^A
Corporations/Corp. Foundations	\$15,689,998	\$19,015,485	21% ^B
Private Foundations	\$8,580,095	\$ 8,355,365	-3%
Associations & Other Organizations	<u>\$ 1,746,497</u>	<u>\$ 1,804,948</u>	3%
Total	\$58,560,063	\$54,434,675	-7%

GIFT RECEIPTS BY PURPOSE

	Dollars July through January		
	<u>1996-97</u>	<u>1997-98</u>	<u>% Change</u>
Gift Receipts to Current Use & Endowment Funds:			
Buildings/Equipment	\$ 8,745,579	\$ 13,857,415	58
Faculty Support	\$ 5,615,931	\$ 7,425,317	32
Program Support	\$ 33,058,870	\$ 19,389,253	-41
Student Financial Aid	\$ 5,563,004	\$ 8,197,021	47
Annual Funds-Colleges/Departments	\$ 5,030,547	\$ 4,694,109	-7
Annual Funds-University	<u>\$ 546,132</u>	<u>\$ 871,560</u>	60
Total	\$ 58,560,063	\$ 54,434,675	-7

NOTES

- A Individual giving is down 22% due to one estate gift totaling \$7 million which occurred during July 1996.
- B Gifts of \$10,000 or more from corporations is up nearly \$3.2 over the first six months last year.

REPORT ON UNIVERSITY DEVELOPMENT (contd)

GIFT ADDITIONS TO ENDOWMENT

	Dollars July through January	
	<u>1996-97</u>	<u>1997-98</u>
	\$27,686,462	\$22,288,890
		-20

% Change

THE OHIO STATE UNIVERSITY DEVELOPMENT FUND

	<u>Previous Gifts</u>	<u>Current Gifts</u>	<u>Total Gifts</u>
<u>Establishment of Endowed Named Funds</u>			
The Center for Education and Economic Development Support Fund (Construction, operating expenses & program support for Center for Education and Economic Development - Agricultural Technical Institute - provided by gifts from many individuals, companies & organizations)		\$426,929.19	\$426,929.19
Los Angeles Alumni Scholarship Endowment Fund (Merit scholarships for graduates of greater Los Angeles area high schools - provided by gifts from OSU Alumni Club of Los Angeles, its members and friends)	\$17,521.09		\$17,521.09
Shelby County Alumni Scholarship Endowment Fund (Scholarships for Shelby County High School graduates - provided by gifts from The Shelby County Alumni Club, individual members and friends)	\$15,040.00		\$15,040.00

Change in Description of Named Endowed Fund

The Rodney J. Harrison Scholarship 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 Feder Cardiac Research Fund (Support for the advancement of medical knowledge in the field of cardiology - College of Medicine & Public Health - provided by gifts from John G. Feder)		\$200,000.00	\$200,000.00

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 Helen A. Freyman Scholarship Fund in Nursing (Scholarships - College of Nursing - provided by gifts from the estate of Helen A. Freyman)		\$162,341.50	\$162,341.50
The Medical Research Endowment Trust Fund (Support for research in the Medical Research Facility - provided by gifts made in honor of Dr. Manuel Tzagournis from numerous donors)		\$149,095.00	\$149,095.00
The Fred Brown Fund for Research in Psychology (Support for Research in Psychology - Department of Psychology - provided by a gift from Fred Brown)		\$90,000.00	\$90,000.00
The William A. and Mildred C. Korb Endowed Fund (Scholarships for orphans or foster care children; or financially needy graduates of St. John's High School in Delphos, Ohio - provided by gifts from Donald L. Korb)		\$51,499.00	\$51,499.00
The Ralph Davis and Anna K. Davis Endowed Scholarship Fund (Scholarships for graduates from high schools in Gallia County, Ohio - provided by a gift from Anna K. Davis)		\$50,000.00	\$50,000.00
The Wasserstrom Athletic Scholarship Fund (Grant-in-Aid Scholarships - Department of Athletics - provided by gifts from the Wasserstrom Companies of Columbus, Ohio)		\$50,000.00	\$50,000.00
The John E. Nelson Colloquium Endowed Fund (Support for a major visiting speakers program - Department of Geography - provided by gifts from John E. Nelson)		\$40,098.44	\$40,098.44
The Robert E. Smart Scholarship Fund (Scholarships for students living in the University's cooperative scholarship housing - provided by a gift from Ruth E. Smart in honor of her husband)		\$35,000.00	\$35,000.00

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 Helen R. and Robert Murnane, M.D. Fund for Post-Graduate Awards in General Internal Medicine (Post-Graduate Awards - General Internal Medicine - provided by gifts from Robert T. and Helen R. Murnane)		\$25,000.00	\$25,000.00
<u>Change in Description of Named Endowed Fund</u>			
The Manuel Barkan Endowed Fellowship Fund			
Total	<u>\$32,561.09</u>	<u>\$1,279,963.13</u>	<u>\$1,312,524.22</u>

THE OHIO STATE UNIVERSITY DEVELOPMENT

ESTABLISHMENT OF NAMED ENDOWED FUNDS

The Center for Education and Economic Development Support Fund

The Center for Education and Economic Development Support Fund was established March 6, 1998, by the Board of Trustees of The Ohio State University with gifts to The Ohio State University Development Fund from many individuals, companies, and organizations who value the role of education in economic development.

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 principal may be invaded to fund the planning and construction of the Center for Education and Economic Development. Annual income during this phase shall be reinvested with the principal.

Upon completion of construction, the annual income shall be used to assist with operating expenditures during the start-up phase at the Center on the Wooster campus. Once the Center is self-sustaining, the annual income shall be used to support special programs, activities and lectures, and to replace equipment and refurbish the Center. The designation of the annual income shall be made by the Director of the Agricultural Technical Institute in consultation with the Center's manager and the Assistant Director for Institutional Services of the Agricultural Technical Institute

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 Vice President, Agricultural Administration, and the Director of the Agricultural Technical Institute, in order to carry out the desire of the donors.

\$426,929.19

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY DEVELOPMENT (contd)

ESTABLISHMENT OF NAMED ENDOWED FUNDS (contd)

Los Angeles Alumni Scholarship Endowment Fund

The Los Angeles Alumni Scholarship Endowment Fund was established March 6, 1998, by the Board of Trustees of The Ohio State University with gifts to The Ohio State University Development Fund from The Ohio State University Alumni Club of Los Angeles, its members 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 used to provide academic merit scholarships to students graduating from the Greater Los Angeles Area high schools with preference for students qualified under the Alumni Scholars Program criteria, ranked and recommended by the Los Angeles Alumni Club. Scholarship recipients shall be selected in consultation with the University Committee on Student Financial Aid. If any unused distributed income remains at the end of a fiscal year, it shall be added to principal.

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 Los Angeles Alumni Club and the appropriate program administrative officer in order to carry out the desire of the donors.

\$17,521.09 (Grandfathered)

Shelby County Alumni Scholarship Endowment Fund

The Shelby County Alumni Scholarship Endowment Fund was established March 6, 1998, by the Board of Trustees of The Ohio State University with gifts to The Ohio State University Development Fund from the Shelby County Alumni Club, individual members 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 used to provide scholarship support under the guidelines of the Alumni Scholars Program for one or more qualified graduates of Shelby County high schools. The Shelby County Alumni Club will recommend recipients. The final selection will be made by 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 appropriate college dean, department chairperson or program administrative officer in order to carry out the desire of the donors.

\$15,040.00 (Grandfathered)

CHANGE IN DESCRIPTION OF NAMED ENDOWED FUND

The Rodney J. Harrison Scholarship Fund

The Rodney J. Harrison Scholarship Fund was established April 4, 1997, by the Board of Trustees of The Ohio State University with a gift to The Ohio State University Development Fund from friends, colleagues and family members of Rodney J. Harrison (B.S.Ed. '50; M.A. Education '53). The description was revised March 6, 1998.

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY DEVELOPMENT (contd)

CHANGE IN DESCRIPTION OF NAMED ENDOWED FUND (contd)

The Rodney J. Harrison 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 be used for aid to students who encounter emergencies during the academic year and merit scholarship assistance. Selection shall be made by the Student Financial Aid Director or Student Financial Aid Director of Counseling, under the jurisdiction of 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 as recommended by the appropriate program administrator in order to carry out the desire of the donors.

THE OHIO STATE UNIVERSITY FOUNDATION

ESTABLISHMENT OF NAMED ENDOWED FUNDS

The Feder Cardiac Research Fund

The Feder Cardiac Research Fund was established March 6, 1998, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from John G. Feder, M.D. (B.A. Arts & Sciences '31; M.D. '34) of Sun City Center, Florida.

All gifts are to be invested by the Foundation, under the rules and regulations adopted by the Foundation's Board of Directors, with the right to invest and reinvest as occasion dictates.

The annual income shall be used to support the advancement of medical knowledge in the field of cardiology, including both basic and clinical research, as recommended by the Director of the Division of Cardiology in consultation with the Dean of the College of Medicine and Public Health. The income may support, but is not limited to, scientific supplies, equipment, salaries for research personnel, and activities required for quality medical research. All annual income shall be either expended or added to the fund's principal. However, if the fund's annual income is not expended for more than two years, the Board of Trustees shall designate another use in consultation with the Dean of the College of Medicine and Public Health or a designee and Dr. Feder, his heirs or family representative.

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 Foundation Board in consultation with the Director of the Division of Cardiology and the Dean of the College of Medicine and Public Health in order to carry out the desire of the donor.

\$200,000.00

The Helen A. Freyman Scholarship Fund in Nursing

The Helen A. Freyman Scholarship Fund in Nursing was established March 6, 1998, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts to the Foundation from the estate of Helen A. Freyman of Bryan, Ohio.

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY FOUNDATION (contd)

ESTABLISHMENT OF NAMED ENDOWED FUNDS (contd)

The Helen A. Freyman Scholarship Fund in Nursing (contd)

All gifts are to be invested by the Foundation, under the rules and regulations adopted by the Foundation's Board of Directors, with the right to invest and reinvest as occasion dictates.

The annual income shall be used for undergraduate and/or graduate nursing scholarships, with preference given to students from Williams, Defiance, Fulton, and Henry Counties in Ohio. Scholarship funding may be awarded without regard to financial need, and to encourage capable and talented students to enter the nursing profession. Selection of the recipients will be made by the Dean of the College upon recommendation of the assistant dean and academic counselor and in consultation with the University Committee on Student Financial Aid.

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 Foundation Board in consultation with the appropriate college dean, school director, department chairperson, or program administrative officer in order to carry out the desire of the donor.

\$162, 341.50

The Medical Research Endowment Trust Fund

The Medical Research Endowment Trust Fund was established March 6, 1998, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts made in honor of Dr. Manuel Tzagournis, Vice President for Health Sciences, from numerous donors.

All gifts are to be invested by the Foundation, under the rules and regulations adopted by the Foundation's Board of Directors, with the right to invest and reinvest as occasion dictates.

The annual income from this fund, and other similar funds under the Medical Research Endowment Trust, 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 and Public Health. Selection shall be made by the Associate Dean for Research in consultation with the Dean of the College of Medicine and Public Health. The grants may be used for, but not limited to, supplies, equipment, salaries for research personnel and activities required for quality medical research.

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 Foundation Board in consultation with the Associate Dean for Research and the Dean of the College of Medicine and Public Health in order to carry out the desire of the donors

\$149,095.00

The Fred Brown Fund for Research in Psychology

The Fred Brown Fund for Research in Psychology was established March 6 , 1998, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with a gift from Fred Brown (B.A. Arts & Sciences '29; M.A. Psychology '30; Ph.D. Psychology '33) of New York, New York.

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY FOUNDATION (contd)

ESTABLISHMENT OF NAMED ENDOWED FUND (contd)

The Fred Brown Fund for Research in Psychology (contd)

All gifts are to be invested by the Foundation, under the rules and regulations adopted by the Foundation's Board of Directors, with the right to invest and reinvest as occasion dictates.

The annual income shall be used for research in Psychology. Expenditure of the income from this fund shall be determined by the Chairperson of the Department of Psychology. At the present time, there is a concentration on areas of centrality and excellence within the Department of Psychology, specifically a multi-level integrative approach to research in neuroscience, cognitive sciences, social sciences, and clinical sciences inclusive of funding for either interdisciplinary or individually conducted research projects.

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 Foundation Board in consultation with the appropriate college dean, department chairperson, or program administrative officer in order to carry out the desire of the donor.

\$90,000.00

The William A. and Mildred C. Korb Endowed Fund

The William A. and Mildred C. Korb Endowed Fund was established March 6, 1998, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from Donald L. Korb (B.S.Bus.Adm. '64), of Fishers, Indiana.

All gifts are to be invested by the Foundation, under the rules and regulations adopted by the Foundation's Board of Directors, with the right to invest and reinvest as occasion dictates.

The annual income shall be distributed to the Office of Student Financial Aid and used to provide one or more financial need based scholarships for individuals who demonstrate superior personal characteristics such as integrity, ambition, attitude, perseverance, respect, and congeniality. First preference is given to orphans or foster care children who have lost the love and/or support of natural parents through death, abandonment, abuse or neglect. Second preference is for financially needy graduates of St. John's High School in Delphos, Ohio or its successors. The student applicant shall supply the University with three letters of recommendation from teachers, community leaders or others who have direct experience with the applicant over a period of time, attesting to the student's meeting the character requirements. Scholarships are renewable upon satisfactory academic performance and progress toward a degree. Unused income shall be added to the 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 another use shall be designated by the Foundation Board in consultation with the appropriate college dean, school director, department chairperson, or program administrative officer in order to carry out the desire of the donor.

\$51,499.00

The Ralph Davis and Anna K. Davis Endowed Scholarship Fund

The Ralph Davis and Anna K. Davis Endowed Scholarship Fund was established March 6, 1998, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with a gift from Anna K. Davis of Gallia County, Ohio.

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY FOUNDATION (contd)

ESTABLISHMENT OF NAMED ENDOWED FUNDS (contd)

The Ralph Davis and Anna K. Davis Endowed Scholarship Fund (contd)

All gifts are to be invested by the Foundation, under the rules and regulations adopted by the Foundation's Board of Directors, with the right to invest and reinvest as occasion dictates.

The annual income shall be used for scholarships for two students each year who graduate from a high school in Gallia County, Ohio, and who either have been in the upper ten percent of the graduating class or have maintained at least a 3.0 grade point average in high school. The scholarships shall be given to students attending or applying to attend The Ohio State University in the fields of Human Ecology, Agriculture, or Nursing. The scholarship award will be for a period of two years only and the second year is conditional on the requirement that a student has maintained a 2.0 or better grade point average. Scholarship recipients shall be selected in consultation with the University Committee on Student Financial Aid. In selecting a student to receive the scholarship, the trustees may also consider financial need.

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 Foundation Board as recommended by the appropriate University official in order to carry out the desire of the donor.

\$50,000.00

The Wasserstrom Athletic Scholarship Fund

The Wasserstrom Athletic Scholarship Fund was established March 6, 1998, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from the Wasserstrom Companies of Columbus, Ohio.

All gifts are to be invested by the Foundation, under the rules and regulations adopted by the Foundation's Board of Directors, with the right to invest and reinvest as occasion dictates.

The annual income shall be used to supplement the grant-in-aid scholarship costs of student athletes who are pursuing undergraduate degrees at The Ohio State University. Recipients shall be selected by the Director of Athletics in consultation with the University Committee on Student Financial Aid.

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 Foundation Board as recommended by the Director of Athletics in order to carry out the desire of the donor.

\$50,000.00

The John E. Nelson Colloquium Endowed Fund

The John E. Nelson Colloquium Endowed Fund was established March 6, 1998, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from John E. Nelson (B.S. '48; M.A. '50), Clearwater, Florida.

All gifts are to be invested by the Foundation, under the rules and regulations adopted by the Foundation's Board of Directors, with the right to invest and reinvest as occasion dictates.

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY FOUNDATION (contd)

ESTABLISHMENT OF NAMED ENDOWED FUNDS (contd)

The John E. Nelson Colloquium Endowed Fund (contd)

The annual income shall be used for a major visiting speakers program such as the currently existing Arthur H. Robinson Colloquium Series and Edward J. Taaffe Colloquium Series. Such use is at the discretion of the Chair of the Department of Geography.

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 Foundation Board in consultation with the appropriate person most responsible for Geography who will continue to carry out the desire of the donor with special consideration given to Geography.

\$40,098.44

The Robert E. Smart Scholarship Fund

The Robert E. Smart Scholarship Fund was established March 6, 1998, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with a gift in his honor to The Ohio State University Foundation from his wife, Ruth E. Smart (B.S.Nurs. '61) of Columbus, Ohio.

All gifts are to be invested by the Foundation, under the rules and regulations adopted by the Foundation's Board of Directors, with the right to invest and reinvest as occasion dictates.

The annual income shall be used for a scholarship for a student (or students) living in the University's cooperative scholarship housing (currently The Stadium Scholarship Dormitory). Candidates will be determined by the Scholarship Committee of the Stadium Dormitory Alumni Association, in consultation with the University Committee on Student Financial Aid.

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 related use shall be designated by the Foundation Board.

\$35,000.00

The Helen R. and Robert Murnane, M.D. Fund
for Post-Graduate Awards in General Internal Medicine

The Helen R. and Robert Murnane, M.D. Fund for Post-Graduate Awards in General Internal Medicine was established March 6, 1998, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from Robert T. Murnane, M.D. (M.D. '47) and Helen R. Murnane (attended, Commerce) of Columbus, Ohio.

All gifts are to be invested by the Foundation, under the rules and regulations adopted by the Foundation Board of Directors with the right to invest and reinvest as occasion dictates.

The annual income shall provide an award, or more if funds permit, in support of sabbaticals at distant sites for house physicians, for evaluation of ongoing research, for attendance at conferences/conventions or for post-graduate courses in clinical research, teaching or patient care. Support shall

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY FOUNDATION (contd)

ESTABLISHMENT OF NAMED ENDOWED FUNDS (contd)

The Helen R. and Robert Murnane, M.D. Fund
for Post-Graduate Awards in General Internal Medicine (contd)

be limited to 3-7 days in length, and will help defray the costs of tuition, transportation, lodging, and meals. Recipient is limited to General Internal Medicine residents at The Ohio State University Hospitals, to include physicians in first, second or third-year levels, as well as the chief resident in General Internal Medicine. Selection shall be made following application to a committee composed of the Chairperson and Vice Chairperson of the Department of Internal Medicine along with counsel of the Chief Resident in General Internal Medicine (when this latter person is not a candidate). It is understood that a member of this committee may want to encourage the application of a particular physician.

The total amount of awards shall not exceed 32% of the amount of the annual interest generated by the fund with the remaining annual earnings returned to the principal each year to add to the growth of the fund.

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 Foundation Board in consultation with the Chairperson of the Department of Internal Medicine and the Medical Director of University Hospitals in order to carry out the desire of the donors.

\$25,000.00

CHANGE IN DESCRIPTION OF NAME ENDOWED FUND

The Manuel Barkan Endowed Fellowship Fund

The Manuel Barkan Endowed Fellowship Fund was established August 30, 1995, 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 Theresa (Toby) Barkan Willits (M.A. Social Admin. '51) of Dublin, Ohio. The description was revised March 6, 1998.

All gifts are to be invested by the Foundation, under the rules and regulations adopted by the Foundation's Board of Directors, with the right to invest and reinvest as occasion dictates.

The annual income shall be used to support the academic and living expenses of a graduate student in the Department of Art Education who is completing the dissertation. The fellowship must be used for the final year of writing the dissertation. Applicants will have fulfilled all course work, passed all preliminary exams, and had the dissertation research proposal or plan approved. They will also be full-time students, unless work type and hours have been approved by the advisor. With approved outside work, they should devote not less than 50% of time to completion of the dissertation. It is anticipated that the doctoral degree will be received at the end of the fellowship year.

The annual award, called the "Manuel Barkan Dissertation Fellowship," shall be given to a candidate determined by the Department of Art Education Graduate Studies Committee with the Chairperson of the Department. The primary criterion is scholarly excellence. Other criteria to be considered are the quality of the project design, originality, feasibility and proposed schedule for the project, and scholarly significance and potential for contribution to the field. If in one year no award is made, two awards may be given the following year.

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY FOUNDATION (contd)

CHANGE IN DESCRIPTION OF NAME ENDOWED FUND (contd)

The Manuel Barkan Endowed Fellowship Fund (contd)

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 Foundation Board as recommended by the Chairperson of the Department in order to carry out the desire of the donor, which is to support the completion of the Ph.D. degree or other relevant terminal degree in the fine arts.

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

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THINGS GONE RIGHT AWARD

Mr. Shumate:

At this time, I would like to call upon Vice President David Williams for the presentation of a special award.

Mr. David Williams:

As President Sisson has mentioned, several weeks ago as our country and the rest of the world were focusing on a possible showdown, we had a great opportunity to host an international town meeting. At that point and time, something strange happened in the minds of a lot of people and that was that the head of democracy shined bright on our campus. The White House actually called afterwards very concerned, upset, and mad, and they vowed to never come back to Ohio State -- then in the aftermath, they said, "until Al Gore runs for president." So even the White House recognizes that what happened here was good.

Dick Sisson and I had a very hard role to play in this. It was very tough. Dick made a phone call to me and then he went back to sleep, and then I made a phone call to Bill Hall, and then I went back to sleep.

So today it gives us great pride to present, "The Things Gone Right Award," to the International Town Meeting Project Team. This team had a total of 196 members of the University community, headed by Bill Hall, who put in overtime, never complained, and came and did the things that had to be done to make this work. Those of you that were there or saw it on TV, you saw the results of a lot of people doing a lot of things and receiving absolutely nothing extra for it. We are indebted to them.

Today we can't have all 196 of them here -- we are planning to honor all 196 on Thursday, March 12, in a ceremony right here in this building -- but we have a few of them. I would like to have these individuals come forward and receive a certificate: Sarah Blouch, Ruth Gerstner, Debbie Gill, Bill Hall, Thomas McGinnis, Ron Michalec, Russell Morrison, Sean Perkins, and James Stevens. I would like to read the certificate:

THINGS GONE RIGHT AWARD (contd)

Mr. Williams: (contd)

"THINGS GONE RIGHT AWARD AT OHIO STATE

The Committee on the Undergraduate Experience (CUE) honors individuals or groups at Ohio State who have gone beyond the expected and past the ordinary. Things Gone Right rewards innovation, community-building, student involvement, positive impact, and special effort. This award is given for outstanding service."

"You are to be commended for the outstanding work you performed as a member of the International Town Meeting Project Team. The services you provided ensured the success of the project and enhanced the reputation of The Ohio State University in local, national and international communities.

Thank you for making a difference."

Congratulations to each of the people. In addition, we have been working on having a plaque that honors all of them. Tina, would you please bring the plaque up so everyone can see what will be hanging in the halls from now on.

Mr. Shumate:

On behalf of the Board, let me also express our appreciation for the outstanding work on the operations and the logistics for this event. Bill Hall, as the coordinator and leader of the team, I would like to offer you the opportunity to share any remarks, thoughts, or observations you may have.

Dr. William Hall:

Thank you, Mr. Chairman, for the opportunity to speak. It was certainly an honor to represent the University at the international town meeting. It was a great team effort, as I think you all realize, and could not have been done without the massive support from across the institution. So in that respect, I accept this recognition on behalf of about 196 people that helped put this together.

The great thing about it is -- and I thank God that I work for a University administration that did not allow the University to be manipulated in the fashion that was obvious by others as they came into this institution -- we stood our ground and negotiated, and we had the support of the institution, to put on a real town forum for this country. I am proud of the fact that we were able to do that on behalf of this University. So thank you, again, and I thank you on behalf of all of the people that helped put this together.

Mr. Shumate:

Congratulations.

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HOSPITALS BOARD REPORT

Mr. Skestos:

Mr. Chairman, The Ohio State University Hospitals Board met on February 26, 1998. The Board discussed and approved recommending to the Board of Trustees an

HOSPITALS BOARD REPORT (contd)

Mr. Skestos: (contd)

agreement with MedOhio Health, Inc. for a reconfiguration of the loan for the development of a health insuring corporation, authorization to purchase up to eight acres of unimproved real property located on Feder Road in Columbus, and several personnel actions.

It was reported that the Hospitals had received very positive reviews during site visits by the American College of Surgeons and the Departments of Health and Mental Health. Accordingly, the Hospitals was reverified as a Level 1 Trauma Center and reissued state licensure for psychiatry and maternity services. That concludes the report.

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STUDENT GOVERNMENT REPORTS

Ms. Kathleen Carberry:

Thank you and good morning to you. The Interprofessional Council has established a relationship with the Offices of the President and Student Affairs to conduct the I-QUE report. The report will focus on the quality of the University experience of students in the five professional schools. IPC hopes to have completed the student survey by spring and have it dispersed by the middle of Autumn Quarter 1998.

IPC would like to announce its second annual service day to be held April 9, on the second floor of the Ohio Union and invite everyone to participate as the professional students give back to the OSU community. Finally, IPC has been very busy reviewing its new constitution, which just had its first birthday two days ago. They have finalized their election bylaws and sharpened the requirements of participation by the student assembly representatives.

USG will be hosting Jane Elliot, a dynamic speaker on race and cultural differences, on Wednesday, April 1. This event is the first of many by USG to address the differences that make us great. USG invites the entire University to join them in the Ohio Union Ballroom at 7:00 p.m. on April 1.

The second annual Cultural Diversity Festival will be taking place the last week of April. This festival brings organizations of all races, ethnicities, and constituencies together to showcase the diversity of Ohio State. USG encourages the Board, administration, and faculty to help support this program, which is a critical part of furthering our mission of recognizing the uniqueness of each other that intrigues us to come together.

Also, the first addition of the Landlord Library was distributed to the University community last Wednesday. This booklet has tips on how to keep on an equal ground with one's landlord and lists rankings of various landlords and landlord companies. The response has been overwhelming and our off-campus community has taken another step toward excellence.

The Council of Graduate Students is proud to announce the official launch of the G-QUE census to all 10,000 graduate students in the first week of Spring Quarter. Students who submit their questionnaires by the deadline will be eligible for prizes, including the grand prize of a one-year paid parking garage sticker -- we hope that will be quite an incentive.

STUDENT GOVERNMENT REPORTS (contd)

Ms. Carberry: (contd)

The twelfth annual Graduate Research Forum will take place on Saturday, April 18. We had a 30 percent increase in abstracts submitted for the Forum this year. I would like to thank Sarah Adams, our vice president, and Dr. Edward Hayes and Dean Huntington for their continued support of this effort.

The Student Trustee Selection Process is now complete. Five names were sent to the Governor yesterday and all five candidates are outstanding. Our applicant pool was exceptionally good in number -- we had 27 applicants this year -- and in quality. So it was a very competitive process.

And, finally, CGS will continue to monitor state legislative issues and work with the University towards those efforts. I will be interested to hear the report later on.

Thank you.

Mr. Shumate:

Thank you. Are there any questions?

Dr. Sisson:

Mr. Chairman, I would like to add something. Kathleen and her colleagues have taken leadership roles in the National Association of Graduate and Professional Students. J. B. Lawton and Kathleen are national board members, and Kathleen serves as the Midwest Regional Coordinator and Director and Mr. Lawton chairs the national Legislative Concerns Committee.

Also, CSG was extended a 1997 Legislative Award by the National Association of Graduate and Professional Students for their work on the tuition waiver tax issue. So my congratulations to you. That was quite remarkable. We are all very proud of you and want to show that by giving our applause.

Ms. Carberry:

Thank you very much.

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PRESENTATION ON FINANCIAL BENCHMARKS

Mr. Shumate:

At this time, I would like to call upon Vice President Bill Shkurti to lead the discussion on financial benchmarks.

Mr. William Shkurti: [overhead presentation]

Thank you, Mr. Chairman. This is the fourth year of an annual report we provide on financial benchmarks comparing OSU with other institutions and with itself. For the Board members, you have in front of you a colored copy of the handout -- which is also up on the screen -- and for those of you who have press copies, it will be in black and white.

Before I get started, let me express my appreciation to Eric Kunz, Assistant Vice President for Finance and head of the Office of Resource Planning and Institutional

PRESENTATION ON FINANCIAL BENCHMARKS (contd)

Mr. Shkurti: (contd)

Analysis, which is responsible for putting these numbers together. Also Henry Zing - the person that actually puts this together -- put in a lot of extra work doing this. Henry is a new employee so this is the first time that he has done it, and we are very pleased about having him on board.

If we turn to the next page, it talks about the context of this. Again, the purpose of this is to inform you on the financial decisions on a strategic level as we head into the budget decision-making process.

I will next highlight the key definitions because they are important in setting these up. When you talk about money there are a number of incantations. What we are restricting most of these comparisons to is current funds, which means we are excluding capital, because that is accounted for in a lot of different ways by different universities and gives spurious results. We are also excluding the Hospitals and auxiliaries, not because they are not important, they are, but not all universities that we are comparing ourselves to have hospitals and because the Hospitals for us is financially a large part. If we included it in our numbers, but are comparing it to someone who doesn't, you get funny results, so we've adjusted for that.

Most of these comparisons are on the basis of student full-time equivalents, which adjusts for size and also for part-time versus full-time students. If you recall at the February Board meeting, we identified our benchmark institutions -- nine of the top public comprehensive research institutions in the country and also institutions which are similar to us in structure. So if we compare finances, we are comparing apples to apples.

A note on the data sources -- because whenever you use numbers they appear to be precise but there is a lot of judgement -- most of the numbers we are using are from the IPED Survey, which is based on audited financial statements. So the good news is that it is the best information available and it is verified by external auditors. Anyone who has dealt with auditing of numbers knows that there are limitations and that there are reporting differences even though all of our institutions comply with generally accepted accounting principles. For example, the University of Illinois has some of its retirement paid for by the state, rather than the University paying for it, so it doesn't show up on its books. We have tried to correct for those wherever we can, but as you get into discrete areas of spending those differences loom larger.

Secondly -- because the federal government collects this information and is dependent on voluntary compliance from the universities which is good, but does take time -- there is a lag in the reporting. The latest data that we have in these comparative numbers is Fiscal Year 1996. It does not reflect FY '97 and FY '98, which for Ohio State were good years financially, and I will talk about that in a minute.

The third issue is that some of these are snapshots but there could be all kinds of things that cause expenditures to go up or down in one year, and I'll talk about that later regarding early retirement. So trends are more important than snapshots and I think on a global basis this will give us a good idea of where the University stands. Let me turn to the first chart where we compare our current funds revenue per full-time equivalent student. You will see OSU in red compared to the other benchmark institutions, and then the green post is the average. This shouldn't be a surprise to most of you who have seen this in previous years. Although there are some institutions we have more resources per student than, by in-large we are on the lower end of the scale. We are \$7,000 per full-time equivalent student below the average and when you multiply that by 40,000 students, that is a lot of money.

PRESENTATION ON FINANCIAL BENCHMARKS (contd)

Mr. Shkurti: (contd)

I would also point out that these institutions tend to breakdown into two categories: 1) institutions which have a lot of money and are above the average, lead by our friends at the University of Michigan; and 2) other institutions such as Arizona, Illinois, Penn State, Ohio State, and, to a lesser degree, Texas. I would point out that even though some of these institutions have the same or less resources than we do, according to this comparison they have good academic reputations, and in some cases are ranked by some measures higher than we are.

I want to make it clear that although these financial comparisons are important, I never want to be in the position of arguing that money is the end all and we should chase money just to chase money. On the other hand, resources are important and those institutions that have a lot of resources tend to be more highly ranked. Although, again, it is not a perfect representation.

Mr. Shumate:

Bill, just to clarify, those nine institutions are the nine that we have selected to be our peer group?

Mr. Shkurti:

That is correct, Mr. Chairman. The next chart breaks us down into categories. The chart on the left looks at tuition and fees -- and I will talk more about that later. We lag in all of these categories, but the difference is not as great in tuition and fees per student FTE. What you will see later is that there is a distributional issue there. Our state support per student lags by \$1,111 from the average. Again, if you multiply that times 40,000 students that is \$40 million, which is a significant amount of money.

The biggest difference is in grants and contracts. This is something that the Research Commission is looking into and we will report back to the Board later this spring, so I won't go into it in detail. What I will say -- and we discussed this a little bit in Fiscal Affairs -- is that this is generally restricted money that is given to the University for a specific purpose, a sponsored grant, and so forth. So it is not the same as the unrestricted money that we get from tuition or from most of our state support. On the other hand, it does affect our ability to leverage our resources. Again, we don't want to chase this money just to chase money, but it has a big impact and effects our resources and our standing. We are also below all of the other categories.

Let me turn to the next chart which tracks these four revenue categories over time. Generally I don't like to use what I call "Pentagon dollars," which is where inflation is taken out so you look at the real growth, but I think that it is appropriate in this case. So in other words, the increase over this period of time is adjusted for inflation -- it is how much more than inflation that has gone up.

Obviously, our tuition and fees have increased substantially more than inflation, 29.8 percent over the period from FY '91 to FY '96, and that tends to get reported rather heavily. What tends not to get reported is -- take a look at the ugly red glob for state support -- in Fiscal Year 1996, we were still 6 percent below, even after adjusting for inflation, in the amount of state support that we received. So we have improved that in FY '97 and FY '98, and we are very grateful for that support from our state officials, but that does have a relationship on other parts of this.

Interestingly enough, even though we have less per student, we have done a really good job and our faculty have done a really good job over the last couple of years --

PRESENTATION ON FINANCIAL BENCHMARKS (contd)

Mr. Shkurti: (contd)

even though the total number of faculty remains stable or declined. In real terms, our grants and contracts have gone up almost 24 percent and the same with other sources of income. So I think that our approach has been not to make up every lost state dollar on tuition and fees, but also to expand our revenue sources wherever possible.

Let me turn next to the specific issue of tuition and fees. What this chart is designed to show is our relative ranking among those nine institutions on various categories of fees. In general, what you see -- and let me take the residents undergraduate category as an example -- is that in 1991 we were fifth among the 10 institutions in our resident undergraduate mandatory tuition and fees, and then we dropped to sixth in Fiscal Year 1998. These numbers we have on a more up-to-date basis. So in other words, our relative tuition compared to the benchmark institutions has declined slightly.

The other thing that I would point out again for our undergraduates, both resident and non-resident, is that we tend to be in the middle to lower end, for resident graduate students and professional students in the middle, and for non-resident graduate and professional students on the high end. You can see in Fiscal Year 1998, we were third among those nine institutions. Now I think that we owe an obligation -- because we are a taxed-supported institution -- to favor residents from Ohio, so I don't think that this is necessarily bad. In addition, to really be an international research institution we need to attract some proportion of non-resident graduate and professional students. So we have to do business with what the market will bear on that and we need to be careful.

Now the next item takes a look at our annual tuition and fees for resident undergraduates. To give you a comparison of how we stand compared to other institutions -- and, once again, Michigan leads the pack on the high end -- you can see that Ohio State is a little below the average at \$3,687, which is about 9.1 percent below the average. It is not necessarily a bad thing that we have low tuition, but to the degree to which we have resources that do not allow us to meet the competitive demands for the best faculty and the best students, it doesn't affect our ability to deliver services. I will get back to that in a minute.

If you compare Ohio State not only with the benchmark institutions, but also with other state institutions, the pattern is about the same. You will see the average for other state-assisted institutions is \$3,943 and for OSU it is \$3,660. Remember that these other state institutions are dealing with the same state funding issues that we are. Miami is the highest at \$5,512. Again, it is not our job to charge the highest tuition that we can, but if you compare what Ohio State offers -- and the competitive environment we have with other institutions in the state -- we are a tremendous bargain and under-resourced compared to what we have to do.

One other point that I would like to make is that in 1998, we were eighth among the 13 institutions and 7.2 percent below the average. In 1991, we were ninth among the 13 institutions and 8.4 percent below the average. So our tuition has crept up slightly faster than the average for the state over the 7-year period. At the same time, this University has tremendously improved its performance.

Now that we have looked at the revenue side, let's take a look at expenditures. What this chart does is to use the comparable data to compare OSU's spending on a variety of categories. Instead of using just Fiscal Year '96, this is an average of FY '94 through FY '96, to try and get away from year-to-year fluctuations.

PRESENTATION ON FINANCIAL BENCHMARKS (contd)

Mr. Shkurti: (contd)

You will see that there are two areas where we spend more than the average compared to our benchmark institutions. One area is in public service, which is substantially more and reflects primarily the support and success of our Agricultural and University Extension Service. Again, that is a lesson that I think the rest of the University needs to internalize and that is the success that our agricultural programs have had in reaching out to the people of Ohio and, in turn, have been rewarded appropriately with support from the people of Ohio. So I think that is a really good thing.

The second area is in instruction and we rank ahead of our benchmark institutions per student FTE. Again, that is good. That may be a bit of a false difference though because of the way that these reports are put together, they look at actual audited expenditures. In Fiscal Year 1995, the accountants appropriately told us to book the early retirement buy out cost, a one-time cost, into our budget and that shows up on the instructional side. I think, in general, we do very well on the instructional comparisons, but this may be a little bit inflated because of that.

Mr. Shumate:

Do you know what the figure would be without the early retirement?

Mr. Shkurti:

I know the total for the early retirement buy out was \$37 million. If you distribute that over 40,000 students that is about \$1,000 per student. Now we have a three-year average here, but, I suspect, that would reduce that percentage substantially -- somewhere between a third and one-half of it would probably go away.

Mr. Patterson, do you have a question?

Mr. Patterson:

We are comparing ourselves with our peer institutions and neither Michigan nor UCLA have Extension roles, yet that was one of the reasons that you were adding them in terms of public service. I wondered if that distorted these at all.

Mr. Shkurti:

Yes, it does have some distortion. The problem is that there is no institution that is exactly like us. There are some that are more similar and some that are less. The nine that we picked are the most similar to us in a variety of areas, but are not all a perfect match -- you get various distortions back and forth on these comparisons. So, I suspect that would enter into it.

Some of the institutions have hospitals and some don't. With public service, most of the institutions that we are comparing to do have an agricultural land-grant mission, but not all of them. Michigan is a good example. Michigan State is the land-grant institution, but it is Michigan -- because they have so much money -- that tends to drive these averages. So if they are not in the hunt in this particular average, you are going to see a higher comparison to the average. I will be glad to put Henry to work to compute the average without Michigan, and we can see if it changes.

PRESENTATION ON FINANCIAL BENCHMARKS (contd)

Mr. Patterson:

UCLA has always been number two and it is also up there. So in actuality, the two with the greater resources are the two that aren't quite comparable.

Mr. Shkurti:

That is correct.

Dr. Sisson:

Bill, did we include Extension in the calculation of funding for student FTE?

Mr. Shkurti:

To the degree it was current in education -- I believe most of OARDC and Extension is and we can get you the exact amount.

Dr. Sisson:

If that is true -- and we were to take that out to compare it with Michigan and UCLA -- our figures would look even worse. Because that has an elevating effect if that is true and that is the way the calculations are done.

Mr. Shkurti:

I think a lot of the restricted money is not in that current funds expense, but rather than guess we will run the numbers and share with you the outcome.

There are a number of areas where we are consistently behind, Student Services being one and there was a lot of discussion of that this morning. Institutional Support is what we might affectionately refer to as the bureaucracy -- and actually we are fairly lean there -- but it also includes things like administrative computing. Scholarships is self-evident.

For Academic Support or things like academic counselors, you see that we are 34 percent behind per student in that area. There was a lot of discussion this morning in the Student Affairs Committee about retention and that OSU doesn't do as well as some other universities. There are a lot of reasons for that, and I want to stress that one of them is that when we went through budget cuts we weren't really wealthy in terms of academic counselors anyway, but that was one of the areas that got cut back. And, of course, without anyone to help them or help navigate them through our complex system, we think that had an effect on student retention.

Now the good news is that we have tried to build that back up over the last two or three years. So, hopefully, we will catch up. Again, this is not a case where we are throwing money at the problem as a solution. I think that we ought to do better with less, but at some point you do less with less if you have less.

The next item simply compares our expenditures over time. Again, you will see that on the instructional side we have done well -- again, part of that is early retirement -- overall. We fell way behind in the FY '93 - '94 period and we caught up a little bit. Now our expenditures in FY '96 are only 20 percent behind the average, instead of 23 percent in FY '91.

The next chart was one that we discussed in the Fiscal Affairs Committee, so I won't go over it in detail other than to say that what it does is to track our overall

PRESENTATION ON FINANCIAL BENCHMARKS (contd)

Mr. Shkurti: (contd)

compensation, which is salary and benefits. That has gone up as the market has gone up and as we stay competitive. Then the blue line shows those costs as a percentage of the general funds budget. These are budgeted so that the one-time early retirement is not in there. I think what this shows is that although we have remained competitive in salary, we have done a good job of managing our compensation costs. As Larry Lewellen explained in the Fiscal Affairs Committee, the principle reason for this is because we have really kept a lid on health benefit costs. We have taken an asset of the University, which is our Medical Center, and by developing a managed care arrangement have been able to keep our costs down while improving quality and access. I think in this case, these are the things which involve not spending more money, but thinking differently.

We talked a little bit in summary on the implications of these numbers. I think, in general, we operated at a level of about 20 percent less revenue per student. That gets reflected in our spending. We tried to protect the instructional side, but the support side has not done as well. The results from the last two to three years -- which don't show up fully in these comparisons -- are encouraging. We have improved the quality of our academic programs and the student experience with the limited resources that we have had.

I think in terms of what OSU needs to do in the future -- since we have less resources than most people, we need to make sure that we manage them effectively first. I have given you the benefits example and I think that there are others. We need to assure continued state support. Love it or leave it, it is our single largest source of income. Our challenge will be in the environment that we have to make sure, as a state institution, that we have as much state support as we can get. And, finally, we need to expand and diversify our revenue base. I think that ties into what the Board talked about today and in the weeks ahead.

In this morning's Student Affairs Committee meeting there was a presentation on retention and graduation from Vice President David Williams, Executive Dean Kermit Hall, and their colleagues. The point that they made is that it makes good academic sense and good business sense for us to take better care of the students that we have, and we are doing that.

When I get finished here, Vice President May and his colleagues will give a presentation on private giving, which is an area where we are diversifying our resources. Private giving will never pay the light bills, but private giving can provide an extraordinary margin of excellence in terms of a number of our academic programs. We will also have a presentation this morning from Representative Thomas and his colleagues on how we hope to protect our state appropriation in the spring and I will get to that in just a moment.

Later this spring, Vice President Trethewey will provide a presentation on our affiliated entities, which is a way to diversify our revenues, and Vice President Hayes will bring forth the Research Commission, which will deal with the grants and contracts issue. And we will also talk about budget restructuring.

Finally, I think if we wrap all of this together, OSU may not be as well-funded as some institutions, but we are doing a tremendous job and the result is that we are a tremendous value to Ohio's taxpayers. What this particular chart shows is the academic reputation among all public and private institutions based on the *U.S. News and World Report* recommendations. It shows OSU as first in Ohio -- and it's not that the other schools listed there are not good institutions, they are -- by a source other than us, and that the value of our diplomas means the most out in the

PRESENTATION ON FINANCIAL BENCHMARKS (contd)

Mr. Shkurti: (contd)

real world. If you look at our annual fees, they are the lowest among these five institutions. To me a combination of good quality and low fees is value, and that is what we are about.

Mr. Chairman, that concludes my presentation. I would be glad to answer any questions.

Mr. Shumate:

Are there any questions? Again, we thank you, Bill and your staff members for their excellent work. This is the kind of information that we need in order to make the strategic decisions that we desire in order to move the University forward.

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

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ISSUES 1 AND 2 PRESENTATION

Mr. Shumate:

At this time, we will move to the agenda item on Issues 1 and 2. As we all know, this issue is critically important to the entire State of Ohio. This morning, we have three speakers who will address the Board in support of a resolution that will be considered after their presentation.

The first speaker is C. William Swank, former Executive Vice President of the Ohio Farm Bureau, a past member of the Ohio Board of Regents, and a former President of The Ohio State University Alumni Association Board of Directors. Bill also received Ohio State University's Distinguished Service Award in 1995, and in the same year, Nationwide Insurance Company established an endowed chair here at OSU in his name in Rural and Urban Policy.

Following Dr. Swank will be John Carney, President of the Undergraduate Student Government. John will be graduating this June and going on to law school this fall, and he is representing the students.

And then, finally, Representative E. J. Thomas, a member of the Franklin County legislative delegation and an alum of The Ohio State University, receiving his bachelor's in accounting. Representative Thomas is currently serving his seventh term as a State Representative for the 27th House District. He is the Chair of the House Ways and Means Committee and recently co-chaired the Joint Committee on Ways and Means during the school funding debate. Representative Thomas played a significant role in rallying support amongst his colleagues and providing leadership for this very important issue.

We welcome all three speakers this morning and, Dr. Swank, if you will begin the presentation.

Dr. C. William Swank:

Thank you, Mr. Chairman and members of the Board. I feel as if I know virtually all of you and appreciate a chance to be here and urge you to take a position favoring the passage of Issues 1 and 2. I think that it is important to the University and its future, and the people of Ohio, that you lend your prestige and leadership to what, I believe, is correcting a long-standing problem. It may not be the perfect solution, but

ISSUES 1 AND 2 PRESENTATION (contd)

Dr. Swank: (contd)

seldom do we find a perfect solution in the General Assembly or Halls of Congress, because there is a need to compromise on many issues.

When I say a long-standing problem, we have had a long-standing problem of poorly funded rural schools and too much funding -- depending on real estate taxes and property taxes -- that impinges more heavily on rural communities than on city ones. We have a continuing problem of adequate education for all students.

As you know, the Supreme Court dwelled heavily on the questions of rural schools and on heavy reliance on real estate taxes and these two issues go a long way to correct both of those. I went to a rural school myself and we needed that kind of help, I can assure you. One of the reasons rural kids do well is that they know how to work and be responsible. In addition, if we give them a good education, it would be a whiz-bang.

So here comes a solution that the public may not understand too well. By having The Ohio State University come out and favor it and explain why it is important to the University to get some well-trained students coming in, students will stay in. As you just discussed, they will stay in school if they are doing well and if they are enjoying the higher education experience. So, we have a lot to gain. We have a lot to gain as a university for being assured of the strong support of the General Assembly, and here is their effort to do that.

I have worked with the General Assembly for over 40 years, and in their wisdom they have said that we want the people to vote on this. We all have to help the public understand a complicated issue, a tax issue, and why it makes sense for the State. You have seen figures on the value of this University and many universities in the State. When Mr. Colley, Bill Napier, and I worked with the Board of Regents, we saw that we are blessed with lots of good state-related colleges and universities in this State, but if we don't take care of them they can't do the real job that they should be able to do.

So I just say to you that the leadership here will be important to the people. It is an opportunity to explain things that ought to be explained about higher education and what it does for the state economy, what it does for the society of the State, and what it does for the youngsters as they enter a complex high-tech world that we are going to have to live in.

Thank you for the privilege to address you.

Mr. Shumate:

Are there any questions of Dr. Swank? John --

Mr. John Carney:

Good morning. I want to thank the Board of Trustees for the opportunity to address my fellow friends and citizens of the State of Ohio. This May, the people of our State will be asked to consider one of the most important issues that has ever appeared before us. Shall we, the people of Ohio, put the needs of our children, families, and friends first? The Ohio State University was founded on the premise of providing a high quality education that was affordable for the citizens of Ohio.

Today, Ohio State, and the other 12 public colleges in the State, continue to provide an outstanding education at an affordable price for hundreds of thousands of

ISSUES 1 AND 2 PRESENTATION (contd)

Mr. Carney: (contd)

students from ages 17 to 71, all attempting to further their education to better our State and our society.

While we come from the far corners of the country, and even the globe, most of us, in fact, come from the towns, farms, and cities of Ohio. Many, like me, started kindergarten here in Ohio, only having the opportunity to go to college because of the generosity of people like you. We have the chance to ensure that we continue to provide our citizens with the high quality, affordable education when they are young and old. By encouraging our family and friends to vote yes on Issues 1 and 2, we are promoting a kindergarten through college educational system, where every grade level is considered part of a puzzle, in which every piece is as important as the other, and where sacrificing one piece leaves the puzzle incomplete.

In a state where the budget for our correctional system is comparable to our higher education budget, is it not time to ask if we want to pay now to educate our people or to pay later to punish them. As a criminology major, I can tell you that the higher the education of an individual the less likely that person is to commit a crime. Let's take the money that tomorrow might be used to incarcerate a criminal and enrich them today and make them a productive member of our society.

In a state where the flagship institution's College of Education is internationally renowned for its commitment to education and learning, at all levels, isn't it a shame that we find ourselves in this predicament. Fortunately, we are the masters of our destiny. Let's make a statement that Ohio is committed to education and to our future. That future starts with a vote for education. Thank you.

Mr. Shumate:

Thank you. Are there any questions? That was very well presented and stated. Thank you, John. Representative Thomas --

Representative E. J. Thomas:

Good morning, Mr. Chairman and members of the Board of Trustees, and guests. Thank you for having us in this morning. A special thanks to you, Mr. Shkurti, for highlighting the ugly red blob and those of us that were responsible for it. It makes me a little nervous with my back to a fairly large crowd here.

Seriously, I just wanted to share with you that through the process over the last 10 months -- and it has been a difficult process -- anytime an outside body, such as the Supreme Court, throws a curve at the legislature, such as they did, it is going to cause some serious dislocation among the members as we try to find a solution. Especially when the hole that was created with DeRolph -- and maybe my accounting background is getting in the way here -- is \$700 million to \$1 billion, we have to come up with it somehow.

As you know and have read in the papers, there was a lot of wailing and gnashing of teeth. Although it may have been entertaining for you, it was challenging for us. But in the end, we were able to prevail and convince a majority of our colleagues that this money is not going to fall out of the air. That to make the cuts that are necessary to absorb the increases in spending -- that the Supreme Court has mandated through DeRolph -- we had to put what we had on the table. We felt also since this was a challenge that was given to us by an outside body, that it was absolutely and eminently appropriate to put this before the voters and ask for their support of this important issue.

ISSUES 1 AND 2 PRESENTATION (contd)

Representative Thomas: (contd)

I think that we need your help on that and it has been stated eloquently by the two previous speakers, so I would add my comments to that. I think that as one of the premiere institutions in the country, and certainly in this State, that you're very well-situated to be able to offer that support. As you know, Miami and Bowling Green have already done so and I would ask for your support today.

Now I can share with you some sort of a doomsday scenario if this doesn't pass, but I know that you all are way ahead of me on this. I think that more importantly is what we are trying to create here is a system of education in this State that provides a seamless fabric. On the floor of the House, when we were trying to get this done -- and I noticed that you have independently developed this as one of your "WHEREAS" clauses in the resolution, where you talk about education being seamless from kindergarten through college -- my comments related to providing that seamless fabric.

My father graduated from Glouster High School in Trumbull Local, which is the second poorest district in the State. It makes little sense to me for us to provide a great K-12 education and then when that youngster comes out of school, trying to lift himself or herself up by their own boot straps, and has to go to work in a brickyard because they would find a scenario in the future that for lack of geographic access or for lack of money, they would not have the opportunity that somebody on a bus line similarly situated here in Columbus would have to attend Ohio State University.

So, that was one of the many arguments that was made on the floor and provided the impotence to get this done and to the ballot. I will be glad to answer any questions that you have and support you in any way that I can.

Mr. Shumate:

Thank you. Are there any questions? Again, we thank you for your presentation and also for your outstanding leadership on this very difficult issue. Thank you all for being with us this morning.

Members of the Board, at Tab 11 in your notebooks you will have the resolution that is now before us for consideration. The resolution and the "NOW THEREFORE" section reads as follows:

"BE IT RESOLVED, That the Board of Trustees of The Ohio State University encourages students, faculty, staff, alumni and friends of higher education to support the passage of Issue 1 and Issue 2, to ensure additional funding for public schools, and to support substantial property tax relief; and

BE IT FURTHER RESOLVED, That the Board encourages like-minded individuals and organizations to commit their talents and resources to assure a sustained investment in higher education by promoting additional funding for education at all levels in the State of Ohio."

SUPPORT FOR PASSAGE OF SALES TAX ISSUE

Resolution No. 98-114

WHEREAS the Ohio Supreme Court, in March 1997, ruled that Ohio's current funding mechanism for public schools is unconstitutional, and that many Ohio school facilities are unsafe and a threat to the health and well-being of our school children; and

SUPPORT FOR PASSAGE OF SALES TAX ISSUE (contd)

WHEREAS legislation has been enacted by the Ohio General Assembly and supported by Governor Voinovich to place Issue 1 and Issue 2 on the May 5, 1998 ballot, to generate new revenue to support local public schools and reduce reliance upon local property tax; and

WHEREAS many have concluded that the tax proposal significantly responds to school funding issues cited by the Ohio Supreme Court, and represents a major step forward in improving school funding and performance in Ohio; and

WHEREAS it is important for citizens of Ohio to recognize that education in Ohio is seamless, from kindergarten through college, and that having academically prepared graduates of Ohio high schools enter our colleges and universities is of benefit to all; and

WHEREAS in the absence of new tax revenues, the higher education system becomes vulnerable to significant budget cuts to generate additional funding for primary and secondary education; and

WHEREAS higher education has a significant positive impact on the State of Ohio's economy and upon the quality of life of its residents:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees of The Ohio State University encourages students, faculty, staff, alumni and friends of higher education to support the passage of Issue 1 and Issue 2, to ensure additional funding for public schools, and to support substantial property tax relief; and

BE IT FURTHER RESOLVED, That the Board encourages like-minded individuals and organizations to commit their talents and resources to assure a sustained investment in higher education by promoting additional funding for education at all levels in the State of Ohio.

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

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PRESENTATION ON CAMPAIGN REPORT AND ACADEMIC IMPACT

Mr. Shumate:

At this time, I would like to call upon Vice President Jerry May to introduce the presentation on Campaign Report and Academic Impact.

Mr. Jerry May:

Thank you. I am going to ask Deans Hoffsis, Dottavio, and Gold to share with you, from their perspective, a little bit about the campaign impact which is private support. Before I turn it over to them, let me say a couple of things about the campaign, their role in the campaign, and their role as representatives of the more than thirty-two components of this campaign that have a number of people working on its behalf.

The first thing that I would like to say is that the campaign is going very strong. We have \$593 million in cash and cash pledges toward the \$750 million goal, and we have \$79 million in pledges toward the \$100 million bequest goal. Consequently, we have \$672 million toward the \$850 million goal. We are 79 percent of the way there, with 65 percent of the time passed, so we are ahead of schedule which is where we always want to be. In addition to that, sometimes the numbers don't give us the real sense of the impact because the numbers are just numbers, but it is what we are

PRESENTATION ON CAMPAIGN REPORT AND ACADEMIC IMPACT (contd)

Mr. May: (contd)

doing with those numbers that I have asked the deans to share some of their experiences with you today.

Before I turn it over to Bob, let me say something about each of the programs. Bob represents the College of Mathematical and Physical Sciences and it has an abundance of needs. As we looked at the goal for each of these particular units, we looked at the national average of campaigns of half a billion dollars or more. What we found is that academic units like these, during these very large campaigns, generally grew at a rate of at least 50 percent more than they would have in the previous five-year period.

We applied a 50 percent, sometimes a 75 percent, increase to set their goals in this particular campaign. I can tell you in each case they have all now either just about reached their goal or just surpassed the goals that we set: \$12 million for the College of Mathematical and Physical Sciences, they have passed that and have reupped the goal to \$15 million; \$15 million for the College of Veterinary Medicine, under Dean Hoffsis, they are just about to pass that and have that goal move up more toward \$20 million; and the Marion Campus, under the leadership of Dominic Dottavio, had a \$3.5 million goal, have surpassed that, and are working on a new goal as well.

The important thing here is that the reason we are achieving in this campaign is because they are academic leaders, as I have said before, that have a vision, and they are doing something. They are out there building relationships and working with volunteers and others. So with that, I want to start with Dean Gold and ask him to share a little bit about the impact in the College of Mathematical and Physical Sciences.

Dean Robert Gold:

Thank you, Jerry, and thanks to the members of the Board for allowing me to join two of my distinguished colleagues here and share with you the importance of the campaign to our programs. I will limit myself to two items in an attempt to be brief.

Let me start with the Smith Lectureship in Physics, which is an endowment funded by Robert Smith of Baboia Island, California. Bob Smith is a 1930's graduate of Ohio State and a long-term friend of the University and department. His father was Alpheus Smith, one-time chair of the Physics Department, dean of the Graduate School, and the eponym for Smith Laboratory.

The Smith Lectureship is an annual event which attracts about 500 attendees. Half of these are talented Ohio high school students who are invited specially by the Physics Department. This has turned out to be a wonderful outreach and recruitment activity for us. In addition, it has achieved quite a stature in the physics community with the Smith Lecturer being a noble prize winner the last three years.

More recently, Bob Smith has endowed an Alpheus and Ada Smith Fund to support undergraduate scholarships and graduate fellowships. This support is very important to us in keeping our place in a very competitive market for talented students.

The second item that I would like to raise is a project that features our current and projected campaign efforts. It is one that you have heard about from Ruth Charney, Interim Chair of the Mathematics Department, who was here a couple of months ago to tell you about an academic enrichment proposal that launched our Mathematics and Statistics Learning Center.

PRESENTATION ON CAMPAIGN REPORT AND ACADEMIC IMPACT (contd)

Dean Gold: (contd)

Mathematics education is a national concern. One can read about it in professional journals and the *New York Times* and one can see reference to it in comic strips in the daily paper. It surfaced in the CUE report, the Committee on the Undergraduate Experience, about four years ago.

In response to this concern, we have created the Mathematics and Statistics Learning Center as a focal point for our efforts to redesign the content and delivery of a particularly lower-level mathematics instruction. We view this as our commitment to academic excellence and to the student experience. This goes along, again, with Bill Shkurti's comment that we want to do a better job with the students that we have.

We are currently in the middle of a national search for a director of the Center. Under an acting director we have gotten started. In the fall quarter, the Center provided 5,000 tutor hours of instructional assistance to our lower-level students and we logged over 15,000 student hours of participation in the Center. We view this as an opportunity to develop a facility for student support services, learning enhancement, faculty development, teacher training, and a large range of resources that will support innovative instructional strategies. This is a big job.

Last year, mathematics and statistics were two departments that at the 100-level -- there are courses from 100 to 199 -- taught 2,500 full-time equivalent students. That doesn't sound like much, but 2,500 students is bigger than Denison University, Ohio Wesleyan University, and Kenyon College. We are talking about a big operation.

It has been quite a challenge and opportunity. We think our vision for the Center will spark the interest of many of the friends of the University and the College, and we think that it will offer them an opportunity to, once again, "Affirm Their Friendship." Thank you.

Mr. May:

I would like to call on Glen Hoffsis.

Dean Glen Hoffsis:

Thank you, Mr. Chairman and members of the Board. It is my pleasure to present a few of the activities in development in the College of Veterinary Medicine.

One of the great successes that we've had in recent years was the creation of the Galbreath Equine Center, which is attached to the existing Veterinary Teaching Hospital. It is visible from St. Rt. 315 and perhaps you have had a chance to see that, it is a nice looking building.

As you know, the Galbreath family have been long-time supporters of The Ohio State University. Also, the veterinary program in our College has provided services for their thoroughbred horses and their other animals at Darby Dan Farms. When the Equine Center was first envisioned, Mr. Galbreath decided that he would make a gift of \$1.5 million towards this construction. Equally important, he agreed to serve as the chair of the Center's campaign and was instrumental in our campaign that raised over \$3 million towards this project.

One of the events that greatly influenced Mr. Galbreath to support this project was the excellent care provided by Dr. Alicia Bertone, one of our equine surgeons. Alicia, if you would please stand. Her efforts saved a valuable stallion named Kyle's Our Man and that was the final influence that caused him to make his gift.

PRESENTATION ON CAMPAIGN REPORT AND ACADEMIC IMPACT (contd)

Dean Hoffsis: (contd)

The Equine Center is now open with all of its advanced design and state-of-the-art surgical equipment, including a high speed treadmill. I would like to invite all of you to come over and see a horse on the treadmill sometime or, if you feel particularly ambitious, you could try it yourself. Incidentally, Mr. Galbreath's son, Squire, is continuing to donate the proceeds from the breeding fees of Kyle's Our Man to the Equine Center. So thank you, Alicia.

Next, I would like to mention the Kenneth Scott Program. We created a Kenneth Scott Center in the College of Veterinary Medicine. Kenneth Scott was affiliated with a shipping industry in Cleveland and he left a large trust with Key Bank in Cleveland for purposes of supporting programs for the prevention of cruelty to animals.

We made a proposal to them last year and received a gift to establish several programs. The most successful of all of these was the establishment of a spade/neuter program at the Franklin County Animal Shelter. This sounds like a simple idea, but it has tremendous effect.

The program allowed us to hire a new instructor, provide transportation, and we renovated some of their existing facility. We provide students, with faculty support, to go to the shelter on a continuous, rotational basis, and perform surgeries on their dogs that are free of charge. We have now done several thousands of these surgeries.

This is a true win/win situation. The shelter has a great need for this service because it makes those dogs more readily adoptable and better pets as an alternative to putting them to sleep. So they love this program. On our side, our students gain an invaluable, tremendous learning experience and they get their surgical skills to a very high level by the time they graduate. So we have made an application to the Kenneth Scott Trust for continuing support of this program. If any of you have any influence at Key Bank, I would be happy to visit with you.

The final program is the Sisson Hall Replacement Building. As you know, we will be replacing Sisson Hall and that project is well underway. We are very excited about our upcoming campaign for the funding of this project. This building will be the core facility of our College, providing state-of-the-art teaching and research laboratories, as well as libraries and administration.

This building will also be very visible from St. Rt. 315 and Herrick Drive, and Olentangy River Road, and will be the southern gateway to the mid-west campus. This \$20 million building is going to require a significant portion of private support and we will have many naming opportunities within the building and a naming opportunity for the building itself. So that campaign is just getting underway.

Finally, the College of Veterinary Medicine at Ohio State is ranked within the top 10 currently and we are striving to reach the very top. Among our priorities to get there will be all of these things that I have just mentioned, which greatly enhance the program. These things are instrumental in keeping our great faculty already in our ranks so that they will not be recruited away and it is also instrumental in us recruiting the top faculty in the country. One of our priorities will be the creation of our very first endowed chair, and we hope that we can do even better than that by the time the campaign ends.

So thank you for letting me address you.

PRESENTATION ON CAMPAIGN REPORT AND ACADEMIC IMPACT (contd)

Dean F. Dominic Dottavio.

Mr. Chairman and other members of the Board, thank you for the opportunity to discuss the success of the Marion Campaign with you.

We are indeed very pleased that in 18 months we reached our \$3.5 million goal. While that number may not seem large compared to other campuses and the overall campaign goal, it is, in fact, an extraordinary figure for a campus our size. To put it in perspective, you should understand that those funds were largely raised from one small agricultural county rather than the State, the nation, or, in fact, the world. As our base for the campaign, we are very much focused on Marion County and now that we have been successful in that one county, we are expanding out to the six adjacent counties.

You may be aware that over Christmas, we received a rather remarkable gift from a truly remarkable man, the late George H. Alber. Mr. Alber left one-third of his \$32 million estate to the Marion Campus. His estate gift, which is going to be responsible for establishing an endowment of about \$10.6 million for the Marion Campus, is not a part of that gift of the campaign total that I reported. Obviously, once we include that we will have exceeded our campaign goal.

Let me tell you a little bit about Mr. Alber. When his gift was revealed, newspapers literally around the world reported of a man who lived frugally, but gave generously. They reported stories of a person that would split the cost of a \$3.00 breakfast every day, that would leave a 15 cent tip on a \$1.50 bill, and drove worn-out pick-up trucks. All of those stories were true.

What was also true was that George was passionate about certain things in life: horses, his fertilizer business, and his Alma mater, Ohio State. If George believed in a cause, he believed in it passionately. George believed very fervently that the Marion Campus was the single, most important economic vitalization and development tool in the county. He believed strongly that accessibility to higher education and, particularly, an Ohio State education, would create successful, ethical, and civic-minded students. I believe very strongly that George was right about that.

The generosity of Mr. Alber, and others of Marion County, have made a significant impact on the academic life of our campus. Because of the campaign, we have been able to do things that have really assisted the students greatly. We have added new distance learning facilities, we have renovated a newly equipped computer teaching lab, and we have significantly expanded the upper-division course offerings of the campus. This was the highest campaign priority and the one that we hear consistently from our community is very important to them, accessibility to Ohio State close to home.

We have increased our scholarships by over 300 percent and, again, keep in mind this is without Mr. Alber's gift. We have increased our honors programs offerings, we have provided to students no-cost study abroad opportunities, and we have hired new faculty in disciplines that have never been represented on the Marion Campus.

So The Ohio State University at Marion is in indeed fortunate to be located in a part of the state that has an extraordinary love affair for this University -- and, I believe, President Sisson witnessed that on Wednesday night. Our biggest challenge is to continue to meet our supporters' expectations, particularly with regard to the notion of expanded course opportunities.

PRESENTATION ON CAMPAIGN REPORT AND ACADEMIC IMPACT (contd)

Dean Dottavio: (contd)

With that, ladies and gentlemen, I would like to say thank you, on behalf of the Marion Campus and on behalf of the Marion Campus Board of Trustees, for all that you do to support our campus and the campaign.

Mr. Shumate:

Are there any questions?

Mr. Patterson:

I have a very quick testimonial because they went to such effort to allow me to do this. We talked a great deal today about retention and increasing that percentage and the importance of spending time and interacting with students.

Last month, I had the opportunity, along with Ed Ray, to be shown around Dr. Ruth Charney's math tutorial program, which is one of the programs of academic excellence. The program is just outstanding. I think that this is what we are talking about when we talk about interacting with students and helping them to stay within the University. I feel compelled to say, Bob, you are doing the right thing and please convey that to Dr. Charney.

Mr. Shumate:

Any other comments or questions? Jerry, first of all, we thank you for your outstanding leadership on the campaign, and to each of our deans, we thank you for your leadership and the time that you are spending on this very important function for Ohio State.

Mr. May:

Thank you very much, Mr. Shumate.

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Thereupon the Board adjourned to meet Friday, April 3, 1998, at The Ohio State University Lima Campus, Lima, Ohio.

Attest:

William J. Napier
Secretary

Alex Shumate
Chairman