

**BOARD OF TRUSTEES MEETING SCHEDULE**

**WEDNESDAY, AUGUST 27, 2014  
NATIONWIDE AND OHIO FARM BUREAU 4-H CENTER  
2201 FRED TAYLOR DRIVE**

8:30am-4:30pm **Executive Session** (International Room)

**THURSDAY, AUGUST 28, 2014  
LONGABERGER ALUMNI HOUSE  
2200 OLENTANGY RIVER ROAD**

8:30-10:00am **Governance Committee Meeting** (Mount Leadership Room)  
10:15am-2:15pm **Executive Session** (Rockow Room)  
2:30-4:00pm **Advancement Committee Meeting** (Sanders Grand Lounge)  
2:30-4:00pm **Audit and Compliance Committee Meeting** (Mount Leadership Room)  
4:15-5:45pm **Academic Affairs and Student Life Committee** (Sanders Grand Lounge)  
4:15-5:45pm **Finance Committee Meeting** (Mount Leadership Room)  
6:30pm **Trustee Dinner**

**FRIDAY, AUGUST 29, 2014  
LONGABERGER ALUMNI HOUSE  
2200 OLENTANGY RIVER ROAD**

9:00-10:00am **Wexner Medical Center Board Meeting** (Sanders Grand Lounge)

**BOARD OF TRUSTEES MEETING SCHEDULE**

**FRIDAY, AUGUST 29, 2014**  
**LONGABERGER ALUMNI HOUSE**  
2200 OLENTANGY RIVER ROAD

- 10:30am **Board Meeting Reconvenes** (Sanders Grand Lounge)
- Student Recognition Awards
  - President's Report
  - Committee Reports
  - Consent Agenda
    1. Resolutions in Memoriam
    2. Ratification of Committee Appointments 2014-2015
    3. Ratification of Appointments to the Ohio State University Wexner Medical Center Board
    4. Personnel Actions
    5. Revocation of Degree
    6. University Foundation Report
    7. Naming of Internal Spaces
    8. Naming of Career Management Administrative Office
    9. Naming of Spaces in the Pre-Clinic
    10. Naming of West Lawn and Forecourt Garden
    11. Fiscal Year 2015 Capital Investment Plan
    12. Fiscal Year 2015 Budget
    13. Modification of Asset Classes and Allocations and Benchmarks for the Long-Term Investment Pool
    14. Approval to Enter Into Professional Services and Construction Contracts
    15. Approval to Enter Into a Joint Use Agreement
    16. Sale of Real Property



**AGENDA SUMMARY**

**WEDNESDAY, AUGUST 27, 2014**

**NATIONWIDE AND OHIO FARM BUREAU 4-H CENTER**  
2201 FRED TAYLOR DRIVE

8:30am-4:30pm **Executive Session** (International Room)

**THURSDAY, AUGUST 28, 2014**

**LONGABERGER ALUMNI HOUSE**  
2200 OLENTANGY RIVER ROAD

**COMMITTEE WORK SESSIONS**

8:30-10:00am **Governance Committee Meeting** (Mount Leadership Room)  
Timothy P. Smucker, Alex Shumate, Algenon L. Marbley, Linda S. Kass, Janet B. Reid, Erin P. Hoeflinger, G. Gilbert Cloyd, Alan VanderMolen, Stacie E. Seger, Jeffrey Wadsworth (*ex officio*)

Ratification of Committee Appointments 2014-2015 - Dr. Wadsworth  
Ratification of Appointments to the Ohio State University Wexner Medical Center Board - Dr. Wadsworth  
*Presidential Performance Review - Ms. Douglass*  
Executive Session

10:15am-2:15pm **Executive Session** (Rockow Room)

2:30-4:00pm **Advancement Committee Meeting** (Sanders Grand Lounge)  
Janet B. Reid, Erin P. Hoeflinger, Linda S. Kass, Clark C. Kellogg, Timothy P. Smucker, Cheryl L. Krueger, Brent R. Porteus, Alexander R. Fischer, Abigail S. Wexner, G. Gilbert Cloyd, Corbett A. Price, Alan VanderMolen, Stacie E. Seger, John W. Kessler, Nancy J. Kramer, Christopher A. Ito, Larry Moore, Keith D. Monda, Daniel J. Wampler, Jeffrey Wadsworth (*ex officio*)

University Foundation Report - Dr. Wampler, Mr. Monda  
Naming of Internal Spaces - Mr. Ripple  
Naming of Career Management Administrative Office - Mr. Ripple  
Naming of Spaces in the Pre-Clinic - Mr. Ripple  
Naming of West Lawn and Forecourt Garden - Mr. Ripple  
*Alumni Association Report - Mr. Moore*  
*Advancement Scorecard Update - Mr. Eicher*  
*Deans' Engagement Report - Dr. Steinmetz*  
*James Cancer Hospital Opening Plans - Ms. Hill-Callahan*  
Executive Session

**AGENDA SUMMARY**

**THURSDAY, AUGUST 28, 2014**

**LONGABERGER ALUMNI HOUSE**  
2200 OLENTANGY RIVER ROAD

**COMMITTEE WORK SESSIONS**

- 2:30-4:00pm     **Audit and Compliance Committee Meeting** (Mount Leadership Room)  
William G. Jurgensen, Michael J. Gasser, Ronald A. Ratner, Steven M. Loborec,  
Lawrence A. Hilsheimer, Amy Chronis, Craig S. Morford, Jeffrey Wadsworth (*ex officio*)  
  
*External Audit Update - Ms. Dewire*  
*Compliance and Integrity Program Report - Mr. Culley, Mr. Garrity-Rokous*  
Executive Session
- 4:15-5:45pm     **Academic Affairs and Student Life Committee Meeting** (Sanders Grand Lounge)  
Alex Shumate, Linda S. Kass, Cheryl L. Krueger, Algenon L. Marbley, Janet B. Reid,  
Clark C. Kellogg, Timothy P. Smucker, Abigail S. Wexner, Alan VanderMolen, Steven  
M. Loborec, Janet Box-Steffensmeier, Jeffrey Wadsworth (*ex officio*)  
  
Personnel Actions - Dr. Steinmetz  
Revocation of Degree - Dr. Steinmetz  
*Academic Initiatives Scorecard - Mr. Shumate*  
*Financial Wellness and Education - Dr. Adams-Gaston, Dr. Osmer, Mr. Ashton*  
Executive Session
- 4:15-5:45pm     **Finance Committee Meeting** (Mount Leadership Room)  
Michael J. Gasser, Ronald A. Ratner, Brent R. Porteus, William G. Jurgensen, Erin P.  
Hoeflinger, Alexander R. Fischer, G. Gilbert Cloyd, Corbett A. Price, Stacie E. Seger,  
Jo Ann Davidson, Jeffery Wadsworth (*ex officio*)  
  
*Fiscal Year 2014 Interim Financial Report - Mr. Chatas*  
*University Financial Scorecard - Mr. Chatas*  
*Physical Environment Scorecard - Mr. Kasey*  
*Project Status Report - Ms. Readey*  
*The Office of Investments & Office of the Treasurer Annual Review: Fiscal Year 2014*  
- Mr. Chatas, Mr. Papadakis  
*Update on Upper Arlington Ambulatory Care Center – Mr. Chatas*  
Fiscal Year 2015 Capital Investment Plan - Mr. Chatas, Mr. Kasey  
Fiscal Year 2015 Budget - Mr. Chatas  
Modification of Asset Classes and Allocations and Benchmarks for the Long-Term  
Investment Pool - Mr. Chatas, Mr. Murrer  
Approval to Enter Into Professional Services and Construction Contracts  
- Ms. Readey  
Approval to Enter Into a Joint Use Agreement - Mr. Myers  
Sale of Real Property - Mr. Myers  
Executive Session
- 6:30pm     **Trustee Dinner**

**AGENDA SUMMARY**

**FRIDAY, AUGUST 29, 2014**

**LONGABERGER ALUMNI HOUSE**  
2200 OLENTANGY RIVER ROAD

- 9:00-10:00am     **Wexner Medical Center Board Meeting** (Sanders Grand Lounge)  
Leslie H. Wexner, Janet B. Reid, W.G. Jurgensen, Cheryl L. Krueger, Abigail S. Wexner, Corbett A. Price, David B. Fischer, Stephen D. Steinour, John F. Wolfe, Jeffrey Wadsworth, Michael V. Drake, Steven G. Gabbe, Geoffrey S. Chatas, Edmund F. Funai, E. Christopher Ellison, Michael A. Caligiuri
- Approval of Wexner Medical Center Board Meeting Minutes - Mr. Wexner  
Accreditation Requirements – Dr. Gabbe
1. University Hospital Plan for Patient Care Services: Fiscal Year 2015
  2. Arthur G. James Cancer Hospital Plan for Patient Care Services: Fiscal Year 2015
  3. Burn Center Verification
  4. University Hospitals Clinical Quality Management, Patient Safety and Service Plan
  5. Arthur G. James Cancer Hospital Clinical Quality Management, Patient Safety and Service Plan
- Resolution
6. Fiscal Year 2015 Budget - Mr. Chatas, Mr. Geier
- Review of Wexner Medical Center Initiatives Scorecard - Dr. Gabbe*  
*Wexner Medical Center Expansion Update - Mr. Kasey*  
*Update on Upper Arlington Ambulatory Care Center - Mr. Chatas, Dr. Gabbe*
- 10:30am     **Board Meeting Reconvenes** (Sanders Grand Lounge)  
Student Recognition Awards  
President's Report  
Committee Reports  
Consent Agenda
1. Resolutions in Memoriam
  2. Ratification of Committee Appointments 2014-2015
  3. Ratification of Appointments to the Ohio State University Wexner Medical Center Board
  4. Personnel Actions
  5. Revocation of Degree
  6. University Foundation Report
  7. Naming of Internal Spaces
  8. Naming of Career Management Administrative Office
  9. Naming of Spaces in the Pre-Clinic
  10. Naming of West Lawn and Forecourt Garden
  11. Fiscal Year 2015 Capital Investment Plan
  12. Fiscal Year 2015 Budget
  13. Modification of Asset Classes and Allocations and Benchmarks for the Long-Term Investment Pool
  14. Approval to Enter Into Professional Services and Construction Contracts
  15. Approval to Enter Into a Joint Use Agreement
  16. Sale of Real Property

**THURSDAY, AUGUST 28, 2014  
GOVERNANCE COMMITTEE MEETING**

Timothy P. Smucker  
Alex Shumate  
Algenon L. Marbley  
Linda S. Kass  
Janet B. Reid  
Erin P. Hoeflinger  
G. Gilbert Cloyd  
Alan VanderMolen  
Stacie E. Seger  
Jeffrey Wadsworth (*ex officio*)

Location: Longaberger Alumni House  
Mount Leadership Room

Time: 8:30-10:00am

**ITEMS FOR ACTION**

- |  |             |
|--|-------------|
| 1. Ratification of Committee Appointments 2014-2015 - Dr. Wadsworth                                      | 8:30-8:35am |
| 2. Ratification of Appointments to the Ohio State University Wexner Medical Center Board - Dr. Wadsworth | 8:35-8:40am |

**ITEM FOR DISCUSSION**

- |  |              |
|--|--------------|
| 3. <i>Presidential Performance Review - Ms. Douglass</i> | 8:40-8:50am  |
| Executive Session  | 8:50-10:00am |

**RATIFICATION OF COMMITTEE APPOINTMENTS 2014-2015**

BE IT RESOLVED, That the Board of Trustees hereby approves that the ratification of committee appointments for 2014-2015 are as follows:

**Academic Affairs and Student Life Committee:**

Alex Shumate, Chair  
Linda S. Kass, Co-Chair  
Cheryl L. Krueger, Vice Chair  
Algenon L. Marbley  
Janet B. Reid  
Clark C. Kellogg  
Timothy P. Smucker

**ABIGAIL S. WEXNER**

Alan VanderMolen  
Steven M. Loborec  
Janet Box-Steffensmeier (faculty member)  
Jeffrey Wadsworth (ex officio)

**Finance Committee:**

Michael J. Gasser, Chair  
Ronald A. Ratner, Co-Chair  
Brent R. Porteus, Vice Chair  
W.G. "Jerry" Jurgensen  
Erin P. Hoeflinger  
**ALEX R. FISCHER**  
G. Gilbert Cloyd  
Corbett A. Price  
Stacie E. Seger  
Jo Ann Davidson  
Jeffrey Wadsworth (ex officio)

**Advancement Committee:**

Janet B. Reid, Chair  
Erin P. Hoeflinger, Vice Chair  
Linda S. Kass  
Clark C. Kellogg  
Timothy P. Smucker  
Cheryl L. Krueger  
Brent R. Porteus  
**ALEX R. FISCHER**  
**ABIGAIL S. WEXNER**  
G. Gilbert Cloyd  
Corbett A. Price  
Alan VanderMolen  
Stacie E. Seger  
John W. Kessler  
Nancy Kramer  
Christopher A. Ito (Alumni Assn member)  
Larry Moore (Alumni Assn member)  
Keith D. Monda (Foundation Board member)  
Daniel J. Wampler (Foundation Board member)  
Jeffrey Wadsworth (ex officio)

**Audit and Compliance Committee:**

W.G. "Jerry" Jurgensen, Chair  
Michael J. Gasser, Vice Chair  
Ronald A. Ratner  
Steven M. Loborec  
Lawrence A. Hilsheimer  
Amy Chronis  
Craig S. Morford  
Jeffrey Wadsworth (ex officio)

**Governance Committee:**

Timothy P. Smucker, Chair  
Alex Shumate, Vice Chair  
Algenon L. Marbley  
Linda S. Kass  
Janet B. Reid  
Erin P. Hoeflinger  
G. Gilbert Cloyd  
Alan VanderMolen  
Stacie E. Seger  
Jeffrey Wadsworth (ex officio)

**RATIFICATION OF APPOINTMENT TO  
THE OHIO STATE UNIVERSITY WEXNER MEDICAL CENTER BOARD**

Synopsis: Ratification of appointments to The Ohio State University Wexner Medical Center Board, is proposed.

WHEREAS the Ohio State University Board of Trustees approved the bylaws for the creation of the new Ohio State University Wexner Medical Center Board; and

WHEREAS the University Wexner Medical Center Board bylaws stipulate that up to five members of the University Board of Trustees shall be appointed annually to the University Wexner Medical Center by the Chair of the University Board of Trustees; and

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby ratify the following appointment to the University Wexner Medical Center Board effective August 29, 2014, for the term specified below:

Trustee Members

W.G. "Jerry" Jurgensen, term ending May 13, 2015

Cheryl L. Krueger, term ending May 13, 2015

Corbett A. Price, term ending May 13, 2015

Janet B. Reid, term ending May 13, 2015

**ABIGAIL S. WEXNER, term ending May 13, 2015**

BE IT FURTHER RESOLVED, That the Board of Trustees hereby approves that the appointment of each member entitles the members to any immunity, insurance, or indemnity protection to which officers and employees of the university are, or hereafter may become, entitled.

**THURSDAY, AUGUST 28, 2014  
ADVANCEMENT COMMITTEE MEETING**

Janet B. Reid  
Erin P. Hoeflinger  
Linda S. Kass  
Clark C. Kellogg  
Timothy P. Smucker  
Cheryl L. Krueger  
Brent R. Porteus  
Alexander R. Fischer  
Abigail S. Wexner  
G. Gilbert Cloyd  
Corbett A. Price  
Alan VanderMolen  
Stacie E. Seger  
John W. Kessler  
Nancy J. Kramer  
Christopher A. Ito  
Larry Moore  
Keith D. Monda  
Daniel J. Wampler  
Jeffrey Wadsworth (*ex officio*)

Location: Longaberger Alumni House  
Sanders Grand Lounge

Time: 2:30-4:00pm

**ITEMS FOR ACTION**

- |  |             |
|--|-------------|
| 1. University Foundation Report - Dr. Wampler, Mr. Monda | 2:30-2:40pm |
| 2. Naming of Internal Spaces - Mr. Ripple                | 2:40-2:45pm |
| 3. Naming of Career Management Administrative Office     |             |
| 4. Naming of Spaces in the Pre-Clinic                    |             |
| 5. Naming of West Lawn and Forecourt Garden              |             |

**ITEMS FOR DISCUSSION**

- |   |             |
|---|-------------|
| 6. <i>Alumni Association Report - Mr. Moore</i>                   | 2:45-2:55pm |
| 7. <i>Advancement Scorecard Update - Mr. Eicher</i>               | 2:55-3:05pm |
| 8. <i>Deans' Engagement Report - Dr. Steinmetz</i>                | 3:05-3:15pm |
| 9. <i>James Cancer Hospital Opening Plans - Ms. Hill-Callahan</i> | 3:15-3:30pm |
| Executive Session   | 3:30-4:00pm |

**UNIVERSITY FOUNDATION REPORT**

Synopsis: Approval of the University Foundation Report as of July 31, 2014, is proposed.

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 The Donald G. and Mary A. Dunn Designated Chair in Modern Military History, The Mary E. and John W. Alford Research Chair in Head and Neck Cancer, The Sylvan G. Frank Chair in Pharmaceuticals and Drug Delivery Systems, The Frank E. and Virginia H. Bazler Chair in Business Law, the Centennial Professor of Nursing, The Dr. Lee Hebert Endowed Professorship in Nephrology, the FloAnn Sours Easton Endowed Professorship in Child and Adolescent Health, the Charles W. Ebersold and Florence Whitcomb Ebersold Professorship, The Ohio Research Scholars Program Endowed Fund, the establishment of thirty-one (31) named endowed funds, and the revision of five (5) named endowed funds:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves the Ohio State University Foundation Report as of July 31, 2014.



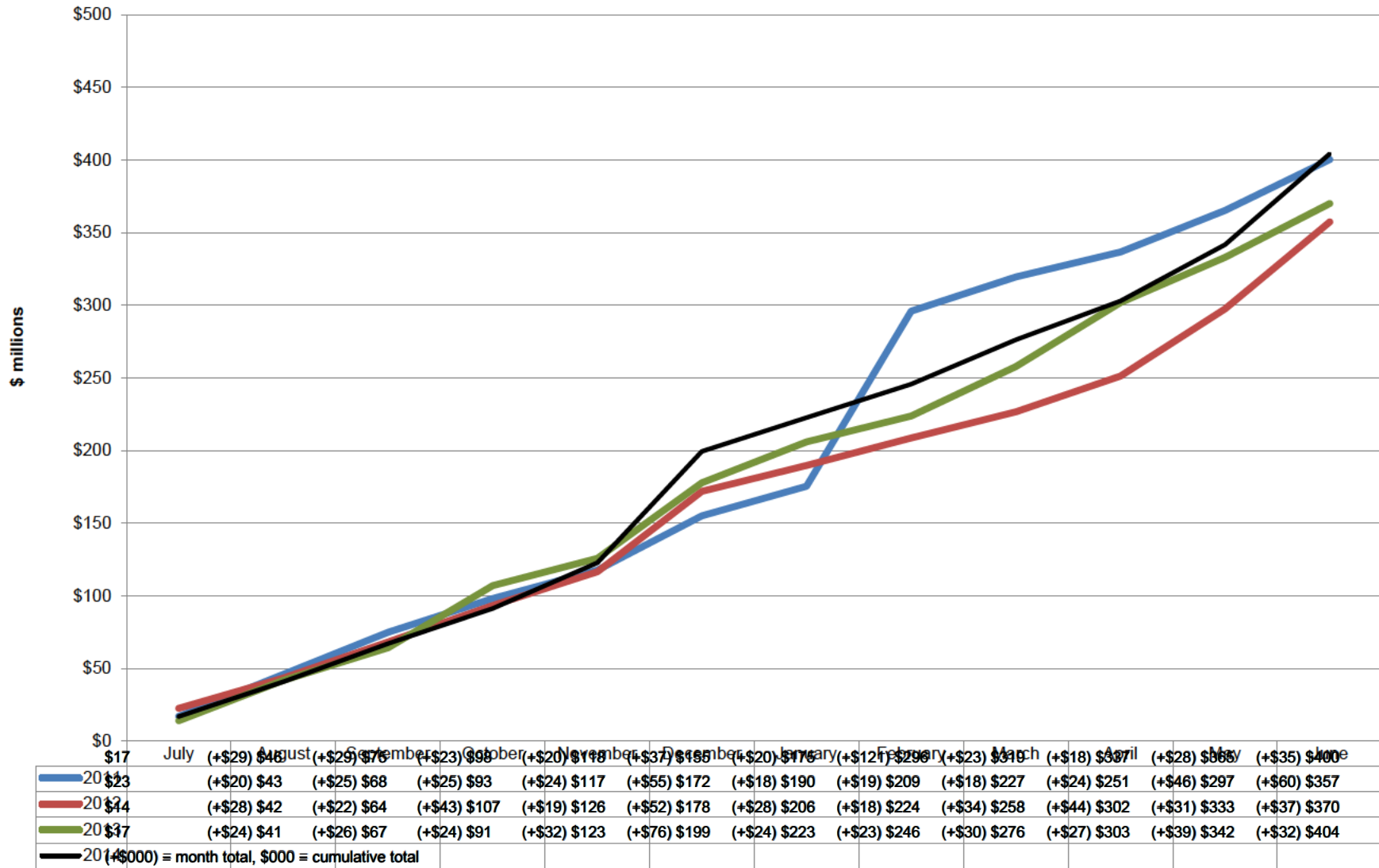


THE OHIO STATE UNIVERSITY

FY2014 New Fundraising Activity Report

**Cumulative**

7/1/2013 through 6/30/2014





FY 2014 New Fundraising Activity Report

**Progress**

7/1/2013 through 6/30/2014

	Activity	Goal	% Achieved	7/1/2012 through 6/30/2013	% Change
<b>Outright Gifts and Pledges</b>					
Cash and Securities	\$123,552,188			\$110,782,543	11.53%
Real Estate	\$7,980			\$0	0.00%
Gifts-in-Kind	\$19,212,545			\$5,318,552	261.24%
Pledges	\$58,906,450			\$104,000,701	-43.36%
Matching Gifts	\$2,422,949			\$1,846,823	31.20%
Recurring Gifts	\$3,015,764			\$2,871,070	5.04%
<b>Total Outright Gifts and Pledges</b>	<b>\$207,117,877</b>	<b>\$242,380,499</b>	<b>85.45%</b>	<b>\$224,819,689</b>	<b>-7.87%</b>
<b>Planned Gifts</b>					
Irrevocable Planned Gifts	\$2,108,549			\$2,460,002	-14.29%
Revocable Planned Gifts	\$100,762,663			\$61,599,450	63.58%
<b>Total Planned Gifts</b>	<b>\$102,871,213</b>	<b>\$65,564,110</b>	<b>156.90%</b>	<b>\$64,059,452</b>	<b>60.59%</b>
<b>Private Grants</b>	<b>\$94,146,531</b>	<b>\$85,962,491</b>	<b>109.52%</b>	<b>\$81,048,569</b>	<b>16.16%</b>
<b>Total Fundraising Activity</b>	<b>\$404,135,621</b>			<b>\$369,927,710</b>	<b>9.25%</b>
<b>Overall Working Goal</b>		<b>\$390,000,000</b>	<b>103.62%</b>		
		<b>Time Elapsed</b>	<b>100.00%</b>		

August Board Meeting - Advancement Committee Meeting



FY 2014 New Fundraising Activity Report

**Progress - Unit**

7/1/2013 through 6/30/2014

Unit	Outright Gifts and Pledges	Planned Gifts	OSU Foundation Activity	Private Grants	Total Fundraising Activity	Goal	% Achieved
Academic Affairs	\$10,068,505	\$4,270,055	\$14,338,560	\$716,243	\$15,054,803	\$14,000,000	107.53%
Alumni Association	\$834,383	\$44,500	\$878,883	\$878,883	\$878,883	\$2,300,000	38.21%
Arts and Sciences (Colleges of the)	\$10,731,444	\$10,415,250	\$21,146,694	\$32,762,808	\$32,762,808	\$30,000,000	109.21%
Athletics	\$42,394,741	\$4,722,500	\$47,117,241	\$47,117,241	\$47,117,241	\$45,000,000	104.70%
Business (Fisher College of)	\$12,275,093	\$6,308,740	\$18,583,833	\$22,603,833	\$22,603,833	\$18,000,000	125.58%
Cancer (James / Solove)	\$39,500,061	\$16,303,849	\$55,803,910	\$72,245,283	\$72,245,283	\$80,000,000	90.31%
Dentistry (College of)	\$1,341,304	\$1,031,750	\$2,373,054	\$2,669,037	\$2,669,037	\$3,369,000	79.22%
Education and Human Ecology (College of)	\$2,819,370	\$3,377,398	\$6,196,768	\$8,666,656	\$8,666,656	\$8,500,000	101.96%
Engineering (College of)	\$20,670,168	\$19,710,489	\$40,380,656	\$63,388,402	\$63,388,402	\$55,000,000	115.25%
Food, Agricultural and Enviro Sciences (College of)	\$6,329,590	\$6,435,823	\$12,765,413	\$21,572,048	\$21,572,048	\$22,500,000	95.88%
Kirwan Institute	\$1,098,201	\$0	\$1,098,201	\$1,098,201	\$1,098,201	\$1,550,000	70.85%
Law (Michael E. Moritz College of)	\$1,370,652	\$622,503	\$1,993,155	\$1,993,155	\$1,993,155	\$4,000,000	49.83%
Medical Center (Wexner)	\$20,045,458	\$5,897,547	\$25,943,005	\$44,951,957	\$44,951,957	\$56,000,000	80.27%
Medicine (College of)	\$2,053,281	\$5,964,398	\$8,017,679	\$10,509,238	\$10,509,238	\$10,000,000	105.09%
Nursing (College of)	\$1,864,440	\$419,000	\$2,283,440	\$2,582,107	\$2,582,107	\$2,600,000	99.31%
Optometry (College of)	\$1,014,324	\$150,005	\$1,164,328	\$1,461,429	\$1,461,429	\$2,100,000	69.59%
OSU Lima	\$408,612	\$25,000	\$433,612	\$455,612	\$455,612	\$2,100,000	21.70%
OSU Mansfield	\$1,620,835	\$1,160,000	\$2,780,835	\$2,784,335	\$2,784,335	\$2,919,500	95.37%
OSU Marion	\$726,383	\$0	\$726,383	\$726,383	\$726,383	\$2,000,000	36.32%
OSU Newark	\$765,257	\$200,000	\$965,257	\$978,743	\$978,743	\$1,418,600	68.99%
Pharmacy (College of)	\$3,471,518	\$701,746	\$4,173,264	\$4,975,202	\$4,975,202	\$3,630,000	137.06%
Public Health (College of)	\$1,242,284	\$250,000	\$1,492,284	\$1,767,790	\$1,767,790	\$1,200,000	147.32%
Social Work (College of)	\$2,481,484	\$375,000	\$2,856,484	\$2,898,978	\$2,898,978	\$1,000,000	289.90%
Student Life	\$911,190	\$1,250,000	\$2,161,190	\$2,211,190	\$2,211,190	\$1,500,000	147.41%
University-wide Fundraising	\$4,855,083	\$1,619,401	\$6,474,483	\$8,001,414	\$8,001,414	\$0	
Veterinary Medicine (College of)	\$5,237,305	\$5,856,380	\$11,093,685	\$13,030,100	\$13,030,100	\$11,500,000	113.31%
Wexner Center for the Arts	\$4,701,756	\$721	\$4,702,477	\$4,706,477	\$4,706,477	\$5,720,000	82.28%
WOSU Public Stations	\$6,285,158	\$5,759,157	\$12,044,315	\$12,044,315	\$12,044,315	\$6,000,000	200.74%
<b>Grand Total</b>	<b>\$207,117,877</b>	<b>\$102,871,213</b>	<b>\$309,989,090</b>	<b>\$94,146,531</b>	<b>\$404,135,621</b>		
<b>Overall Working Goal</b>						<b>\$390,000,000</b>	<b>103.62%</b>

Time Elapsed 100.00%



FY 2014 Philanthropic Receipts Report  
**Philanthropic Receipts Progress**  
 7/1/2013 through 6/30/2014

	Activity	Goal	% Achieved	7/1/2012 through 6/30/2013	% Change
<b>Outright Gift Receipts</b>					
	Cash and Securities			\$115,500,436	11.68%
	Gifts-in-Kind			\$5,318,552	261.24%
	Real Estate			\$0	0.00%
	<b>Outright Gift Receipts</b>			<b>\$120,818,988</b>	<b>22.67%</b>
	<b>Pledge Receipts</b>			<b>\$79,414,415</b>	<b>-16.04%</b>
<b>Planned Gift Receipts</b>					
	Revocable Planned Gifts			\$13,107,018	71.38%
	Irrevocable Planned Gifts			\$2,460,002	-14.29%
	<b>Planned Gift Receipts</b>			<b>\$15,567,020</b>	<b>57.84%</b>
	<b>Private Grant (OSP) Receipts</b>			<b>\$81,048,569</b>	<b>16.16%</b>
	<b>Philanthropic Receipts Total</b>	<b>\$336,000,000</b>	<b>105.57%</b>	<b>\$296,848,992</b>	<b>12.38%</b>

Time Elapsed 100.00%

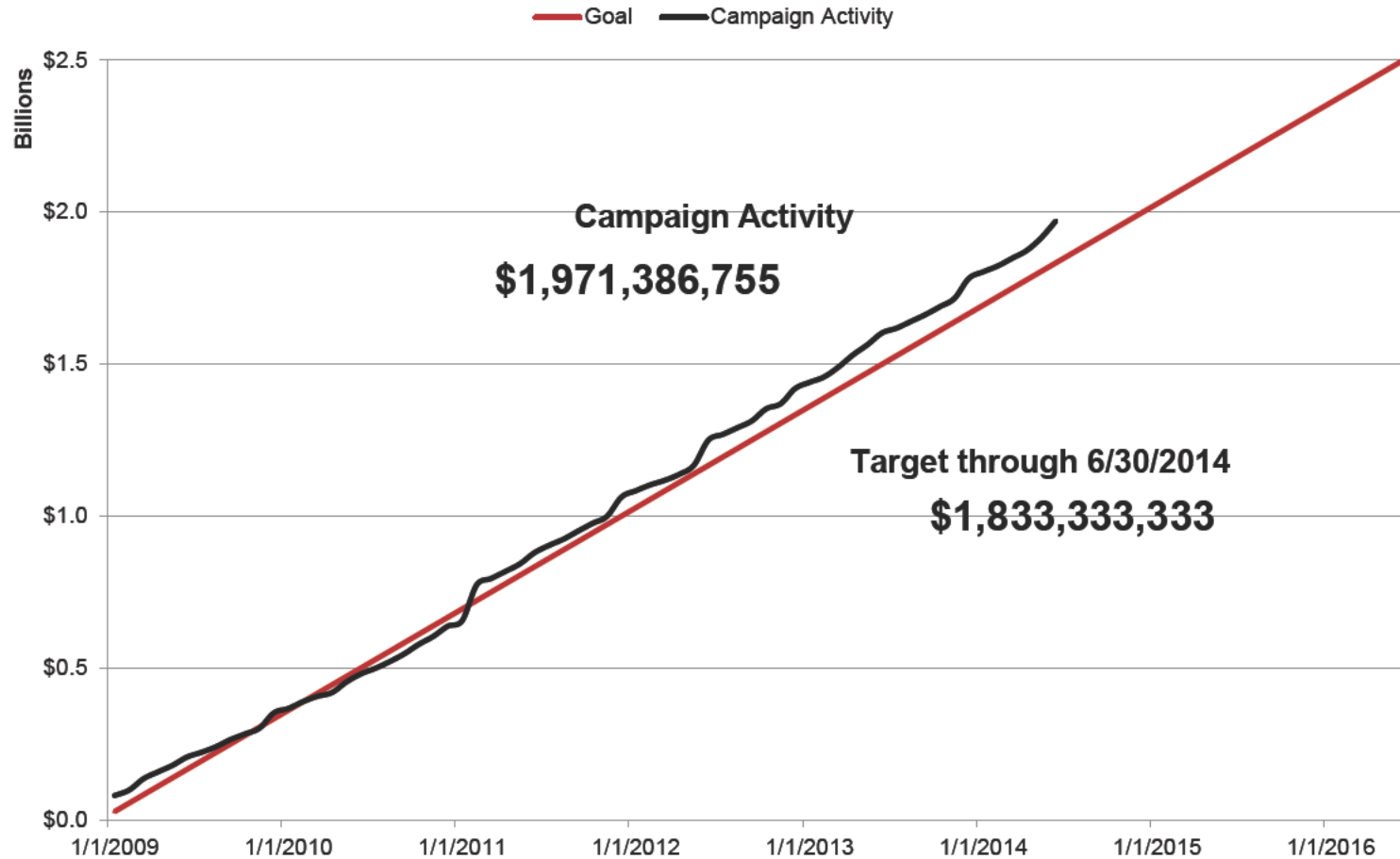


# BUT FOR OHIO STATE Dashboard Report

Campaign Progress vs. Time

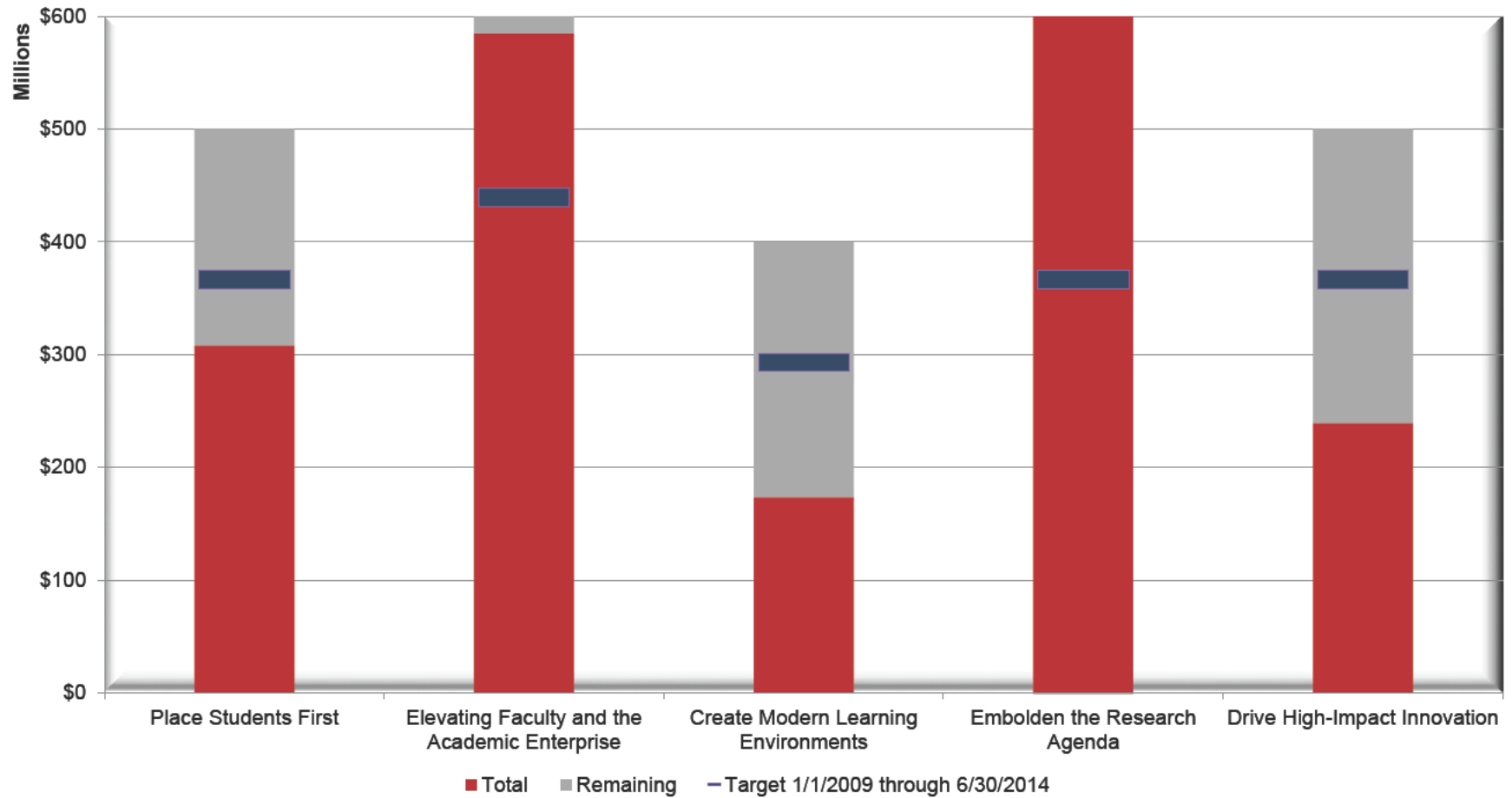
1/1/2009 through 6/30/2014 = \$1,971,386,755

## I. Campaign Progress



1/1/2009 through 6/30/2014 = \$1,971,386,755

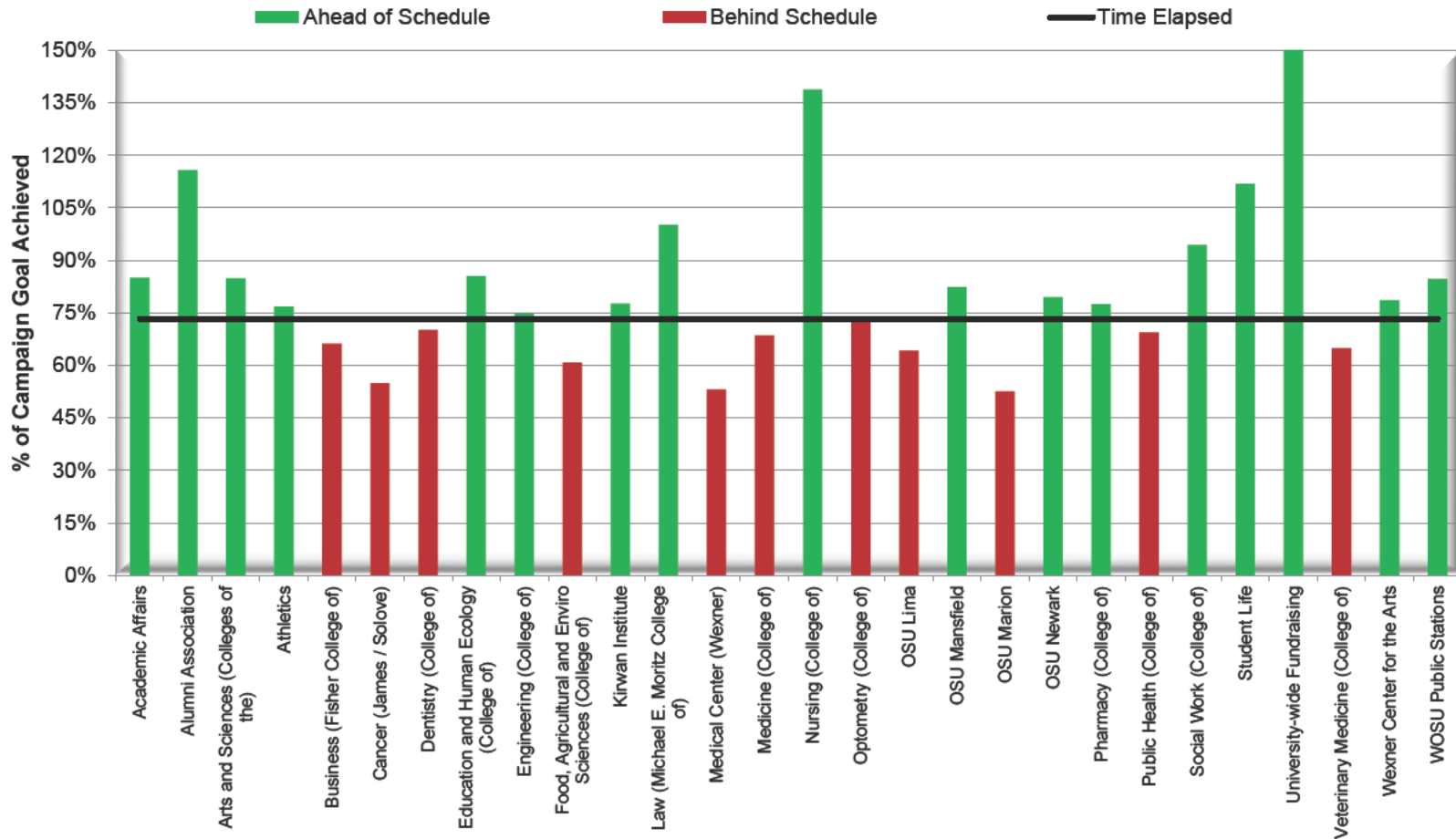
## II. Campaign Activity by Objective





1/1/2009 through 6/30/2014 = \$1,971,386,755

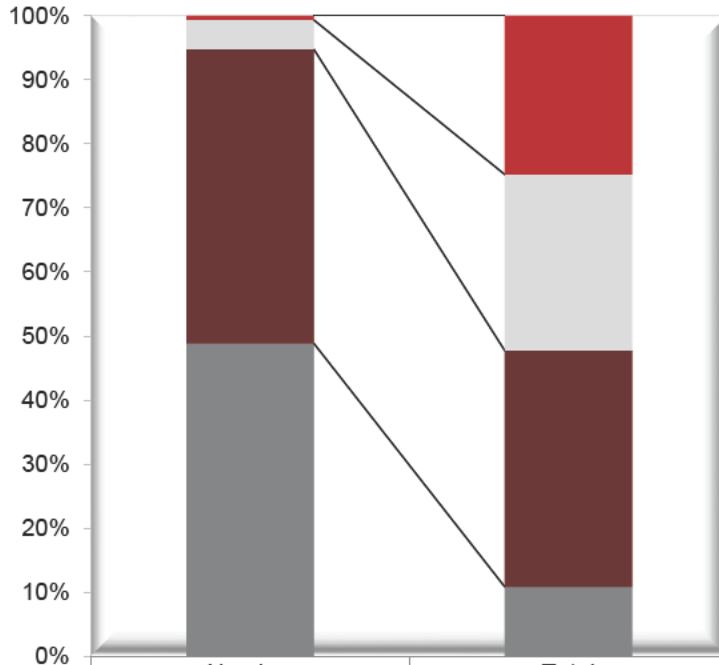
### III. Campaign Progress by Unit





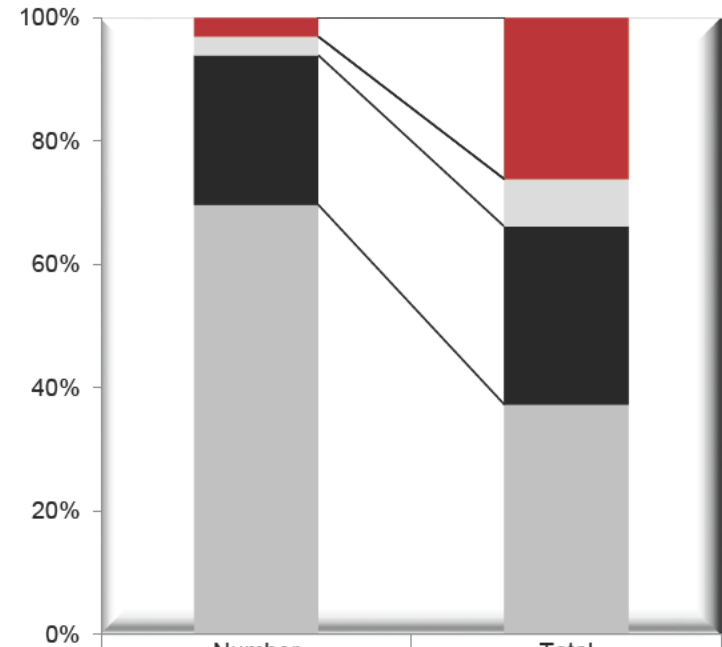
1/1/2009 through 6/30/2014 = \$1,971,386,755

**IVa. Campaign Activity by Major Gift Level**



	Number	Total
■ \$5M+	33	\$385,080,126
■ \$1M - \$5M	235	\$427,516,302
■ \$100K - \$1M	2,364	\$573,142,200
■ \$50K - \$100K	2,514	\$168,115,476

**IVb. \$5M+ Gift Level**



	Number	Total
■ \$100M+	1	\$100,690,029
■ \$50M - \$99.9M	0	\$0
■ \$25M - \$49.9M	1	\$29,584,896
■ \$10M - \$24.9M	8	\$111,121,165
■ \$5M - \$9.9M	23	\$143,684,037

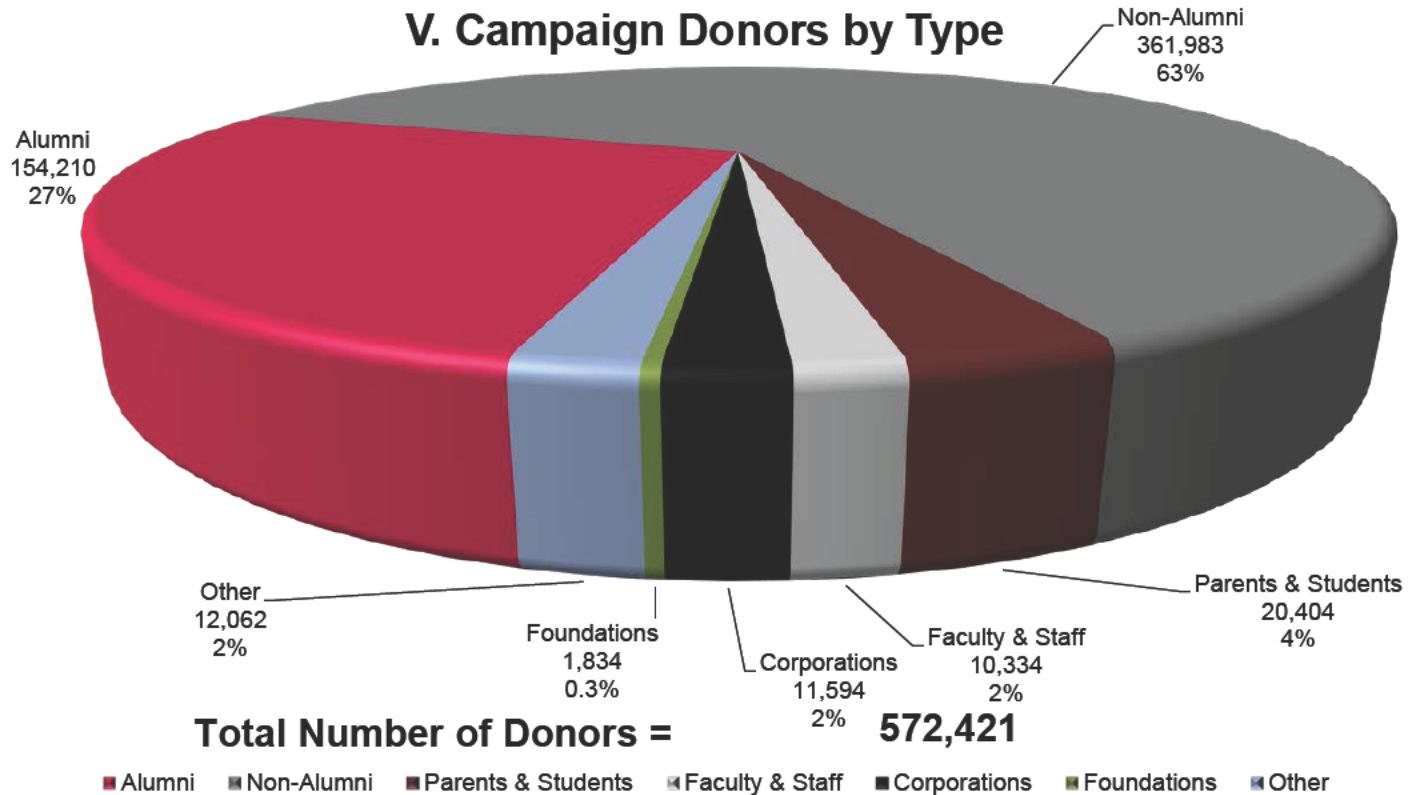




**BUT FOR OHIO STATE**  
Dashboard Report

1/1/2009 through 6/30/2014 = \$1,971,386,755

**V. Campaign Donors by Type**



If an individual donor fits multiple types they are only counted in the highest level in the hierarchy listed below

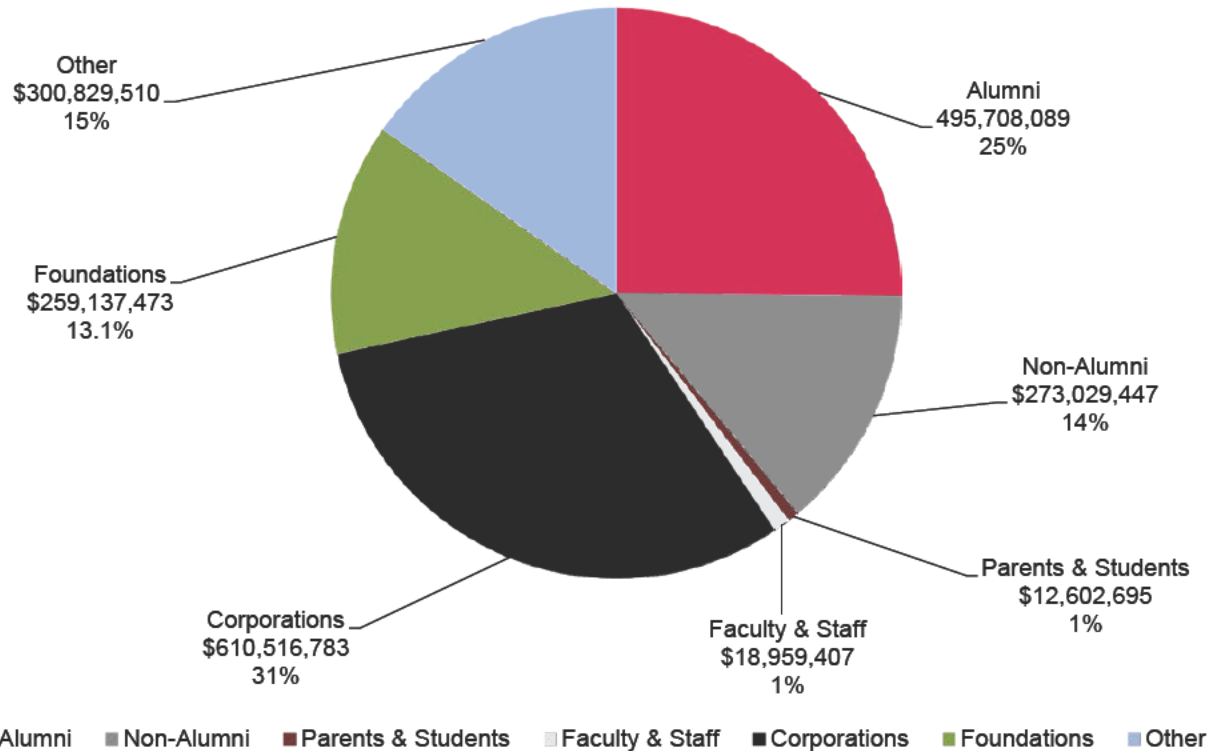
Donor Type	Level	Donor Type	Level
Alumni	1	Student	4
Parents	2	Non-Alumni	5
Faculty & Staff	3		



**BUT FOR OHIO STATE**  
Dashboard Report

1/1/2009 through 6/30/2014 = \$1,971,386,755

**VI. Campaign Activity by Donor Type**



If an individual donor fits multiple types they are only counted in the highest level in the hierarchy listed below

Donor Type	Level	Donor Type	Level
Alumni	1	Student	4
Parents	2	Non-Alumni	5
Faculty & Staff	3		

Consistent with CASE guidelines dollar amounts are reported based on the transferring entity's type



FY 2015 New Fundraising Activity Report

**Progress**

7/1/2014 through 7/31/2014

	Activity	7/1/2013 through 7/31/2013	% Change
<b>Outright Gifts and Pledges</b>			
Cash and Securities	\$7,629,714	\$7,505,029	1.66%
Real Estate	\$0	\$0	0.00%
Gifts-in-Kind	\$184,222	\$33,548	449.12%
Pledges	\$2,188,730	\$898,426	143.62%
Matching Gifts	\$61,404	\$107,857	-43.07%
Recurring Gifts	\$256,567	\$241,097	6.42%
<b>Total Outright Gifts and Pledges</b>	<b>\$10,320,637</b>	<b>\$8,785,957</b>	<b>17.47%</b>
<b>Planned Gifts</b>			
Irrevocable Planned Gifts	\$3,000	\$10,000	-70.00%
Revocable Planned Gifts	\$3,711,919	\$1,699,142	118.46%
<b>Total Planned Gifts</b>	<b>\$3,714,919</b>	<b>\$1,709,142</b>	<b>117.36%</b>
<b>Private Grants</b>	<b>\$6,727,800</b>	<b>\$6,398,480</b>	<b>5.15%</b>
<b>Total Fundraising Activity</b>	<b>\$20,763,404</b>	<b>\$16,893,579</b>	<b>22.91%</b>
<b>Overall Working Goal</b>			

Time Elapsed 8.49%

August Board Meeting - Advancement Committee Meeting



FY 2015 New Fundraising Activity Report  
**Progress - Unit**  
 7/1/2014 through 7/31/2014

Unit	Outright Gifts and Pledges	Planned Gifts	OSU Foundation Activity	Private Grants	Total Fundraising Activity
Academic Affairs	\$444,999	\$0	\$444,999	\$0	\$444,999
Alumni Association	\$20,140	\$0	\$20,140	\$20,140	\$20,140
Arts and Sciences (Colleges of the)	\$437,174	\$0	\$437,174	\$886,789	\$886,789
Athletics	\$3,597,225	\$0	\$3,597,225	\$3,597,225	\$3,597,225
Business (Fisher College of)	\$267,830	\$0	\$267,830	\$267,830	\$267,830
Cancer (James / Solove)	\$2,330,804	\$1,512,589	\$3,843,393	\$4,300,503	\$4,300,503
Dentistry (College of)	\$125,835	\$0	\$125,835	\$125,835	\$125,835
Education and Human Ecology (College of)	\$35,534	\$1,000,000	\$1,035,534	\$1,047,534	\$1,047,534
Engineering (College of)	\$703,750	\$0	\$703,750	\$3,168,890	\$3,168,890
Food, Agricultural and Enviro Sciences (College of)	\$521,744	\$118,477	\$640,221	\$1,536,229	\$1,536,229
Kirwan Institute	\$50	\$0	\$50	\$50	\$50
Law (Michael E. Moritz College of)	\$331,163	\$0	\$331,163	\$505,723	\$505,723
Medical Center (Wexner)	\$582,496	\$31,294	\$613,790	\$1,964,187	\$1,964,187
Medicine (College of)	\$72,982	\$0	\$72,982	\$670,501	\$670,501
Nursing (College of)	\$65,290	\$0	\$65,290	\$77,790	\$77,790
Optometry (College of)	\$22,193	\$0	\$22,193	\$22,193	\$22,193
OSU Lima	\$5,869	\$0	\$5,869	\$5,869	\$5,869
OSU Mansfield	\$13,890	\$0	\$13,890	\$13,890	\$13,890
OSU Marion	\$5,688	\$0	\$5,688	\$5,688	\$5,688
OSU Newark	\$6,473	\$0	\$6,473	\$6,473	\$6,473
Pharmacy (College of)	\$107,918	\$0	\$107,918	\$150,418	\$150,418
Public Health (College of)	\$3,736	\$0	\$3,736	\$170,757	\$170,757
Social Work (College of)	\$54,429	\$0	\$54,429	\$54,429	\$54,429
Student Life	\$72,587	\$0	\$72,587	\$72,587	\$72,587
University-wide Fundraising	\$51,670	\$1,005,250	\$1,056,920	\$1,056,920	\$1,056,920
Veterinary Medicine (College of)	\$80,040	\$47,354	\$127,394	\$230,827	\$230,827
Wexner Center for the Arts	\$167,768	\$0	\$167,768	\$167,768	\$167,768
WOSU Public Stations	\$191,364	\$0	\$191,364	\$191,364	\$191,364
<b>Grand Total</b>	<b>\$10,320,637</b>	<b>\$3,714,964</b>	<b>\$14,035,601</b>	<b>\$6,727,803</b>	<b>\$20,763,408</b>
<b>Overall Working Goal</b>					\$0

Time Elapsed 8.49%



FY 2015 Philanthropic Receipts Report  
**Progress**  
 7/1/2014 through 7/31/2014

	Activity	7/1/2013 through 7/31/2013	% Change
<b>Outright Gift Receipts</b>			
Cash and Securities	\$7,629,714	\$7,505,029	1.66%
Real Estate	\$0	\$0	0.00%
Gifts-in-Kind	\$184,222	\$33,548	449.12%
Matching Gifts	\$61,404	\$107,857	
Recurring Gifts	\$256,567	\$241,097	
<b>Outright Gift Receipts</b>	<b>\$8,131,907</b>	<b>\$7,887,532</b>	<b>3.10%</b>
<b>Pledge Receipts</b>	<b>\$2,938,008</b>	<b>\$2,931,932</b>	<b>0.21%</b>
<b>Planned Gift Receipts</b>			
Irrevocable Planned Gifts	\$3,000	\$10,000	-70.00%
Revocable Planned Gifts	\$1,406,711	\$679,854	106.91%
<b>Planned Gift Receipts</b>	<b>\$1,409,711</b>	<b>\$689,854</b>	<b>104.35%</b>
<b>Private Grants</b>	<b>\$6,727,800</b>	<b>\$6,398,480</b>	<b>5.15%</b>
<b>Total Philanthropic Receipts</b>	<b>\$19,207,422</b>	<b>\$17,907,798</b>	<b>7.26%</b>

Time Elapsed 8.49%

**August Board Meeting - Advancement Committee Meeting**

The Ohio State University  
Board of Trustees

August 29, 2014

	<u>Amount Establishing Endowment *</u>	<u>Total Commitment</u>
<u>Establishment of Named Designated Chair</u>		
The Donald G. and Mary A. Dunn Designated Chair in Modern Military History (Is being established August 29, 2014, with a fund transfer by the College of Arts and Sciences; used to provide chair position in the Department of History focusing on military history [post-1900].)	\$85,000.00	\$85,000.00 per year for three years
<u>Establishment of Named Designated Professorship</u>		
Centennial Professor of Nursing (Is being established August 29, 2014, with fund transfers from the College of Nursing; used to provide a professorship position in the College of Nursing designed to promote and enhance both nursing and trans-disciplinary research activities at the college, preferably in a substantive area aligned with a center of research excellence in the college.)	\$42,500.00	\$42,500.00 per year for five years
<u>Establishment of Named Endowed Chair</u>		
The Mary E. and John W. Alford Research Chair in Head and Neck Cancer (Was established September 7, 1990, with a gift from John W. Alford of Newark, Ohio and additional gifts from the John and Mary Alford Foundation of Worthington, Ohio; the Ronald Alford family of Westerville, Ohio; and the Barbara and Michael [BSBA 1978] Cantlin family of Newark, Ohio; used to provide a chair position at the Arthur G. James Cancer Hospital and Richard J. Solove Research Institute to support a nationally or internationally recognized faculty member or physician in the field of head and neck cancer research. The name was changed to The Mary E. and John W. Alford Cancer Research Endowment Fund and the description was revised March 3, 2000. The name and description were revised again February 11, 2011. The required funding level for a chair has been reached and the fund is being revised on August 29, 2014.)	\$2,106,797.51	\$2,000,000.00
<u>Establishment of Named Endowed Professorship</u>		
The Dr. Lee Hebert Endowed Professorship in Nephrology (Is being established August 29, 2014, with gifts given in honor of Dr. Lee A. Hebert from colleagues and grateful patients including gifts from OSU Internal Medicine, LLC, Division of Nephrology and Casto-Ohio Properties LTD; used to provide a professorship position in the Division of Nephrology in the Department of Internal Medicine, supporting a nationally or internationally recognized physician faculty member in the field of Nephrology with a focus on research in the immunology of kidney diseases.)	\$1,001,500.00	\$1,000,000.00

The Ohio State University  
Board of Trustees

August 29, 2014

Establishment of Named Endowed Funds

<p>The Ohio Research Scholars Program Endowed Fund (Is being established August 29, 2014, with funding received in 2008 from the Ohio Board of Regents to attract leading research talent that can contribute to the growth of research centers of excellence within Ohio's academic institutions that support economic development priorities of the state; allocated by the provost and will support tenure track positions at the associate professor level or higher or senior research positions at equivalent levels.)</p>	<p>\$13,778,954.98</p>	<p>\$13,778,954.98</p>
<p>Akos Seress Mathematics Scholarship Fund (Is being established August 29, 2014, in memory of Professor Akos Seress [PhD 1985] with transfers from the Mathematics Department at the request of his wife, Sherry Seress [BS 1982, MS 1986], and his son, Laszlo Seress and gifts from friends, family, and colleagues; used to provide scholarship and prize awards to both undergraduate math majors and math graduate students.)</p>	<p>\$84,004.00</p>	<p>\$84,004.00</p>
<p>The Frank R. Carver Endowed Fund (Is being established August 29, 2014, with a fund transfer by the College of Engineering of an unrestricted gift from the estate of Mr. Frank R. Carver [B EE 1940]; used for emerging priorities for the Department of Electrical and Computer Engineering as directed and approved by the department's chair.)</p>	<p>\$50,000.00</p>	<p>\$50,000.00</p>
<p>The Fritz Graf Endowed Fund for the Graduate Interdisciplinary Study of Ancient Mediterranean Religions (Is being established August 29, 2014, with a gift from an anonymous donor and a fund transfer by the College of Arts and Sciences, Department of Classics; used to support the Department of Classics with first preference to provide support for a graduate student[s] to travel to conferences relevant to their development as scholars with preference given to students who have declared Graduate Interdisciplinary Study of Ancient Mediterranean Religions [GISRAM] students who have recently been admitted as candidates of the PhD program.)</p>	<p>\$50,000.00</p>	<p>\$50,000.00</p>
<p>The Park Hall Endowed Fund (Is being established August 29, 2014, with gifts from Martin C. Murrer and friends; used at the discretion of the vice president for student life.)</p>	<p>\$25,060.00</p>	<p>\$25,060.00</p>
<p>Pike County 4-H Scholarship Fund (Is being established August 29, 2014, with gifts from the daughters of Vancil Brown and the Pike County 4-H Committee; used to award a scholarship in honor of Vancil Brown to 4-H members from Pike County Ohio to attend an accredited college or technical school.)</p>	<p>\$25,000.00</p>	<p>\$25,000.00</p>

Change in Name of Named Endowed Fund

From: The Pike County 4-H Endowment Fund  
To: The Pike County R. O. McFerren Scholarship Fund

The Ohio State University  
Board of Trustees

August 29, 2014

Change in Name and Description of Named Endowed Fund

From: Stoner Scholarship Fund for OD/MPH Students  
To: Stoner Optometry Scholarship Fund

Establishment of Named Endowed Chair

The Sylvan G. Frank Chair in Pharmaceutics and Drug Delivery Systems (Was established November 8, 2013, with gifts from Dr. Chih-Ming James Chen [PhD 1981] and Virginia C. Chen; used to provide salary and program support to a distinguished faculty member in the Division of Pharmaceutics and Pharmaceutical Sciences. The required funding level for a chair has been reached and the fund is being revised on August 29, 2014.)	\$2,500,000.00	\$2,500,000.00
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The Frank E. and Virginia H. Bazler Chair in Business Law (Is being established August 29, 2014, with a gift from Virginia Hutchison Bazler and Frank E. Bazler; used to support a chair position in an area of law related to business.)	\$2,028,073.03	\$2,000,000.00
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Establishment of Named Endowed Professorships

FloAnn Sours Easton Endowed Professorship in Child and Adolescent Health (Is being established August 29, 2014, with a gift from C. John [MBA 1960] and FloAnn S. [BS 1962] Easton; used to support a professorship position to promote excellence in child and adolescent health in the field of Nursing.)	\$1,006,181.37	\$1,000,000.00
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Charles W. Ebersold and Florence Whitcomb Ebersold Professorship (Is being established August 29, 2014, with a gift from the Florence Whitcomb Ebersold Trust; used to create and support a professorship position in the Michael E. Moritz College of Law in the field of United States constitutional law.)	\$1,000,000.00	\$1,000,000.00
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Establishment of Named Endowed Funds

Dr. Edward R. Rinaldi Scholarship Fund (Is being established August 29, 2014, with estate gifts from Mary Ann Rinaldi in memory of her husband; used to provide scholarships for needy students enrolled in the College of Medicine in a manner and in such amounts as shall be determined by the college's dean.)	\$2,903,050.00	\$2,903,050.00
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Dr. Gregory D. Pearson Resident Support Endowment Fund (Is being established August 29, 2014, with gifts from Mark D. Kvamme of Sunbury, Ohio given in honor of Dr. Gregory D. Pearson [MD 1998; residency training in plastic surgery, 2004]; used to benefit an integrated plastic and general surgery training program in the Department of Plastic Surgery for medical residents.)	\$250,150.00	\$250,000.00
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**August Board Meeting - Advancement Committee Meeting**

The Ohio State University Board of Trustees		August 29, 2014
The Auer Family Women’s Swimming Scholarship Fund (Is being established August 29, 2014, with a gift from John Auer [BS 1976] of St. Petersburg, Florida; used to supplement the grant-in-aid costs of an undergraduate student-athlete with preference given to members of the women’s swimming team.)	\$150,000.00	\$150,000.00
Georgia Peterson Cox Endowed Memorial Fund (Is being established August 29, 2014, with estate gifts from Lee Cox in memory of his wife; used to support programs or groups which provide instruction or performance of chamber music, or closely related purposes if such programs or groups no longer exist, at the discretion of the director of the School of Music.)	\$111,480.06	\$111,480.06
Dr. John T. von der Heide Scholarship Fund (Is being established August 29, 2014, with a gift from Carl F. Asseff [BA 63, MD 66]; used to provide a scholarship based on financial need and academic merit to an undergraduate student ranked as a rising senior who is enrolled in the College of Arts and Sciences and majoring in history.)	\$100,279.85	\$100,279.85
Constance Woodward Scholarship Fund in Pediatric Nursing (Is being established August 29, 2014, with gifts from Robert Woodward; used to provide scholarships for graduate students enrolled in the College of Nursing focused on a pediatric or neonatal specialty who demonstrate financial need.)	\$100,000.00	\$100,000.00
The Charles A. Reynolds Baseball Program Fund (Is being established August 29, 2014, with a gift from Kenneth R. Reynolds of Mount Vernon, Ohio; used to supplement the discretionary budget of the baseball team.)	\$81,940.20	\$200,000.00
Seeley Family Fund in Pulmonary and Sleep Medicine (Is being established August 29, 2014, with gifts from DASCO Home Medical Equipment of Westerville, Ohio in honor of Donald and Linda Seeley and their children, Jason Seeley and Rachel Seeley Mazur; used to support programs and activities in specialties of pulmonary and critical care in the Division of Pulmonary, Allergy, Critical Care & Sleep Medicine.)	\$60,499.76	\$60,499.76
The Dr. Carol Alexander and Dr. Kevin Alexander College of Optometry Student Leadership Endowed Fund (Is being established August 29, 2014, with gifts from Kevin [BS 1974, OD 1976, MS 1977, PhD 1979] and Carol [OD 1987] Alexander; used to provide scholarship support for one College of Optometry student who demonstrates outstanding leadership ability.)	\$60,000.00	\$60,000.00
The Andersons, Inc. Charitable Foundation Scholarship Fund (Is being established August 29, 2014, with gifts from The Andersons, Inc. Charitable Foundation; used to support one four-year scholarship for an undergraduate student enrolled in the College of Food, Agricultural, and Environmental Sciences as part of the Pat and Bobby Moser Scholars Program.)	\$60,000.00	\$60,000.00

**August Board Meeting - Advancement Committee Meeting**

The Ohio State University Board of Trustees		August 29, 2014
The Nardi Family Endowed Scholarship Fund (Is being established August 29, 2014, with a gift from Matthew Nardi; used to provide merit-based scholarships for students from Tuscarawas County Ohio who major in a STEM [science, technology, engineering, and math] field.)	\$60,000.00	\$60,000.00
The Comstock Program of Excellence Fund (Is being established August 29, 2014, with a gift from Randy L. Comstock of Seattle, Washington; used to supplement the discretionary budget of the football team.)	\$53,062.00	\$50,000.00
Dr. Randall P. Rago Endowment Fund (Is being established August 29, 2014, with gifts from Dr. Mark Lima [BA 1979, DDS 1983] and Cynthia Rago Lima of London, Ohio in memory of her brother, Dr. Randall P. Rago; used for medical research on lymphoma or leukemia at the Arthur G. James Cancer Hospital and Richard J. Solove Research Institute.)	\$51,624.00	\$50,000.00
The Singh Family Fund (Is being established August 29, 2014, with gifts from Rohit and Vandita Singh, Arun [BSBA 2005] and Jennifer Singh, and Rajendra and Veena Singh to recognize Rohit and Arun Singh's parents Rajendra [mechanical engineering professor] and Veena Singh; used to support international aspects of education in mechanical engineering.)	\$50,838.00	\$50,000.00
Ohio Staters 75 <sup>th</sup> Anniversary Endowment – Ohio Union Room (Is being established August 29, 2014, with gifts from friends of the Ohio Union; used to provide ongoing maintenance and upkeep of the Ohio Staters room that has been dedicated in the Ohio Union.)	\$50,275.00	\$50,000.00
John and Michelle Kochensparger Parkinson's Support Fund (Is being established August 29, 2014, with a gift from Michelle M. Kochensparger [BA 1966; Certificate 1966] and John H. Kochensparger III of Columbus, Ohio; used to support the Movement Disorders Division in the Department of Neurology at the College of Medicine, to enhance its mission of medical research, education/training and patient care/outreach on Parkinson's disease.)	\$50,197.00	\$50,000.00
Drs. John and Cheryl Archer Endowed Scholarship Fund (Is being established August 29, 2014, with gifts from Drs. John [BS 1973, OD 1975] and Cheryl [OD 1984] Archer; used to provide one need-based scholarship for an incoming student from the state of Ohio who is enrolled in the College of Optometry.)	\$50,000.00	\$50,000.00

**August Board Meeting - Advancement Committee Meeting**

The Ohio State University  
Board of Trustees

August 29, 2014

<p>The Gerald A. and Mary Jane Francis Endowed Scholarship Fund (Is being established August 29, 2014, with gifts from the Sally J. Francis and Steven J. Maheras Charitable Fund of the Schwab Charitable Fund and the Hines Family Fund of the Fidelity Charitable Gift Fund. This fund is being established at the request of their daughters and sons-in-law: Sally J. Francis and Steven J. Maheras and Diane F. Hines and Robert L. Hines; used to provide one, renewable third or fourth year undergraduate scholarship for students enrolled in the College of Engineering, majoring in mechanical engineering.)</p>	<p>\$50,000.00</p>	<p>\$50,000.00</p>
<p>Linda J. and John T. Pajka MD Global Ophthalmology Endowment Fund (Is being established August 29, 2014, with a gift from Linda J. Pajka [BS 1986] and Dr. John T. Pajka [BS 1982; MD 1986; residency training, 1987-1990] of Lima, Ohio; used in the Department of Ophthalmology to support the mission of the Global Outreach Project and similar medical outreach activities by Ophthalmology medical students, residents, and fellows providing medical education and care to foreign or U.S. communities.)</p>	<p>\$50,000.00</p>	<p>\$50,000.00</p>
<p>The Connie Hahn Sharpe and Gary L. Sharpe Endowment Fund (Is being established August 29, 2014, with gifts from Connie [BS 1969] and Gary [BA 1970] Sharpe who reside in Naples, Florida and a gift from The Ohio State University Alumni Club of Naples; used to provide scholarships to students enrolled in The Ohio State University who are from the Naples, Florida area.)</p>	<p>\$50,000.00</p>	<p>\$50,000.00</p>
<p>The Dr. Wael-Hilal M. Bahaa-El-Din Scholarship Fund on Applied Systems Performance (Is being established August 29, 2014, with a gift from Dr. Wael-Hilal M. Bahaa-El-Din [PhD 1984]; used to support one or more renewable scholarships for students enrolled in the College of Engineering majoring in either computer science engineering or computer and information science, with preference for candidates who have expressed an interest in applied performance research that helps the real world and industry.)</p>	<p>\$50,000.00</p>	<p>\$50,000.00</p>
<p>The Sara Lee Youngs Memorial Endowment Fund (Is being established August 29, 2014, with a fund transfer by the Department of Urology of gifts from the late Sara Lee Youngs; used to support the Department of Urology's priorities in Urologic Oncology undertaken at The Ohio State University Wexner Medical Center.)</p>	<p>\$50,000.00</p>	<p>\$50,000.00</p>
<p>Michael G. Zimmerman Unrestricted Endowed Fund (Is being established August 29, 2014, with a gift from Michael G. Zimmerman [BA 1980]; used at the discretion of the vice president for strategic enrollment planning, in consultation with the director of Student Financial Aid.)</p>	<p>\$29,387.96</p>	<p>\$25,000.00</p>

**August Board Meeting - Advancement Committee Meeting**

The Ohio State University  
Board of Trustees

August 29, 2014

Veterinary Medicine Class of 1968 Endowment Fund (Is being established August 29, 2014, with gifts from graduates of the Veterinary Medicine Class of 1968 and friends of the College of Veterinary Medicine; used at the discretion of the dean of the College of Veterinary Medicine.)	\$25,425.00	\$25,000.00
Samira Beckwith Dean's Innovation Fund (Is being established August 29, 2014, with gifts from Samira Kanaan Beckwith [BA 1974, MSW 1977]; used by the dean of the Max M. Fisher College of Business to support activities of the faculty, students, and staff, in accordance with the college's strategic plans.)	\$25,000.00	\$25,000.00
Timothy and Jennifer Gallagher Dean's Innovation Fund (Is being established August 29, 2014, with gifts from Timothy B. [BS 1990] and Jennifer D. [BA 1993] Gallagher; used by the dean of the Max M. Fisher College of Business to support activities of the faculty, students, and staff, in accordance with the strategic plan of the college.)	\$25,000.00	\$25,000.00

Change in Description of Named Endowed Fund

- The Harold R. Adams Scholarship Fund
- The Selma and Edward Levy Endowed Scholarship Fund
- The Charles and Barbara Webb Family Scholarship Fund

Fund Closure

Dr. Randall P. Rago Endowment Fund

TOTAL	\$28,381,279.72
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\*Amounts establishing endowments as of July 31, 2014.

The Ohio State University  
Board of Trustees

August 29, 2014

**The Donald G. and Mary A. Dunn Designated Chair in Modern Military History**

It is proposed that The Donald G. and Mary A. Dunn Designated Chair in Modern Military History be established August 29, 2014, by the Board of Trustees of The Ohio State University, with a fund transfer from the College of Arts and Sciences.

This fund provides a chair position in the Department of History focusing on military history (post-1900). The chair holder shall be appointed for a three-year term by the Board of Trustees of The Ohio State University as recommended by the executive dean of the College of Arts and Sciences. The activities of the chair shall be reviewed by the executive dean to determine compliance with the academic and research standards of the University.

This designated chair position shall cease to exist when annual funding ends.

**Centennial Professor of Nursing**

It is proposed that Centennial Professor of Nursing be established August 29, 2014, by the Board of Trustees of The Ohio State University with fund transfers from the College of Nursing.

This fund provides a professorship position in the College of Nursing. This professorship is designed to promote and enhance both nursing and trans-disciplinary research activities at the college, preferably in a substantive area aligned with a center of research excellence in the college. Candidates will be recommended by the college's dean to the provost and appointed by the University's Board of Trustees for a five-year term. The activities of the professor shall be reviewed by the dean to determine compliance with the academic and research standards of the University.

This designated professorship position shall cease to exist when annual funding ends.

**The Mary E. and John W. Alford Research Chair in Head and Neck Cancer**

The Mary E. Alford Cancer Research Endowment Fund was established on September 7, 1990, by the Board of Trustees of The Ohio State University with a gift from John W. Alford of Newark, Ohio. Additional gifts were given by the John and Mary Alford Foundation of Worthington, Ohio; by the Ronald Alford family of Westerville, Ohio; and by the Barbara and Michael (BSBA 1978) Cantlin family of Newark, Ohio. The name was changed to The Mary E. and John W. Alford Cancer Research Endowment Fund and the description was revised March 3, 2000. The name and description were revised February 11, 2011. The required funding level for a chair has been reached and the fund is being revised on August 29, 2014.

The annual distribution will be used for a chair position at the Arthur G. James Cancer Hospital and Richard J. Solove Research Institute (The James) to support a nationally or internationally recognized faculty member or physician in the field of head and neck cancer research. The chair holder shall be appointed by the University's Board of Trustees as recommended and approved by the chief executive officer of The James and director of the CCC, the senior vice president for Health Sciences, and the dean of the College of Medicine. The activities of the chair holder shall be reviewed no less than every four years by the dean to determine compliance with the intent of the donors as well as the academic and research standards of the University.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be held in the distribution account to be used in subsequent years and only for the purposes of the endowment, or reinvested in the endowment principal at the discretion of the chief executive officer and director.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the

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Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. The University reserves the right to modify the purposes of this fund, however, (1) in consultation with the donors named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University shall consult chief executive officer of The James and director of the CCC, the senior vice president for Health Sciences, and the dean of the College of Medicine. Modifications to endowed funds shall be approved by the University's Board of Trustees, in accordance with the policies of the University.

#### **The Dr. Lee Hebert Endowed Professorship in Nephrology**

It is proposed that The Dr. Lee Hebert Endowed Professorship in Nephrology be established August 29, 2014, by the Board of Trustees of The Ohio State University, with gifts given in honor of Dr. Lee A. Hebert from colleagues and grateful patients including gifts from OSU Internal Medicine, LLC, Division of Nephrology and Casto-Ohio Properties LTD.

Dr. Hebert joined the Department of Internal Medicine faculty in 1979 and was director of the Division of Nephrology (1979-2004) as well as professor of pathology. He became faculty emeritus in July 2007. An internationally recognized expert in the role of complement in kidney disease, lupus nephritis, hypertension, and preservation of kidney function in chronic kidney disease patients, Dr. Hebert has authored more than 178 peer-reviewed original scientific publications, 30 book chapters, and 48 review articles. Principal investigator of 8 NIH grants (including the Department's first Program Project), 7 NIH multi-center trials, and multiple non-NIH clinical trials, he also served on numerous editorial boards and NIH study sections. In addition to his engagement in basic, translational, and clinical research, he conducted an active clinical practice. Dr. Hebert was a role model for nephrology trainees and junior faculty and shared his wisdom with generations of interns, residents, and fellows.

The annual distribution from this fund shall be used for a professorship position in the Division of Nephrology in the Department of Internal Medicine, supporting a nationally or internationally recognized physician faculty member in the field of Nephrology with a focus on research in the immunology of kidney diseases. The professorship holder shall be appointed by the Board of Trustees of The Ohio State University as recommended and approved by the dean of the College of Medicine in consultation with the department chairman, division director and the senior vice president for Health Sciences. The activities of the professorship holder shall be reviewed no less than every four years by the dean to determine compliance with the intent of the donors as well as the academic and research standards of the University.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be reinvested in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. The University reserves the right to modify the purposes of this fund, however, (1) in consultation with the donors named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the chair of the Department of Internal Medicine, director of the Division of Nephrology, dean of the College of Medicine and the senior vice president for Health Sciences. Modifications to endowed funds shall be approved by the University's Board of Trustees in accordance with the policies of the University.

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### **The Ohio Research Scholars Program Endowed Fund**

It is proposed that The Ohio Research Scholars Program (ORSP) Endowed Fund be established August 29, 2014, by the Board of Trustees of The Ohio State University, with funding received in 2008 from the Ohio Board of Regents to attract leading research talent that can contribute to the growth of research centers of excellence within Ohio's academic institutions that support economic development priorities of the state.

The annual distribution from this fund will be allocated by the provost and will support tenure track positions at the associate professor level or higher or senior research positions at equivalent levels. All hires supported with ORSP endowment funds must be recruited from outside of Ohio. Holders of these positions shall be appointed by the provost.

ORSP hires should support a researcher in one of two tracks:

- 1) A well-established research cluster that has a critical mass of distinguished and highly productive faculty and researchers, quality graduate students and infrastructure supporting a defined technology or research focus area that has attained international prominence in research, industrial engagement and/or commercialization. ORSP funds are to be used to further enhance a competitive position or to move up in competitive rankings relative to benchmarked leaders.
- 2) An existing promising area of research that has the potential to evolve into clusters of research excellence of importance to Ohio's future economy. ORSP funds are to be used to improve the capability in a defined technology or research focus area to conduct sustainable and internationally competitive research, industrial engagement and/or commercialization, build a critical mass of human and technical resources, and establish beneficial relationships with existing centers of research excellence within Ohio.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be held in the distribution account to be used in subsequent years and only for the purposes of the endowment, or reinvested in the endowment principal at the discretion of the provost.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

The endowment established herein should benefit the University in perpetuity. The University reserves the right to modify the purposes of this fund, however, (1) in consultation with the donor named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University shall consult the provost. Modifications to endowed funds shall be approved by the University's Board of Trustees, in accordance with the policies of the University.

### **Akos Seress Mathematics Scholarship Fund**

It is proposed that Akos Seress Mathematics Scholarship Fund be established August 29, 2014, by the Board of Trustees of The Ohio State University, in memory of Professor Akos Seress (PhD 1985) at the request of his wife, Sherry Seress (BS 1982, MS 1986), and his son, Laszlo Seress, with transfers from the Mathematics Department and gifts from friends, family, and colleagues.

The annual distribution from this fund shall provide scholarship and prize awards to both undergraduate math majors and math graduate students. Recipients of the scholarship/prize awards shall be determined by an independent process, in consultation with Student Financial Aid, based solely on merit/talent, applied objectively without regard to or consideration for gender, age, race, sexual orientation, religion, disability, ancestry, marital status or financial status, using the criteria described below.

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Awards to undergraduate math majors: Up to three junior or senior undergraduate students may be awarded prizes. From the available annual funds, 30% shall be given to the undergraduates, the monies to be divided equally among the award recipients.

The selection of the recipients of the prize awards shall be based on the combined performance on the Rasor-Bareis-Gordon competition, the Putnam Exam (participants need not be Putnam team members), the student's grade point average in mathematics courses only, and any pure math research activities.

The selection of recipients shall be made by a committee consisting of the chair of the Mathematics Department, the Mathematics Honors chair, a Mathematics Department vice chair, and a member from the Mathematics Advising/Counseling Office, in consultation with Student Financial Aid.

Awards to mathematics graduate students: Three prizes shall be awarded worth 70% of the available annual funds. Recipients of the prize awards shall be determined by an annual written competition that covers the following areas (broadly interpreted): algebra, analysis, and combinatorics. The exam shall be administered by a committee composed of four faculty members appointed by the chair.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be reinvested in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. The University reserves the right to modify the purposes of this fund, however, (1) in consultation with the donors named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University shall consult the executive dean of the College of Arts and Sciences. Modifications to endowed funds shall be approved by the University's Board of Trustees in accordance with the policies of the University.

#### **The Frank R. Carver Endowed Fund**

It is proposed that The Frank R. Carver Endowed Fund be established August 29, 2014, by the Board of Trustees of The Ohio State University, with a fund transfer by the College of Engineering of an unrestricted gift from the estate of Mr. Frank R. Carver (B EE 1940).

Mr. Carver was born on March 3, 1918 in Columbus, Ohio. He attended Columbus North High School. Frank married Rosamond Rader in 1934 and they had three children, Geraldine, Scott, and Philip.

Mr. Carver began at The Ohio State University in 1936 and graduated in 1940 with a Bachelor's degree in Electrical Engineering. After graduation, Frank worked at Westinghouse E&M Company as a Broadcast and Radar Field Engineer until 1945. He then went on to work for Raytheon Manufacturing Company until 1951 as first a Development Engineer and then a Senior Engineer. In 1951, he went to work for Hughes Aircraft Engineering. While there, Frank was the head of the radar development department and then the Division Manager of the Technology Division in the Space and Commercial Group. He worked for Hughes for 25 years until retiring in 1976. Frank was granted patents while he was at both Raytheon and Hughes.



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The annual distribution from this fund shall be used for emerging priorities for the Department of Electrical and Computer Engineering as directed and approved by the department's chair.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be held in the distribution account to be used in subsequent years and only for the purposes of the endowment, or reinvested in the endowment principal at the discretion of the dean of the College of Engineering, or his/her designee, in consultation with the chair of the Department of Electrical and Computer Engineering.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. The University reserves the right to modify the purposes of this fund, however, if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult t the dean of the College of Engineering, or his/her designee. Modifications to endowed funds shall be approved by the University's Board of Trustees a, in accordance with the policies of the University.

**The Fritz Graf Endowed Fund for the  
Graduate Interdisciplinary Study of Ancient Mediterranean Religions**

It is proposed that the The Fritz Graf Endowed Fund for the Graduate Interdisciplinary Study of Ancient Mediterranean Religions be established August 29, 2014, by the Board of Trustees of The Ohio State University, with a gift from an anonymous donor and a fund transfer by the College of Arts and Sciences, Department of Classics.

The annual distribution from this fund shall be used to support the Department of Classics. First preference is to provide support for a graduate student(s) to travel to conferences relevant to their development as scholars with preference given to students who have declared Graduate Interdisciplinary Study of Ancient Mediterranean Religions (GISRAM) students who have recently been admitted as candidates of the PhD program. Recipients will be recommended by the GISRAM steering committee, in consultation with Student Financial Aid and approved by the college's executive dean. Second preference is to support lectures as recommended by the GISRAM steering committee and approved by the college's executive dean. Third preference is to fulfill other needs of the GISRAM program as recommended by the GISRAM steering committee and approved by the college's executive dean.

If GISRAM ceases to exist, the fund shall remain in the department. The department will be responsible for carrying out the intended purposes with respect to graduate students in the college who are pursuing doctoral studies in ancient Mediterranean religions.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be held in the distribution account to be used in subsequent years and only for the purposes of the endowment, or reinvested in the endowment principal at the discretion of the executive dean of the College of Arts and Sciences, in consultation with the chair of the Department of Classics.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the

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Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. The University reserves the right to modify the purposes of this fund, however, (1) in consultation (if possible) with the donor named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University shall consult the executive dean of the College of Arts and Sciences of his/her designee. Modifications to endowed funds shall be approved by the University's Board of Trustees, in accordance with the policies of the University.

#### **The Park Hall Endowed Fund**

It is proposed that The Park Hall Endowed Fund be established August 29, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from Martin C. Murrer and friends.

The annual distribution from this fund shall be used at the discretion of the vice president for student life.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be held in the distribution account to be used in subsequent years and only for the purposes of the endowment, or reinvested in the endowment principal at the discretion of the vice president for student life, or his/her designee.

If in the future, the fund's principal balance reaches the amount required at that time to establish a restricted endowed fund, the name of the fund shall be changed to The Park Hall Tug of War Endowed Fund and the description shall be revised. Thereafter, the annual distribution from this fund shall be used to support activities and prizes associated with the annual Park Hall Tug of War Event, as approved by the vice president for student life.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, (1) in consultation with the donors named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the vice president for student life, or his/her designee. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

#### **Pike County 4-H Scholarship Fund**

It is proposed that the Pike County 4-H Scholarship Fund be established August 29, 2014, by the Board of Trustees of The Ohio State University, with gifts from the daughters of Vancil Brown and the Pike County 4-H Committee.

The annual distribution from this fund shall be used to award a scholarship in honor of Vancil Brown to 4-H members from Pike County Ohio to attend an accredited college or technical school. Recipients must carry twelve hours per quarter or twelve semester hours and have either a minimum 2.75 grade point average or be in the upper third of their present graduating class. Scholarship recipients shall be selected by the College of Food, Agricultural, and Environmental Sciences Scholarship Committee in partnership

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with the Pike County 4-H Committee under the guidelines approved by the college's dean, or his/her designee, in consultation with Student Financial Aid.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

Remaining distribution may be used for, but not limited to, 4-H programming, 4-H Camp scholarships, or additional academic scholarships as outlined above. Expenditures from this fund shall be approved by the dean of the College of Food, Agricultural, and Environmental Sciences, or his/her designee.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be held in the distribution account to be used in subsequent years and only for the purposes of the endowment, or reinvested in the endowment principal at the discretion of the dean of the College of Food, Agricultural, and Environmental Sciences, or his/her designee.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. The University reserves the right to modify the purposes of this fund, however, (1) in consultation (if possible) with the donors named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University shall consult the dean of the College of Food, Agricultural, and Environmental Sciences, or his/her designee. Modifications to endowed funds shall be approved by the University's Board of Trustees, in accordance with the policies of the University.

#### **The Pike County R. O. McFerren Scholarship Fund**

The Pike County 4-H Endowment 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 the family and friends of R. O. McFerren (BS 1930). The name is being revised on August 29, 2014.

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 award one or more scholarships to an entering freshman into the College of Food, Agricultural & Environmental Sciences at The Ohio State University, Columbus Campus, or the Agricultural Technical Institute on the Wooster Campus. The student shall be a Pike County student with a preference, but not limited to a 4-H Member. The student must be in the upper one-third of their high school class and have a record showing leadership, citizenship and community service. In the event there is no qualified incoming freshman, the committee may in its discretion award the scholarship to an otherwise eligible upper classman. The scholarship selection process will be administered by the OSU Extension Agent, Chairperson at the Pike County OSU Extension Office, in consultation with the assistant dean for Academic Affairs in the college and Student Financial Aid. Mildred A. McFerren or either one of her sons, Richard A. McFerren or Tom L. McFerren shall also be consulted during the selection process. The scholarship will be awarded during an appropriate program in Pike County.

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

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### **Stoner Optometry Scholarship Fund**

The Stoner Scholarship Fund for OD/MPH Students was established February 11, 2011, by the Board of Trustees of The Ohio State University with a fund transfer by the College of Optometry of an unrestricted gift from the estate of Dr. Cyrus Stoner (BS 1924). The name and description are being revised August 29, 2014.

The annual distribution from this fund shall be used to provide scholarship support to a student enrolled in the College of Optometry who demonstrates academic ability and future potential. Scholarship recipients shall be selected by the college's scholarship committee, in consultation with Student Financial Aid.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be held in the distribution account to be used in subsequent years and only for the purposes of the endowment, or reinvested in the endowment principal at the discretion of the dean of the College of Optometry.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

The University reserves the right to modify the purposes of this fund if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University shall consult the dean of the College of Optometry. Modifications to endowed funds shall be approved by the University's Board of Trustees in accordance with the policies of the University.

### **The Sylvan G. Frank Chair in Pharmaceuticals and Drug Delivery Systems**

The Sylvan G. Frank Chair Fund in Pharmaceuticals and Drug Delivery Systems was established November 8, 2013, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from Dr. Chih-Ming James Chen (PhD 1981) and Virginia C. Chen. The required funding level for a chair has been reached and the fund is being revised on August 29, 2014.

The annual distribution from this fund shall be used to provide salary and program support to a distinguished faculty member in the Division of Pharmaceuticals and Pharmaceutical Sciences.

Appointment to the position shall be recommended to the provost by the dean of the College of Pharmacy, in consultation with the division chair and faculty of pharmaceuticals and pharmaceutical sciences, and approved by the Board of Trustees of the University.

The activities of the chair shall be reviewed no less than every four years by the dean of the College of Pharmacy, in consultation with the division chair of the Division of Pharmaceuticals and Pharmaceutical Sciences to determine compliance with the intent of the donors, as well as the academic and research standards of the University.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be held in the distribution account to be used in subsequent years and only for the purposes of the endowment, or reinvested in the endowment principal at the discretion of the dean of the College of Pharmacy.

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The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, (1) in consultation with the donor named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the dean of the College of Pharmacy. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

#### **The Frank E. and Virginia H. Bazler Chair in Business Law**

It is proposed that The Frank E. and Virginia H. Bazler Chair in Business Law be established August 29, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with a gift from Virginia Hutchison Bazler and Frank E. Bazler.

The annual distribution from this fund shall support a chair position in an area of law related to business. Appointment to the chair will be recommended by the dean of the Michael E. Moritz College of Law to the executive vice president and provost. Appointment to the position shall be approved by the University's Board of Trustees.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be held in the distribution account to be used in subsequent years and only for the purposes of the endowment, or reinvested in the endowment principal at the discretion of the college's dean.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, (1) in consultation with the donors named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the dean of the Michael E. Moritz College of Law. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

#### **FloAnn Sours Easton Endowed Professorship in Child and Adolescent Health**

It is proposed that the FloAnn Sours Easton Endowed Professorship in Child and Adolescent Health be established August 29, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with a gift from C. John (MBA 1960) and FloAnn S. (BS 1962) Easton.

The annual distribution from this fund shall provide support for a professorship position to promote excellence in child and adolescent health in the field of Nursing. Professorship holder will be a nationally recognized scholar and exemplary educator with a track record of NIH funding, who will provide outstanding mentorship to faculty and students in the area of child and adolescent health and shall be

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appointed by the Board of Trustees of The Ohio State University as recommended by the dean of College of Nursing. Activities of the appointee shall be reviewed no less than every four years by the dean to determine compliance with the intent of the professorship as well as the academic and research standards of the University.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be held in the distribution account to be used in subsequent years and only for the purposes of the endowment, or reinvested in the endowment principal at the discretion of the dean of the College of Nursing or his/her designee.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, (1) in consultation with the donors named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the dean of the College of Nursing or his/her designee. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

#### **Charles W. Ebersold and Florence Whitcomb Ebersold Professorship**

It is proposed that the Charles W. Ebersold and Florence Whitcomb Ebersold Professorship be established August 29, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with a gift from the Florence Whitcomb Ebersold Trust (the "donor"), under agreement dated August 13, 1996, to be held in an endowment fund (the "endowment" or "fund") as provided in such trust instrument and herein. The donor is represented by one of its trustees, Susan T. Bart, of Chicago, Illinois.

The annual distribution from this fund shall be used to create and support a professorship position in the Michael E. Moritz College of Law in the field of United States constitutional law to be known as the *Charles W. Ebersold and Florence Whitcomb Ebersold Professorship*. Appointment to the position shall be recommended to the provost by the dean of the College of Law (the "dean") and approved by the University's Board of Trustees. This fund is separate and distinct from the Charles W. Ebersold and Florence Whitcomb Ebersold Chair, and the positions supported by the chair and the professorship shall be filled by different individuals. The activities of the professor shall be reviewed no less than every three years by the dean to determine compliance with the intent of Mr. and Mrs. Ebersold, as well as the academic and research standards of the University.

Fund assets may be combined with other assets of the University for investment purposes, provided that the fund assets shall at all times be identified by the University on its books and records as a separate and distinct fund.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion shall be held in the distribution account to be used in subsequent years and only for the purposes of the endowment, or reinvested in the endowment principal at the discretion of the dean.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees.

The University will prepare and submit a report summarizing the expenditure and use of the endowment funds annually, for a period of at least ten years, to Susan T. Bart or to a designee named by her and

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communicated to the University ("donor's designee"). In the event of the death or incapacity of Susan T. Bart during such ten-year period or thereafter, if no designee has been named and communicated to the University, the University's reporting obligations shall terminate.

Mr. and Mrs. Ebersold desired that the endowment established herein should benefit the University in perpetuity. In the event that the fund's purposes become unlawful, impracticable, impossible to achieve or wasteful, the University and the Foundation may modify the purposes of this fund, provided that any such modification will take into consideration Mr. and Mrs. Ebersold's intentions in creating the fund as described above, and the University and Foundation will attempt to carry out the spirit of these intentions as closely as possible. If donor's designee can reasonably be contacted, the University shall consult with donor's designee in making any such modification. In seeking any such modification, the University and the Foundation shall also consult the dean. Subject to the foregoing, modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

#### **Dr. Edward R. Rinaldi Scholarship Fund**

It is proposed that the Dr. Edward R. Rinaldi (BA 1926, MD 1929) Scholarship Fund be established August 29, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with estate gifts from Mary Ann Rinaldi in memory of her husband.

The annual distribution from this fund shall provide scholarships for needy students enrolled in the College of Medicine in a manner and in such amounts as shall be determined by the college's dean, in consultation with Student Financial Aid.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be held in the distribution account to be used in subsequent years and only for the purposes of the endowment, or reinvested in the endowment principal at the discretion of the dean of the College of Medicine or his/her designee.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the dean of the College of Medicine or his/her designee. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

#### **Dr. Gregory D. Pearson Resident Support Endowment Fund**

It is proposed that the Dr. Gregory D. Pearson Resident Support Endowment Fund be established August 29, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from Mark D. Kvamme of Sunbury, Ohio given in honor of Dr. Gregory D. Pearson (MD 1998; residency training in plastic surgery, 2004).

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The annual distribution from this fund shall benefit an integrated plastic and general surgery training program in the Department of Plastic Surgery for medical residents. Allocation shall be made by the Department's chairperson, in consultation with the dean of the College of Medicine and the senior vice president for Health Sciences.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be held in the distribution account to be used in subsequent years and only for the purposes of the endowment, or reinvested in the endowment principal at the discretion of the chairperson of the Department of Plastic Surgery.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. Should unforeseen circumstances arise in the future so that the need for this endowment ceases to exist, then another use, as nearly aligned with the original intent of the contribution as good conscience and need dictate, shall be designated by the Foundation's Board of Directors and the University's Board of Trustees. In making this alternate designation, the Boards shall seek advice from the donor or his representative and as recommended by the dean of the College of Medicine, in consultation with the chairperson of the Department of Plastic Surgery and the senior vice president for Health Sciences.

#### **The Auer Family Women's Swimming Scholarship Fund**

It is proposed that The Auer Family Women's Swimming Scholarship Fund be established August 29, 2014, by the Board of Trustees of The Ohio State University in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with a gift from John Auer (BS 1976) of St. Petersburg, Florida.

The annual distribution from this fund shall supplement the grant-in-aid costs of an undergraduate student-athlete with preference given to members of the women's swimming team. Scholarship recipients shall be selected by the director of the Department of Athletics, in consultation with Student Financial Aid.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be reinvested in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, (1) in consultation with the donor named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the director of the Department of Athletics. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.



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### **Georgia Peterson Cox Endowed Memorial Fund**

It is proposed that the Georgia Peterson Cox Endowed Memorial Fund be established August 29, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with estate gifts from Lee Cox in memory of his wife.

The annual distribution from this fund shall be designated to the School of Music and used to support programs or groups which provide instruction or performance of chamber music, or closely related purposes if such programs or groups no longer exist, at the discretion of the school's director.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be held in the distribution account to be used in subsequent years and only for the purposes of the endowment, or reinvested in the endowment principal at the discretion of the director of the School of Music or his/her designee.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult of the director of the School of Music or his/her designee. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

### **Dr. John T. von der Heide Scholarship Fund**

It is proposed that the Dr. John T. von der Heide Scholarship Fund be established August 29, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with a gift from Carl F. Asseff (BA 63, MD 66).

The annual distribution from this fund shall be used to provide a scholarship based on financial need and academic merit to an undergraduate student ranked as a rising senior who is enrolled in the College of Arts and Sciences and majoring in history. Candidates should apply as juniors. Applicants must submit their transcript, including grade point average, and a one-page essay addressing the value of studying history to a committee appointed by the chair of the Department of History. Upon request, the chair shall provide copies of the essays to the donor, or his designee. The committee shall submit the top five candidates to Student Financial Aid who will rank them according to level of financial need. The scholarship recipient shall be selected by the chair of the Department of History, in consultation with Student Financial Aid.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused distribution from this endowed fund shall be reinvested in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the

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Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, (1) in consultation (if possible) with the donor named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the executive dean of the College of Arts and Sciences. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

#### **Constance Woodward Scholarship Fund in Pediatric Nursing**

It is proposed that the Constance Woodward Scholarship Fund in Pediatric Nursing be established August 29, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from Robert Woodward.

The annual distribution from this fund shall provide scholarships for graduate students enrolled in the College of Nursing focused on a pediatric or neonatal specialty. Candidates must demonstrate financial need. Scholarship recipients shall be selected by the dean of the College of Nursing or his/her designee, in consultation with Student Financial Aid.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused distribution from this endowed fund shall be reinvested in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, (1) in consultation with the donor named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the dean of the College of Nursing or his/her designee. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

#### **The Charles A. Reynolds Baseball Program Fund**

It is proposed that The Charles A. Reynolds Baseball Program Fund be established August 29, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with a gift from Kenneth R. Reynolds of Mount Vernon, Ohio.

The annual distribution from this fund shall supplement the discretionary budget of the baseball team.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be reinvested in the endowment principal.

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The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, (1) in consultation with the donor named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult director of the Department of Athletics. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

#### **Seeley Family Fund in Pulmonary and Sleep Medicine**

It is proposed that the Seeley Family Fund in Pulmonary and Sleep Medicine be established on August 29, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from DASCO Home Medical Equipment of Westerville, Ohio in honor of Donald and Linda Seeley and their children, Jason Seeley and Rachel Seeley Mazur.

The annual distribution from this fund shall be used to support programs and activities in specialties of pulmonary and critical care in the Division of Pulmonary, Allergy, Critical Care & Sleep Medicine to include but not limited to: research, patient care and education, medical care and training, fellowship awards, etc., as allocated by the division director, in consultation with the chair of the Department of Internal Medicine, the dean of the College of Medicine.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be held in the distribution account to be used in subsequent years and only for the purposes of the endowment, or reinvested in the endowment principal at the discretion of the dean of the College of Medicine.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, (1) in consultation with the donor(s) named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the director of the Division of Pulmonary, Allergy, Critical Care & Sleep Medicine, the chair of the Department of Internal Medicine, and the dean of the College of Medicine. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

#### **The Dr. Carol Alexander and Dr. Kevin Alexander College of Optometry Student Leadership Endowed Fund**

It is proposed that The Dr. Carol Alexander and Dr. Kevin Alexander College of Optometry Student Leadership Endowed Fund be established August 29, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from Kevin (BS 1974, OD 1976, MS 1977, PhD 1979) and Carol (OD 1987) Alexander.

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The annual distribution from this fund shall provide scholarship support for one College of Optometry student who demonstrates outstanding leadership ability. Scholarship can be spent for tuition, room & board, additional education expenses, leadership activities or programs, internships, and conferences or judging teams. Scholarship recipient shall be selected by the college's scholarship committee, in consultation with Student Financial Aid.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused distribution from this endowed fund shall be reinvested in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, (1) in consultation with the donors named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the dean of the College of Optometry. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

#### **The Andersons, Inc. Charitable Foundation Scholarship Fund**

It is proposed that The Andersons, Inc. Charitable Foundation Scholarship Fund be established August 29, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from The Andersons, Inc. Charitable Foundation.

The annual distribution from this fund shall be used to support one four-year scholarship for an undergraduate student enrolled in the College of Food, Agricultural, and Environmental Sciences as part of the Pat and Bobby Moser Scholars Program. Eligible candidates must be residents of the state of Ohio.

Scholarship recipients shall be selected by the college's scholarship committee under the guidelines approved by the college's dean or his/her designee, in consultation with Student Financial Aid.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be held in the distribution account to be used in subsequent years and only for the purposes of the endowment, or reinvested in the endowment principal at the discretion of the dean of the College of Food, Agricultural, and Environmental Sciences.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management

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It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, (1) in consultation with the donor named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the dean of the College of Food, Agricultural, and Environmental Sciences. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

#### **The Nardi Family Endowed Scholarship Fund**

It is proposed that The Nardi Family Endowed Scholarship Fund be established August 29, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with a gift from Matthew Nardi.

The annual distribution from this fund shall be used to provide merit-based scholarships for students from Tuscarawas County Ohio who major in a STEM (science, technology, engineering, and math) field. Recipients shall be selected by Student Financial Aid.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be held in the distribution account to be used in subsequent years and only for the purposes of the endowment, or reinvested in the endowment principal at the discretion of the director of Student Financial Aid.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, (1) in consultation with the donor named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the director of Student Financial Aid. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

#### **The Comstock Program of Excellence Fund**

It is proposed that The Comstock Program of Excellence Fund be established August 29, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with a gift from Randy L. Comstock of Seattle, Washington.

The annual distribution from this fund shall supplement the discretionary budget of the football team. Expenditures shall be recommended by the head coach of the football team and approved by the director of the Department of Athletics or his/her designee.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused distribution from this endowed fund shall be reinvested in the endowment principal.

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The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, (1) in consultation with the donor named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the director of the Department of Athletics, or his/her designee. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

#### **Dr. Randall P. Rago Endowment Fund**

It is proposed that the Dr. Randall P. Rago Endowment Fund be established on August 29, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from Dr. Mark Lima (BA 1979, DDS 1983) and Cynthia Rago Lima of London, Ohio in memory of her brother, Dr. Randall P. Rago.

The annual distribution from this fund shall be used for medical research on lymphoma or leukemia at the Arthur G. James Cancer Hospital and Richard J. Solove Research Institute (The James). Funds may be used for personnel, supplies, equipment, publications, conferences and other activities required for quality medical research. Allocation of funds shall be approved by the chief executive officer of The James and the director of The Ohio State University Comprehensive Cancer Center (CCC).

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be held in the distribution account to be used in subsequent years and only for the purposes of the endowment, or reinvested in the endowment principal at the discretion of the chief executive officer.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, (1) in consultation with the donor(s) named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the chief executive officer of The James and the director of the CCC. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

#### **The Singh Family Fund**

It is proposed that The Singh Family Fund be established August 29, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from Rohit and Vandita Singh, Arun (BSBA 2005) and Jennifer Singh, and Rajendra and Veena Singh to recognize Rohit and Arun Singh's parents Rajendra (mechanical engineering professor) and Veena Singh.

The annual distribution from this fund shall support international aspects of education in mechanical engineering. Preference will be given to one or more undergraduate honors students pursuing

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collaborative research between The Ohio State University and well recognized engineering institutes in India, including coordinating efforts with the Ohio State Global Gateway Office. Scholarship recipients shall be selected by the chair of the Department of Mechanical and Aerospace Engineering, in consultation with Student Financial Aid.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be reinvested in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, (1) in consultation with the donors named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the dean of the College of Engineering. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

#### **Ohio Staters 75th Anniversary Endowment - Ohio Union Room**

It is proposed that the Ohio Staters 75th Anniversary Endowment - Ohio Union Room be established August 29, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from friends of the Ohio Union.

The annual distribution from this fund shall be used for ongoing maintenance and upkeep of the Ohio Staters room that has been dedicated in the Ohio Union. Expenditures from this fund shall be approved by the Ohio Union's business manager and the director of events.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be held in the distribution account to be used in subsequent years and only for the purposes of the endowment, or reinvested in the endowment principal at the Ohio Union's business manager and the director of events.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, (1) in consultation with the donors named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the Ohio Union's business manager and the director of events. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

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### **John and Michelle Kochensparger Parkinson's Support Fund**

It is proposed that the John and Michelle Kochensparger Parkinson's Support Fund be established August 29, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with a gift from Michelle M. Kochensparger (BA 1966; Certificate 1966) and John H. Kochensparger III of Columbus, Ohio.

The annual distribution from this fund shall support the Movement Disorders Division in the Department of Neurology at the College of Medicine, to enhance its mission of medical research, education/training and patient care/outreach on Parkinson's disease to include, but not limited to: equipment, supplies, software, lab space; fellow research awards or conference support; novel therapies and drug trials; and patient education and social support services. Expenditures shall be approved by the division's director, in consultation with the department's chair, the dean of the College of Medicine and the senior vice president for Health Sciences.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be held in the distribution account to be used in subsequent years and only for the purposes of the endowment, or reinvested in the endowment principal at the discretion of the director of the Movement Disorders Division, in consultation with the chair of the Department of Neurology, the dean of the College of Medicine and the senior vice president for Health Sciences.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor(s) that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, (1) in consultation with the donor(s) named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the director of the Movement Disorders Division, the chair of the Department of Neurology, the dean of the College of Medicine and the senior vice president for Health Sciences. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

### **Drs. John and Cheryl Archer Endowed Scholarship Fund**

It is proposed that the Drs. John and Cheryl Archer Endowed Scholarship Fund be established August 29, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from Drs. John (BS 1973, OD 1975) and Cheryl (OD 1984) Archer.

The annual distribution from this fund shall provide one need-based scholarship for an incoming student from the state of Ohio who is enrolled in the College of Optometry. Recipients shall be selected by the college's scholarship committee, in consultation with the dean (or his/her designee) and Student Financial Aid.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be held in the distribution account to be used in subsequent years and only for the



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purposes of the endowment, or reinvested in the endowment principal at the discretion of the dean of the College of Optometry or his/her designee.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, (1) in consultation with the donors named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the dean of the College of Optometry or his/her designee. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

#### **The Gerald A. and Mary Jane Francis Endowed Scholarship Fund**

It is proposed that The Gerald A. and Mary Jane Francis Endowed Scholarship Fund be established August 29, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from the Sally J. Francis and Steven J. Maheras Charitable Fund of the Schwab Charitable Fund and the Hines Family Fund of the Fidelity Charitable Gift Fund. This fund is being established at the request of their daughters and sons-in-law: Sally J. Francis and Steven J. Maheras and Diane F. Hines and Robert L. Hines.

The annual distribution from this fund shall provide one, renewable third or fourth year undergraduate scholarship for students enrolled in the College of Engineering, majoring in mechanical engineering. Candidates must demonstrate financial need and have a minimum 3.0 grade point average. First preference shall be given to students from Tuscarawas County, Ohio and its contiguous counties to include Carroll, Coshocton, Guernsey, Stark, Holmes, and Harrison. If no eligible candidate exists, students from any Ohio county may be considered. Scholarship recipients shall be selected by the college's scholarship committee, in consultation with Student Financial Aid.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused distribution from this endowed fund shall be reinvested in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, (1) in consultation (if possible) with the donors named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the dean, director, or appropriate university official. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

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**Linda J. and John T. Pajka MD Global Ophthalmology Endowment Fund**

It is proposed that the Linda J. and John T. Pajka MD Global Ophthalmology Endowment Fund be established August 29, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with a gift from Linda J. Pajka (BS 1986) and Dr. John T. Pajka (BS 1982; MD 1986; residency training, 1987-1990) of Lima, Ohio.

The annual distribution from this fund shall be used in the Department of Ophthalmology to support the mission of the Global Outreach Project and similar medical outreach activities by Ophthalmology medical students, residents, and fellows providing medical education and care to foreign or U.S. communities. Funds may cover costs such as, but not limited to, travel, equipment, and supplies. Expenditures shall be approved by the department's chair, in consultation with the dean of the College of Medicine and the senior vice president for Health Sciences.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be reinvested in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor(s) that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, (1) in consultation with the donor(s) named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the chair of the Department of Ophthalmology who shall seek advice from the dean of the College of Medicine and the senior vice president for Health Sciences. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

**The Connie Hahn Sharpe and Gary L. Sharpe Endowment Fund**

It is proposed that The Connie Hahn Sharpe and Gary L. Sharpe Endowment Fund be established August 29, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from Connie (BS 1969) and Gary (BA 1970) Sharpe who reside in Naples, Florida and a gift from The Ohio State University Alumni Club of Naples.

The annual distribution from this fund shall be used to provide scholarships to students enrolled in The Ohio State University who are from the Naples, Florida area. Scholarship recipients shall be recommended by the Alumni Club of Naples and selected by Student Financial Aid.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be held in the distribution account to be used in subsequent years and only for the purpose of the endowment, or be reinvested in the endowment principal at the discretion of the director of Student Financial Aid.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the

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Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, (1) in consultation with the donors named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the director of Student Financial Aid. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

#### **The Dr. Wael-Hilal M. Bahaa-El-Din Scholarship Fund on Applied Systems Performance**

It is proposed that The Dr. Wael-Hilal M. Bahaa-El-Din Scholarship Fund on Applied Systems Performance be established August 29, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with a gift from Dr. Wael-Hilal M. Bahaa-El-Din (PhD 1984).

The annual distribution from this fund shall be used to support one or more renewable scholarships for students enrolled in the College of Engineering majoring in either computer science engineering or computer and information science, with preference for candidates who have expressed an interest in applied performance research that helps the real world and industry. Scholarship recipients shall be selected by the college's scholarship committee, in consultation with Student Financial Aid.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused distribution from this endowed fund shall be reinvested in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, (1) in consultation (if possible) with the donor named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the dean of the College of Engineering, or his/her designee. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

#### **The Sara Lee Youngs Memorial Endowment Fund**

It is proposed that The Sara Lee Youngs Memorial Endowment Fund be established August 29, 2014, by the Board of Trustees of The Ohio State University with a fund transfer by the Department of Urology of gifts from the late Sara Lee Youngs of Cleveland, Ohio.

The annual distribution from this fund shall support the Department of Urology's priorities in Urologic Oncology undertaken at The Ohio State University Wexner Medical Center. Allocation of distribution shall be made at the recommendation of the chairman of the Department of Urology and approved by the dean of the College of Medicine in consultation with the senior vice president for Health Sciences.

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In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be reinvested in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. The University reserves the right to modify the purposes of this fund, however, (1) in consultation with the donors named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University shall consult the chairman of the Department of Urology, the dean of the College of Medicine and the senior vice president for Health Sciences. Modifications to endowed funds shall be approved by the University's Board of Trustees in accordance with the policies of the University.

#### **Michael G. Zimmerman Unrestricted Endowed Fund**

It is proposed that the Michael G. Zimmerman Unrestricted Endowed Fund be established August 29, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with a gift from Michael G. Zimmerman (BA 1980).

The annual distribution from this fund shall be used at the discretion of the vice president for strategic enrollment planning in consultation with the director of Student Financial Aid.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be held in the distribution account to be used in subsequent years and only for the purposes of the endowment, or reinvested in the endowment principal at the discretion of the vice president for strategic enrollment planning, in consultation with the director of Student Financial Aid.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, (1) in consultation with the donor named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the vice president for strategic enrollment planning. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

#### **Veterinary Medicine Class of 1968 Endowment Fund**

It is proposed that the Veterinary Medicine Class of 1968 Endowed Fund be established August 29, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from graduates of the Veterinary Medicine Class of 1968 and friends of the College of Veterinary Medicine.

The annual distribution from this fund shall be used at the discretion of the dean of the College of Veterinary Medicine.

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In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be held in the distribution account to be used in subsequent years and only for the purposes of the endowment, or reinvested in the endowment principal at the discretion of the College's dean.

If the fund's principal balance reaches \$50,000 on or before December 31, 2018, the fund shall be revised and the annual distribution shall be used to provide at least four annual awards to students enrolled in the College of Veterinary Medicine, in accordance with the guidelines established by Student Chapter of the American Veterinary Medical Association (SCAMA) or its successor. The fund shall be administered by SCAMA for their Professional Development Funds according to their guidelines and restrictions and, in consultation with the college's dean and Student Financial Aid.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be held in the distribution account to be used in subsequent years and only for the purposes of the endowment, or reinvested in the endowment principal at the discretion the dean of the College of Veterinary Medicine.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, (1) in consultation with the donors named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the dean of the College of Veterinary Medicine. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

#### **Samira Beckwith Dean's Innovation Fund**

It is proposed that the Samira Beckwith Dean's Innovation Fund be established August 29, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from Samira Kanaan Beckwith (BA 1974, MSW 1977).

The annual distribution from this fund shall be used by the dean of the Max M. Fisher College of Business to support activities of the faculty, students, and staff, in accordance with the college's strategic plans.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be held in the distribution account to be used in subsequent years and only for the purposes of the endowment, or reinvested in the endowment principal at the discretion of dean of the Max M. Fisher College of Business or his/her designee.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, (1) in consultation with the donor named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall

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consult the dean of the Max M. Fisher College of Business or his/her designee. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

#### **Timothy and Jennifer Gallagher Dean's Innovation Fund**

It is proposed that the Timothy and Jennifer Gallagher Dean's Innovation Fund be established August 29, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from Timothy B. (BS 1990) and Jennifer D. (BA 1993) Gallagher.

The annual distribution from this fund shall be used by the dean of the Max M. Fisher College of Business to support activities of the faculty, students, and staff, in accordance with the strategic plan of the college.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be held in the distribution account to be used in subsequent years and only for the purposes of the endowment, or reinvested in the endowment principal at the discretion of the dean of the Max M. Fisher College of Business.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, (1) in consultation with the donors named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the dean of the Max M. Fisher College of Business. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

#### **The Harold R. Adams Scholarship Fund**

The Harold R. Adams Scholarship Fund was established February 10, 2012, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from Kevin Adams (B.S. 1983 Animal Science, M.S. 1986 Agricultural Economics) of Covington, Louisiana, in memory of his father, Harold R. Adams (B.S. 1951 Animal Science). The fund is being revised August 29, 2014.

The annual distribution shall be used to support one or more scholarships in the College of Food, Agricultural, and Environmental Sciences excluding the School of Environment and Natural Resources. Eligible students must be entering freshmen on the Columbus, Ohio, campus and demonstrate financial need. Preference shall be given to students from Highland County, Ohio. The scholarship may be awarded to the same students in successive years, not to exceed two years, provided the students remain in good academic standing, progress towards their degrees, and continue to meet the scholarship's criteria including at least a 2.5 cumulative grade point average.

Scholarship recipients shall be selected by the college's scholarship selection committee, in accordance with guidelines approved by the vice president for Agricultural Administration and the executive dean of Food, Agricultural, and Environmental Sciences and, in consultation with the University's Office of Student Financial Aid.

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The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

In any given year that the endowment distribution is not fully used for its intended purposes, the unused portion should be reinvested in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. Should unforeseen circumstances arise in the future so that the need for this endowment ceases to exist, then another use, as nearly aligned with the original intent of the contribution as good conscience and need dictate, shall be designated by the Foundation's Board of Directors and the University's Board of Trustees. In making this alternate designation, the Boards shall seek advice from the donor, if possible, and from the vice president for Agricultural Administration and the executive dean of Food, Agricultural, and Environmental Sciences.

#### **The Selma and Edward Levy Endowed Scholarship Fund**

The Selma and Edward Levy Endowed Scholarship Fund was established July 13, 2007, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from Dr. Gary Levy (DVM 1981), in honor of his parents Selma and Edward Levy. The description was revised on November 8, 2013 and is being revised again on August 29, 2014.

The annual distribution from this fund shall provide financial aid yearly to one (1) DVM student, with preference given to a student from New Jersey with an interest in small animal medicine. Scholarship recipients will be selected by the dean of the College of Veterinary Medicine, in consultation with the Office of Student Financial Aid.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that this fund should benefit the University in perpetuity. If, in the future, the need for this fund should cease to exist or so diminish as to provide unused distributions, then another use, shall be designated by the Board of Trustees and Foundation Board, as recommended by the dean of the College of Veterinary Medicine. Any such alternate distributions shall be made in a manner as nearly aligned with the original intent of the donor, as good conscience and need dictate.

#### **The Charles and Barbara Webb Family Scholarship Fund**

The Charles and Barbara Webb Family Scholarship Fund was established November 4, 2011, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from Charles R. and Barbara Webb of Powell, Ohio, and Naples, Florida. The description is being revised August 29, 2014.

The annual distribution from this fund shall provide a scholarship to an undergraduate student entering the Max M. Fisher College of Business. Scholarship recipients shall be selected by the college's director of the undergraduate program, in consultation with Student Financial Aid. The donors, or their representative, will be notified annually by the Max M. Fisher College of Business as to the amount of scholarship. The student may receive other sources of financial support but this scholarship will be the

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only donor-named scholarship awarded from the college. The scholarship is renewable as long as the recipient is enrolled in the college.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be reinvested in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, (1) in consultation with the donors named above, or (2) if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the dean of the Max M. Fisher College of Business, or his/her designee. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

#### **Dr. Randall P. Rago Endowment Fund**

Dr. Randall P. Rago Endowment Fund was established on June 6, 2014, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with an incorrect date of January 30, 2014 listed in the description. The fund is being closed on August 29, 2014.



**NAMING OF INTERNAL SPACES**

**In The Ohio State University Comprehensive Cancer Center –  
Arthur G. James Cancer Hospital and Richard J. Solove Research Institute**

Synopsis: Approval for naming of the internal spaces at the new The Ohio State University Comprehensive Cancer Center – Arthur G. James Cancer Hospital and Richard J. Solove Research Institute, located at 460 West Tenth Avenue on the Wexner Medical Center campus, is proposed.

WHEREAS this expansion of the Wexner Medical Center's campus is the largest project in Ohio State's history, increasing world-class cancer care in Central Ohio; and

WHEREAS this 21-level hospital will help revolutionize the way cancer prevention and care are provided in this nation, with world-class oncologists and cancer researchers working side-by-side to unlock the mysteries of why we get cancer and, using those discoveries, move from treating cancer to preventing it from even occurring; and

WHEREAS the donors listed below have provided significant contributions to the building fund for the new James Cancer Hospital and Solove Research Institute:

- Celebration for Life
- Tween Brands, Inc.
- The Wasserstrom Companies
- Herbert J. Block Memorial Tournament
- Up on the Roof
- W.W. Williams Company
- Ellen and David J. Ryan
- Hinson Family Trust
- Patricia and Steven Gabbe
- Schnipke Family LLC, Ellie and William Halter, Dolores and Eric Johnson, and M.J. and Ronald J. Schnipke
- Joyce and Michael Hallet
- Carole and David Schuller
- Jan Minton Wood
- Shelley and Urban Meyer
- Ellen and James Bachmann
- Betty Cohen
- William Randolph Hearst Foundation
- Angie and Donald Ward
- Kathy and Alec Wightman
- Stephen Kimpel
- Cindy and Larry Hilsheimer
- Jon Ricker
- Beatrice and Alan Weiler
- Donna and Daniel Benhase
- Irene Levine and Lee Hess
- Judy and Michael Thomas
- Ketchum & Walton Company
- Lynnda and Steven Davis
- Diane and George McCloy

**NAMING OF INTERNAL SPACES** (cont'd)

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves in accordance with paragraph (F) of rule 3335-1-08 of the Administrative Code, that the internal spaces in The Ohio State University Comprehensive Cancer Center – Arthur G. James Cancer Hospital and Richard J. Solove Research Institute be named the following:

- Room D920F: Sue Haggerty Executive Assistant Suite
- Ground Level: Celebration for Life Conference Center
- Level 2: Justice / Tween Brands Pediatric Radiation Oncology Suite
- Room L035: Wasserstrom Family Conference Room
- Level 1: Herbert J. Block Memorial Tournament Hematology & Transplant Clinic
- Level 5: Up on the Roof Clinical Treatment Suite
- Room A2130: Up on the Roof Patient Room
- Room A2108: Up on the Roof Patient Room
- Room A2122: Up on the Roof Patient Room
- Room C2104: Up on the Roof Patient Room
- Room C2120: Up on the Roof Patient Room
- Room C2128: Up on the Roof Patient Room
- Room D2102: Up on the Roof Patient Room
- Room D2112: Up on the Roof Patient Room
- Room D2118: Up on the Roof Patient Room
- Level 1: The W.W. Williams Company Bone Marrow Transplant Cell Laboratory
- Ellen & David J. Ryan Pavilion
- Room A400C: Charleen & Charles W. Hinson Visitor Lounge
- Room L045: Patricia & Steven Gabbe Conference Room
- Room D101: Pauline & Leonard Schnipke Sanctuary
- Room A200B: Yessenow-Hallet Radiation Oncology Visitor Lounge
- Room B2102: Carole, Dave, Rebecca, and Mike Schuller Visitor Lounge
- Room C431: John Peter Minton, MD, PhD Metabolic Tissue Imaging Suite
- Room B2002: Gisela & Urban Meyer Visitor Lounge
- Room B1902: Ellen & James Bachmann Visitor Lounge
- Room A1518: Lewis M. Cohen, MD Care Team Education Center
- Room A2118: William Randolph Hearst Foundation Care Team Education Center
- Room B2114: Kelly Ward Lancaster Care Team Education Center
- Kathy & Alec Wightman Respite Area
- Stephen Kimpel Respite Area
- Room D920E: Cindy & Larry Hilsheimer Conference Room
- Lisa H. Ricker Respite Area
- Room C100: Beatrice & Alan Weiler Radiology Visitor Lounge
- Benhase Family Respite Area
- Room D900: Levine / Hess Conference Room
- Room B502: Judy & Michael Thomas Clinical Treatment Laboratory
- Room A401: Ketchum & Walton Company Consultation Room
- Room A405: Lynnnda & Steve Davis Family Consultation Room
- Room A407: Diane & George McCloy Consultation Room

**NAMING OF CAREER MANAGEMENT ADMINISTRATIVE OFFICE**

**In the Veterinary Medicine Academic Building,  
College of Veterinary Medicine:  
Bartels Career Management Administrative Office**

Synopsis: Approval for the naming of the Career Management Administrative Office in Room 127P in the Veterinary Medicine Academic Building, located at 1900 Coffey Road on The Ohio State University Veterinary Medicine campus, as the Bartels Career Management Administrative Office, is proposed.

WHEREAS the Veterinary Medicine Academic Building is a four story multi-purpose building that houses the dean's suite, teaching labs, study rooms, research space, and faculty offices and the Career Management Administrative Office houses the assistant director of the program who runs one of four career management offices currently in existence at a College of Veterinary Medicine; and

WHEREAS the program provides support to students looking for employment, as well as opportunities for networking, professional development, and career exploration and the program also helps alumni with job postings, on-campus interviews with students, and establishing relationships via our mentoring program; and

WHEREAS the program has assisted over 500 students and alumni via career consultation meetings, job interviews, mentoring opportunities, and online networking groups and the Class of 2014 was the first class to have a full year's access to the Office of Career Management and 94% of the class reached out for support or guidance; and

WHEREAS the program has significantly increased the effectiveness of the interactions between our alumni and our students and the preparedness of our students entering the workforce; and

WHEREAS Dr. Donald Bartels and Dr. Harry Bartels have provided contributions to the College of Veterinary Medicine to the Career Services Endowment and for the support of career and financial service activities within the Office of Student Affairs within the College of Veterinary Medicine; and

WHEREAS Dr. Harry Bartels has provided significant contributions to the College of Veterinary Medicine in the College of Veterinary Medicine Career Services Support Fund, Bartels Vet Practice Management Fund, Vet Med Building Fund, and Vet Med 1954 Scholarship:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves in accordance with paragraph (F) of rule 3335-1-08 of the Administrative Code, that the Career Management Administrative Office in Room 127P in the Veterinary Medicine Academic Building be named the Bartels Career Management Administrative Office.

**NAMING OF SPACES IN THE PRE-CLINIC**

**In Fry Hall,  
College of Optometry**

Synopsis: Approval for naming of the pre-clinic spaces in Fry Hall, located at 352 West Tenth Avenue on the main campus, is proposed.

WHEREAS the College of Optometry Pre-Clinic provides a new and technologically updated facility in which students receive education on how to provide a comprehensive eye examination, how to use basic optometric equipment, and attend lectures; and

WHEREAS the College of Optometry is dedicated to providing eminence in optometric education, vision research, and eye care; and

WHEREAS the donors listed below have provided significant contributions to the College of Optometry Pre-Clinic:

- Drs. John and Cheryl Archer
- Dr. and Mrs. Timothy Kime, in honor of Emeritus Dean Frederick Hebbard
- Dr. and Mrs. Robert Layman
- Dr. and Mrs. Bruce Manning
- Dr. Michael Polasky and Mrs. Wendy Clark

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves in accordance with paragraph (F) of rule 3335-1-08 of the Administrative Code, that the pre-clinic spaces in Fry Hall be named the following:

- Room 204, the Drs. John and Cheryl Archer Student Lounge
- Room 235, the Fred Hebbard Classroom, generously donated by Dr. and Mrs. Timothy Kime
- Room 221, the Dr. and Mrs. Robert Layman Examination Room
- Room 212, the The Manning Family Examination Room
- Room 234, the Dr. Michael Polasky and Mrs. Wendy Clark NBEO Examination Room

**NAMING OF WEST LAWN AND FORECOURT GARDEN**

**At the new James Cancer Hospital and Solove Research Institute,  
Wexner Medical Center:  
Phyllis A. Jones Legacy Park**

Synopsis: Approval for the naming of the west lawn and forecourt garden in the new James Cancer Hospital and Solove Research Institute, located at 460 West Tenth Avenue on the Wexner Medical Center campus, as the Phyllis A. Jones Legacy Park, is proposed.

WHEREAS the new James Cancer Hospital and Solove Research Institute is the largest project in Ohio State's history, increasing world-class cancer care in central Ohio; and

WHEREAS Phyllis A. Jones has provided contributions to the James Cancer Hospital and Solove Research Institute to the James Cancer Center Expansion Fund; and

WHEREAS Mrs. Jones, former president and CEO of Fiesta Salons, is creating the Jones Legacy Park in honor of her late husband who was among the first patients treated for lung cancer at The James when it opened in 1990; and

WHEREAS in fulfilling her promise, Mrs. Jones is providing a restful, peaceful garden where patients, visitors and staff can seek comfort and solace during many hours spent at The James through an outdoor area for patients and a children's play area:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves in accordance with paragraph (F) of rule 3335-1-08 of the Administrative Code, that the west lawn and forecourt garden in the new James Cancer Hospital and Solove Research Institute be named the Phyllis A. Jones Legacy Park.

August Board Meeting - Advancement Committee Meeting



Advancement Scorecard  
June 30, 2014

	2013	2014	2014 Goal	2015 Goal	2016 Goal	FY Change
<b>A. Longitudinal Alumni Study</b>						
1. Positive perception of Ohio State as a top-ranked public university	NA	NA	NA			<input type="checkbox"/>
2. Satisfaction with Ohio State's alumni experience	NA	NA	NA			<input type="checkbox"/>
3. Direct involvement in strategic engagement experiences	NA	NA	NA			<input type="checkbox"/>
<b>B. Campaign</b>						
1. Campaign success	\$1.61B	\$1.97B	\$1.85B	\$2.19B	\$2.5B	<input type="checkbox"/>
<b>C. Fiscal Year Measures</b>						
1. Gifts and pledges	\$373.5M	\$404.1M	\$390M	\$424M	\$462M	<input type="checkbox"/>
2. Cash	\$296.4M	\$333.6M	\$316M	\$343M	\$374M	<input type="checkbox"/>
3. Total donors	228,160	233,003	232,000	236,000	240,000	<input type="checkbox"/>
a. First time donors	73,310	69,831	71,900	70,800	69,600	<input type="checkbox"/>
b. 1-yr retained donors	111,034	118,009	115,700	120,200	124,100	<input type="checkbox"/>
c. 5-yr retained donors	47,482	50,095	51,000	54,200	57,600	<input type="checkbox"/>
d. Reactivated donors	43,816	45,163	44,300	44,900	46,200	<input type="checkbox"/>
e. Alumni donors	71,282	71,550	NA			<input type="checkbox"/>
f. Pelotonia donors	104,716	107,426	NA			<input type="checkbox"/>
<b>D. Events</b>						
1. Unique constituent attendance across events	NA	13,479*	NA			<input type="checkbox"/>
2. Average Net Promoter Score across constituents	NA	71.7*	80.0*			<input type="checkbox"/>
<b>E. Media and Marketing</b>						
1. Key media quality	NA	533,000	NA			<input type="checkbox"/>
2. Social media measure	NA	5.3	NA			<input type="checkbox"/>
3. National opinion influencers survey	NA	60%	65%~			<input type="checkbox"/>

\* Based on only 45 events, as the baseline is built.

~ Goal based on FY10 assessment of national thought leaders.

	Meets or exceeds goal		Performance up
	Caution		Same performance
	Below goal		Performance down

THE OHIO STATE UNIVERSITY COMPREHENSIVE CANCER CENTER –  
ARTHUR G. JAMES CANCER HOSPITAL AND RICHARD J. SOLOVE RESEARCH INSTITUTE

## Grand Opening Week Events

SATURDAY, NOVEMBER 1

### The Ohio State Marching Band Tribute to the New James

#### Pre-Game, Ohio State vs. Illinois

Join us as we kickoff our grand opening week with a special performance from “The Best Damn Band in the Land” as they pay tribute to the new James during the pre-game session prior to the Ohio State vs. Illinois game.

WEDNESDAY, NOVEMBER 5

### Faculty, Staff and Student Open House *(Internal Event)*

#### 6-8 a.m., 11 a.m.-2 p.m., 6-8 p.m.

Faculty, staff and students will have the opportunity to explore the new James and the emergency department through self-guided tours including information ambassadors at tour stops, sharing the impact of The James and the new features housed in this state-of-the-art facility.

*Estimated attendance: 4,000*

THURSDAY, NOVEMBER 6

### The New James Fundraising Gala *(Invite-Only)*

#### 6:30-10 p.m. (VIP Reception from 6-6:30 p.m.)

Hosted by the James Foundation Board and led by an Advisory Committee of volunteers, this event will help generate momentum, support and excitement toward the next fundraising milestone. Following cocktails and a brief program under the canopy, guests will enjoy a strolling supper inside the new James and take guided tours throughout the space with key research and idea leaders. *Estimated attendance: 500-600*

FRIDAY, NOVEMBER 7

### Building Dedication and Tours *(Invite-Only)*

#### 2-3 p.m. (program), 3-4:30 p.m. (tours)

Hosted by The Ohio State University Wexner Medical Center Board, this formal dedication program will celebrate the opening of the new James, which will feature key leaders and participants sharing their non-routine cancer connection. Invitees will include: donors, community and government leaders, board and volunteer leadership, community partners, patients and survivors, and faculty and staff. *Estimated attendance: 500+*

FRIDAY, NOVEMBER 7

### Referring Physician Reception *(Invite-Only)*

#### 5:30-7:30 p.m.

Featuring guided tours to engage The James and Ohio State’s Wexner Medical Center Critical Care referring physicians, this reception will showcase our new approach to patient care, research and education and its impact on our community.

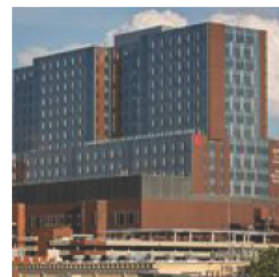
SUNDAY, NOVEMBER 9

### Community Open House *(Public)*

#### 1-4 p.m.

We will welcome the community to celebrate and explore the new James through self-guided tours which will include information ambassadors at tour stops, sharing the impact of The James and the new features and elements of the design and functionality of the new environment, which will impact patients from our community and the world.

*Estimated attendance: 3,000 - 4,000*



## The James



The Ohio State University  
Board of Trustees

August 29, 2014

**THURSDAY, AUGUST 28, 2014  
AUDIT AND COMPLIANCE COMMITTEE MEETING**

William G. Jurgensen  
Michael J. Gasser  
Ronald A. Ratner  
Steven M. Loborec  
Lawrence A. Hilsheimer  
Amy Chronis  
Craig S. Morford  
Jeffrey Wadsworth (*ex officio*)

Location: Longaberger Alumni House  
Mount Leadership Room

Time: 2:30-4:00pm

*ITEMS FOR DISCUSSION*

- |  |             |
|--|-------------|
| 1. <i>External Audit Update - Ms. Dewire</i>                                       | 2:30-2:40pm |
| 2. <i>Compliance and Integrity Program Report - Mr. Culley, Mr. Garrity-Rokous</i> | 2:40-2:50pm |
| Executive Session  | 2:50-4:00pm |



[www.pwc.com](http://www.pwc.com)

*The Ohio State University*  
External Audit Status Update  
FY 2014

Audit & Compliance Committee  
of the Board of Trustees

August 28, 2014



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# ***Contents***

## **FY 2014 External Audit**

- **Deliverables and timeline**
- **Audit status update**
- **Other items of note**

## **Appendix A – Perspectives in Higher Education (2014)**

## ***FY 14 Audit – Deliverables and Timeline***

<b>Consolidated University</b>	<b>Components</b>	<b>Deliverables</b>	<b>Targeted Issuance Date</b>
<b>Primary Institution</b>	General University	<ul style="list-style-type: none"> <li>• Financial Statement Audit Opinion (GASB)</li> <li>• GAGAS Internal Controls Opinion (including procedures to support compliance with Ohio Revised Code)</li> <li>• Opinion on CAFR</li> <li>• Management letter comments</li> </ul>	10/8
	Health System		
<b>Discretely Presented Component Units</b>	OSU Physicians		
	Campus Partners		
	Transportation Research Center		
	Dental Faculty Practice Association, Inc.		

<b>Other Deliverables</b>	<b>Reporting Entity</b>	<b>Year-end</b>	<b>Targeted Issuance Date</b>
<b>Stand-alone Financial Statement Audits</b>	Oval Limited	6/30	9/19
	OSU Foundation	6/30	10/3
	Health System	6/30	10/3
	Transportation Research Center (including tax review of Form 990)	6/30	10/3
	OSU Physicians	6/30	10/3
	Athletics Department	6/30	11/21
	WOSU Public Media	6/30	11/21
	OSU Health Plan	6/30	11/21
	OSU Global Gateways	12/31	5/2015
<b>Compliance Opinion</b>	A-133 Compliance	6/30	11/21
<b>Review Report</b>	Wexner Center for the Arts	6/30	9/19
<b>Agreed Upon Procedures</b>	NCAA	6/30	11/21
	Traumatic Brain Injury Network – ADAMH	6/30	11/21
	Campus Partners	6/30	11/21
<b>Benefit Plan Audit</b>	Transportation Research Center – Benefit Plan	12/31	9/2015

## ***FY 14 Audit - Status Update***

- **Planning** - completed; no changes in significant risks communicated to the Audit Committee in April
- **Interim procedures** - nearing completion; no significant issues identified to date
- **Year-end procedures** – underway beginning mid-Aug; weekly status meetings held with management, with objective to track progress and avoid surprises.

	<b>Planning (Apr)</b>	<b>Interim (May-Aug)</b>	<b>Year-end (Aug-Sept)</b>
<b>Consolidated University Financial Statement Audit</b>	<ul style="list-style-type: none"> <li>✓ Perform scoping and risk assessment</li> <li>✓ Establish materiality thresholds</li> <li>✓ Perform walk-throughs to confirm our understanding of the key processes and related controls (including IT)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Interim testing of certain key controls</li> <li>✓ Make sample selections; prepare confirmations</li> <li>✓ Tests of details in certain areas (i.e. fixed assets, payroll, patient service revenue, student tuition and fees, housing and dining revenue)</li> <li>✓ Tests of certain IT controls for in-scope applications (focus on security, change management, operations)</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Year-end update testing of controls</li> <li><input type="checkbox"/> Tests of details in relation to journal entries and consolidation</li> <li><input type="checkbox"/> Tests of details performed in most areas (revenues, operating expenses, investment valuation, 3rd party confirmations, fixed assets, contractual allowance, pledges, various reserves, accounts payable and reserves, etc.)</li> <li><input type="checkbox"/> Review and tie-out of financial statements and disclosures (first draft targeted for 9/12)</li> <li><input type="checkbox"/> Review and tie-out of CAFR</li> </ul>
<b>A-133 Compliance</b>	<ul style="list-style-type: none"> <li>✓ Identify Major Programs</li> <li>✓ Establish materiality thresholds</li> <li>✓ Perform walk-throughs to confirm our understanding of key processes and controls (SFA and R&amp;D)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Interim tests of certain key controls</li> <li>✓ Interim tests of details (direct costs for major programs. Cash management)</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Year-end update testing of controls</li> <li><input type="checkbox"/> Tests of details related to Student Financial Aid, Returns of Title IV Funding, Matching, Davis-Bacon, etc.</li> <li><input type="checkbox"/> Other tests of details</li> </ul>

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## ***FY 14 Audit – Other Items of Note***

- The 2013 TRC Benefit Plan Audit is nearing completion (anticipated release by September 2014).
- Auditor of State workpaper review of the 2013 Health System audit was completed with no issues.

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# ***Appendix A***

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# *Perspectives in higher education 2014*

2014



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# Introduction

There continues to be no shortage of challenges facing the education industry. While the challenges have varied from one year to the next, one common theme has emerged — the higher education environment continues to be complex, with increasing expectations about performance, accountability, and value from many constituents, including students, parents, regulators, donors, and federal and state governments. From business model challenges and higher regulatory expectations to an ever-growing and competitive international marketplace, institutions are being pushed to keep up with the dynamic pace of change. Educational institutions have responded to these challenges, as well as many others.

**In our current edition of “Perspectives in higher education,” we have highlighted several of the pressing challenges,** as well as the related opportunities, facing colleges and universities. From a financial perspective, institutions continue to debate the topics of tuition affordability, potential changes to the educational delivery model, funding the expansion and maintenance of facilities, and the risks and rewards associated with global strategies. From an operational perspective, other key issues have emerged that demand the attention of management and the board: protecting sensitive information, managing emergency communication plans, and developing and maintaining an effective and efficient institutional risk and compliance program.

We believe the pace of change within higher education will remain robust. Those institutions that respond appropriately to the current challenges will be in a position of strength, while those that maintain the status quo may struggle to achieve their goals. Embracing change will be imperative, and will require focused efforts by many within an institution. Establishing a culture where change is encouraged by senior management and the governing board will be a critical component in ensuring both short- and long-term strategic success. In that light, this edition also provides a glimpse into the future of higher education as it might be influenced by certain global trends (or “megatrends”) identified by PwC’s Board of Governance.

The higher education industry in the United States continues to be the finest in the world. To maintain this global position, institutions must be proactive in encouraging dialogue amongst their many different constituents on how to best position themselves to succeed in the years ahead. Doing so will ensure the industry continues to fulfill its responsibilities to society, as it has done for many generations.

As a leader in providing audit, tax, and advisory services to the higher education and not-for-profit industry, PwC **has been honored to work with many of the nation’s premier educational institutions in addressing their most** pressing challenges. Our contributors to this paper are working with your peers on regulatory, tax, risk and operational issues and are in an excellent position to share consistent trends and perspectives. While this document is not meant to be comprehensive, it draws upon our understanding of the diverse nature of higher education institutions that have complex educational, research, and clinical activities, and we hope that it will serve as a broad platform for discussing these issues.

I invite you to contact me at (646) 471-4253 with any questions or comments you may have.



John A. Mattie  
National Higher Education and Not-for-Profit Practice Leader

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# *The higher education affordability debate*

## *Background*

Social norms dictate that a college degree is a necessity, and high school guidance counselors encourage more than 90% of graduating high school seniors to pursue college. In the United States, 70% of high school graduates attend college, up from 40% in 1970. Well-paying jobs for less skilled workers have virtually disappeared. These are only several of the current “headlines” regarding the benefits of a post-secondary education.<sup>1</sup>

Pew researchers released a report in February 2014 that found young adults or millennials who have college degrees made approximately \$17,500 more in 2012, on average, than those who have only a high school diploma. This reflects a widening pay gap based on education and directly correlates to fewer manufacturing jobs and an increased concentration in the service industry. The Pew report also notes that nine out of 10 millennials (i.e., born **between the early 1980s and the early 2000s**) with at least a bachelor’s degree say that college has already paid off or will do so in the future. In order to obtain well-paying employment, young adults feel they must go to college, and the majority of those who graduate from college believe the benefits they have received justify the costs.

At the same time, many also believe that college should be more affordable. In speeches given by President Obama over the past year, he has been quoted as saying that he wants “**a better bargain for the middle class and everybody who’s working hard to get into the middle class** — a national strategy to make sure that everybody who works hard has a chance to succeed in this twenty-**first century economy.**” His plans for that success relate directly to making higher education more affordable. During 2013, the president advanced ambitious proposals aimed at making colleges more accountable and affordable. In previous years, the Obama Administration put colleges and universities on notice that if tuition did not stop rising faster than inflation, financing from taxpayers (through federal financial aid) would drop. A plan resulted that would create a new rating system for colleges, one in which they would be evaluated based on various outcomes (e.g., graduation rates and graduate earnings), on affordability, and on access. Students enrolling at a more highly rated college would receive larger Pell Grants and more favorable rates on student loans.

## *Impact on educational institutions*

Students are looking for more cost effective ways to attend college while institutions are looking to reduce the cost of higher education. Online and non-traditional learning programs such as massive open online courses (MOOCs), open course ware (OCW), CLEP exams, ed2go courses, and StraighterLine courses have become commonplace. The goals of these initiatives are two-fold: **to attempt to reduce the cost of higher education and to expand the colleges’ reach to individuals outside their typical recruiting area.**

The majority of students who enroll in MOOCs are currently non-traditional college students. They tend to be international students or individuals looking to take an occasional course. Only a fraction of enrolled students typically complete the course and an even smaller fraction pass. It is currently difficult to determine the success rate of individuals who are participating in non-traditional learning programs and whether they ultimately receive a degree. It is also not known whether a student who is successful in passing and earning credits through a MOOC will be able to find gainful employment.

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<sup>1</sup> Source: [www.chronicle.com](http://www.chronicle.com), Are Too Many Students Going to College?, November 8, 2009.

For the first time, a tuition-free online university (University of the People), which was built to reach under-served students, has received accreditation. With support from large foundations, expansion of free, online universities may continue to expand.

Competency-based education has become an increasingly popular discussion point as a way to improve college affordability. Competency-based education measures the amount a student has learned, rather than the time the student has spent in school. Students can progress through school by demonstrating their mastery of knowledge and skills. The Center for American Progress recently released a **white paper noting that “Competency-based education could be the key to proving quality postsecondary education to millions of Americans at a lower cost.”** However, there are currently very few such programs, mainly because US financial aid programs are based on time, rather than on what or how much students are learning. However, this form of education may be a viable option in the future, if colleges and their faculty are open to changing the model.

**The White House has specifically stated that “earning a post-secondary degree or credential is no longer just a pathway to opportunity for a talented few; rather, it is a prerequisite for the growing jobs of the new economy.”** The Obama administration has already implemented or is seeking to implement the following:

- Double the amount, financially, of Pell grants to students, expand education tax credits, and keep student loan rates through subsidized Stafford loans low;
- Reform the way student aid is given and shift aid away from colleges that fail to keep net tuition down and toward colleges that keep tuition affordable;
- Strengthen community college initiatives through additional funding in order to partner with businesses to train workers in high-growth and in-demand areas; and
- Improve transparency and accountability by creating a model financial aid disclosure form and establishing a college scorecard that describes cost, graduation rate, and employment success by major.

Yet when college presidents were polled by Gallup and *Inside Higher Ed*, only 2% believed that the Obama plan would be “very effective” at making higher education affordable and 19% believed that it would have a positive impact on their institution. Many critics fear that the president’s plan will favor the top-tiered institutions with larger endowments that are not as dependent on federal student financial aid. They also fear that to improve their “college scorecard,” colleges may modify their admissions and financial aid programs, which would result in providing less access to low-income college students who traditionally have a lower graduation rate.

As Gallup CEO and Chairman Jim Clifton and Purdue University President Mitch Daniels noted in their December 16, 2013 article titled “A Real Measure of Higher Ed Success” in *The Wall Street Journal*, “Beginning in 2014, the new Gallup-Purdue Index will measure not only material success, asking college graduates such things as: Are you employed? How much do you earn? It will also measure those critical qualities that Gallup finds employers truly value and are predictive of work success: a person’s workplace engagement and well-being.” As constituents of higher education begin to track and analyze data, the education industry will have a better understanding of the true benefits of higher education.

Several studies have been conducted that track the wealth that each generation has built and address the question of whether the current generation is “worse off than their parents.” A study by the Washington, DC-based Urban Institute on “wealth building among young Americans” shows that the net worth of Generation X (born between the 1960s and the early 1980s) and Generation Y (born between the early 1980s and the early 2000s) is 21% lower than that of their parents at that age. College debt and falling rates of home ownership have been two factors in this decline. The study also showed that the net worth of those 46 and younger “stayed about the same as their predecessors more than a quarter-century earlier.”

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## *Our perspective*

While online education may be able to reduce the cost of education for some, data is not yet available on the long-term success rates of online learners versus traditional learners. We do know, based on **online programs'** experience to date, that college students who enroll in an online course at a traditional college or university are significantly more likely to fail or withdraw than those in traditional classes. In non-traditional learning approaches, professor interaction is often limited, questions may not be answered, and identifying students who need assistance is difficult or even impossible.

Colleges and universities are still seeking the ideal online programs and alternative teaching styles to reduce their costs and enhance the quality of academic programs. Overwhelmingly, colleges and universities have not yet made money on these types of programs; in fact, to date, they have tended to be an additional burden on the operating budget. However, until educational institutions find a lower-cost alternative to educating students, tuition rates will not likely decrease. Online or a hybrid type of learning will continue to be viable strategies that should not be ignored.

As institutions continue to seek out ways to make a college education more affordable, they should closely monitor the following:

- The program costs as perceived by their various constituents compared with actual program costs
- The success rates of students in new programs, including class completion and graduation rates
- The potential impact of reduced financial aid and flat tuition rates on long-term budgets
- **How the federal government's assessment of the institution's college scorecard would be perceived and the potential impact of the scorecard on the institution's admissions**

Higher education institutions are entering a time of significant change. In order to meet the demands of students, parents, and the federal government, marginal cost reductions may not be enough to support decreasing tuition. For-profit online institutions and free online colleges have shown that there may be lower-cost alternatives to the traditional educational models. The question now being asked is, are college and university presidents, boards, and faculties ready to seriously consider and implement non-traditional educational delivery alternatives to truly make education affordable and competitive?

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# *Aligning enterprise risk management, internal audit, and compliance*

## *Background*

Along with other industries, higher education has recently been faced with increased complexity and risk in the business, including rapidly increasing regulatory requirements, increased public scrutiny and demands, and rapid technological change. In response to these risks, as well as highly publicized incidents affecting certain higher education institutions, many colleges and universities have been evaluating and implementing various enterprise risk management and institutional compliance structures. While many risk managers would agree that the most effective way to manage risk is to ensure that a risk-focused mind-set is well integrated into the culture of the organization, a formal structure for ensuring that risks are identified and management processes are re-evaluated is critical to ensure accountability for effective risk mitigation throughout the organization.

A significant component of the expanding risk universe currently demanding attention is compliance risk. Many institutions and their boards are seeking to strike the right balance of investment to effectively manage risk with the need to fund important student and other mission-focused needs. In the majority of industries, the time spent on external regulatory compliance currently as compared to five to ten years ago has increased significantly.

The answer is no different for higher education. According to the American Council on Education, approximately 150 new federal regulations impacting higher education have been issued since 2008. **In addition, “the rate of administrative hiring has surpassed that of enrollment-driven academic recruitment. Lawyers, government relations specialists, risk managers, compliance officers, regulation analysts, and procurement specialists now compete for the same budget dollars, along with instructors and teaching assistants.”**<sup>2</sup>

Many institutions are considering similar questions surrounding risk including the following:

- Do we have the right risks identified?
- Who are the key employees responsible for the risk management process across the institution?
- With limited resources, how do we prioritize and effectively manage our response to risks?
- What is the right structure for our institution to manage and monitor our response to risks?
- **What is the role of internal audit and compliance in identifying, managing, or evaluating the institution’s response to risks?**
- What skills are needed in today’s environment to maximize the value from those departments involved in managing risk?
- What metrics can we use to evaluate the effectiveness of the risk management program?

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<sup>2</sup> Source: Forbes.com, Why is Tuition So High? Government Shares in Blame.

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## *Impact on educational institutions*

Most universities have been working on the implementation of some form of enterprise risk management (ERM) for several years. Many are also beginning to consider how best to align compliance programs and internal audit departments with the risk management program. While there are different organizational models for managing institutional compliance, most are at least partially, if not fully, decentralized. Institutions are currently focusing on ensuring that functional units, schools, and departments are working to ensure risks are not going undetected for lack of an owner, and that the disbursed compliance responsibilities are not leading to gaps in effective risk management. Compliance officers, along with internal auditors, have a unique view of these topics and can provide critical information to senior management and the audit committee as to the most effective risk and compliance models.

From a governance perspective, while different committees of the board have oversight responsibility for various facets of strategic risk management, most commonly, the audit committee remains responsible for ensuring the process exists and functions as intended. Given the increased focus on compliance risk and the natural intersection with ERM, several institutions have formally assigned the responsibility for coordinating and managing the institutional compliance and ERM functions to one individual.

**From internal audit's perspective, there is a shifting expectation toward advisory skills from traditional assurance-related skills.** PwC's 2014 State of the Internal Audit Profession survey spotlights this growing trend in the evolution of the internal audit role as a trusted advisor within the organization when they are able to bring the right attributes to bear, including a deep understanding of the business and strategic risks, being engaged in areas of change within the business, and contributing to innovation.<sup>3</sup> Internal audit executives at a number of educational institutions have already begun defining for themselves more formalized roles and responsibilities in the broader institutional compliance and enterprise risk structure.

## *Our perspective*

There will be increased focus on the cost of higher education, and the ever-growing industry regulatory expectations are not expected to decrease. Institutions should continue to seek synergies among institutional compliance, internal audit, and risk management functions. Institutions will also need to continue to evaluate the evolving skills necessary for individuals responsible for managing and coordinating an institution-wide risk and compliance program. Such skills will include the ability to think strategically, interact at an executive level, and speak with a strong voice about the challenges and opportunities the organization is facing, as well as how well they are addressing those challenges and managing the right risks. A key question to ask is whether individuals with those needed skills exist within the institution today, or whether the institution will need to recruit from outside.

In order for these risk identification and mitigation activities to be successful within an institution, it is important to embed the key components of the risk and compliance framework within the entire organization. It is also important to determine what the criteria are for success and how success will be measured. In order for any risk or compliance program to be regarded as a long-term, viable option for the identification, assessment, and monitoring of risks, there must be perceived and real value derived from execution of the framework.

As educational institutions appropriately increase their focus on enhancing enterprise-wide risk, compliance, and internal audit functions, it will be important to focus on the efficiency and effectiveness of the integrated risk and compliance program. Ensuring that the return on investment in these individual functions is realized and that institutional accountability for risk identification, monitoring, training, and internal auditing is clear throughout the organization will be critical to the effectiveness of the broader risk and compliance program.

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<sup>3</sup> Source: <http://www.pwc.com/us/en/risk-assurance-services/publications/pwc-2014-state-of-profession.jhtml>

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# Regulatory compliance

## Background

The regulatory spotlight continues to be focused on educational institutions. Congressional attention on colleges and universities, both not-for-profit and for-profit, have challenged institutions to seek ways to improve operations, maintain compliance and reduce costs. The SEC expects institutions to provide reliable information to bondholders, and the IRS expects revenues to be appropriately spent. The Office of Management and Budget also **recently issued significantly revised compliance and audit requirements as part of the president's goal to modernize** and streamline regulations and to focus on the elimination of fraud, waste, abuse, and improper payments.

In light of such regulatory initiatives, educational institutions are under ongoing pressure to demonstrate their compliance and accountability. The impact of actual or perceived failure of an institution to identify and manage compliance functions could lead to a damaged reputation among various stakeholders, administrative or financial sanctions imposed by regulators, and the potential for fines and penalties.

Most institutions are challenged to respond to the changing and increasing regulatory requirements, as well as the continuing political and public focus. Adhering to these requirements and responding to regulatory scrutiny have been difficult for many educational institutions and have strained internal resources. Colleges and universities are continually implementing new policies and procedures and modifying existing financial and information systems to accommodate new and revised regulations. This has resulted in the need for more data collection and enhanced training.

## Impact on educational institutions

The following is a high-level summary of selected regulatory matters on which educational institutions are currently focusing their resources — or may need to focus their resources — to ensure compliance and to manage the risks associated with noncompliance.

## Municipal bond market requirements

Many educational institutions finance their long-term capital needs by issuing long-term debt securities. Often, these borrowings take the form of tax-exempt or taxable municipal securities. Through covenants with underwriters, municipal issuers and conduit borrowers are required by SEC Rule 15c2-12 to provide certain information about their finances and operations on an ongoing basis throughout the life of a bond issue. While the SEC cannot directly regulate the municipal securities market, it can and does undertake enforcement actions for violations of the antifraud provisions of the federal securities laws. Such violations would arise if the SEC determines that an institution has made a material misstatement of fact or omitted a material fact in its disclosure documents to investors.

**The SEC's specialized muni enforcement division was active in 2013, and its heightened level of activity is expected** to continue for the foreseeable future. Through a number of municipal enforcement actions in 2013, the SEC is sending strong signals to expect an increased focus on the conduct of non-profits in 2014. A common theme underlying a number of the enforcement actions is the importance of having appropriate controls in place over the dissemination of information included in municipal bond disclosure documents. Such controls include instituting written policies and procedures related to disclosure of information to markets, the need for appropriate training of employees involved with preparation of disclosure documents, and the need for management and boards to better understand their responsibilities with respect to muni bond disclosure documents under Rule 15c2-12. Adopting such practices and controls serves not only to enhance **the quality of an institution's disclosure but also aids in** establishing a defense, should an allegation of misleading disclosures arise.

## *Financial accounting requirements*

A recent National Association of College and University Business Officers (NACUBO) **article stated that “Audited external financial statements are at the heart of higher education fiscal intelligence sought by specific stakeholders and the general public. ... Diverse use, potentially widespread consumption, and the public emphasis on the higher education industry — from the White House and Congress, federal agencies, state governments and legislatures, think tanks, analysts, researchers, national and local media organizations, and others — point to the importance of communicating effectively through external financial statements.”**<sup>4</sup>

Today, the standard-setting authority for the financial statements of higher education institutions is divided between the Financial Accounting Standards Board (FASB) for private institutions and the Governmental Accounting Standards Board (GASB) for public institutions. The FASB works closely with the Not-for-Profit Advisory Committee (NAC), a standing committee established in 2009 to ensure that the concerns of not-for-profit entities are considered when developing new standards.

The lack of financial statement comparability between public and private institutions increases decision-making complexity for boards, management, bondholders, and regulators attempting to understand the similarities and differences among institutions regarding factors such as financial condition, business risks, and cash flow prospects. Differences in accounting for similar transactions by similar types of entities increase the risk that misstatements in financial statements might arise and heighten the potential for misunderstanding reported information.

Recently, PwC recommended to the Financial Accounting Foundation (the parent organization over both FASB and GASB) that it consider whether opportunities for convergence exist between GASB and FASB standards. PwC also recommended that the Financial Accounting Foundation explore whether the use of private sector accounting standards by certain governmental business-type activities (such as higher education and healthcare institutions) would benefit stakeholders.<sup>5</sup>

Both standard setters continue to issue new rules. For the **past decade, the FASB’s agenda has been dominated by** the goal of converging US GAAP (generally accepted accounting principles) with International Financial Reporting Standards (IFRS). As the major convergence standards projects — revenue recognition, financial instruments, and leases — approach the finish line, private institutions must begin preparing for several years of implementation of major new standards. The new revenue recognition standard, issued in May of this year, will become effective in the 2017-2018 time frame. While that sounds like a long way off, the amount of work that may be required to implement it — including training, changes to financial reporting systems, and internal controls — could be significant. In addition, the FASB plans to issue an exposure draft later this year that is designed to enhance the external financial reporting model for all non-profits, with a specific focus on improving disclosures regarding financial liquidity, operating performance, and funds availability.

Public institutions continue to grapple with changing their financial statements and systems to incorporate a new financial statement element created by GASB — deferred inflows/outflows of resources — and an accompanying overhaul of existing reporting of assets and liabilities. In addition, GASB recent rule revisions regarding the financial reporting entity have trained a spotlight on how governmental institutions report subsidiary corporations (for-profit or not-for-profit) in their financial statements. GASB’s **new standard on government business** combinations may also have far-reaching implications for institutions that have healthcare operations, as healthcare reform ushers in a period of heightened activity in the areas of mergers, acquisitions, and divestitures.

<sup>4</sup> Source: *Business Officer*, “Reporting Reimagined: Telling the Higher Education Story,” January 2014.

<sup>5</sup> Source: PwC Point of View, *The municipal securities market: Greater transparency and comparability of financial information would benefit stakeholders*, February 2014.



Higher education leaders must be mindful of the impacts of new accounting and reporting standards on an **institution's financial reporting systems and internal controls**. A recent SEC enforcement action against a muni conduit obligor reiterates the SEC's **expectation that entities that obtain capital through the municipal securities market** have an obligation to maintain accounting systems and controls that produce financial information that investors can rely upon. In periods of heightened implementation activity, the risk of misapplication of GAAP increases; as does the risk that a potential significant deficiency or material weakness in internal controls over financial reporting systems will occur.

### *IRS items*

IRS college and university study: Colleges and universities continue to evaluate their processes and procedures in light of the IRS final report on its Colleges and Universities Compliance Project, which was released in April, 2013. The final report summarizes findings from IRS examinations of thirty-four colleges and universities focusing on unrelated business income (UBI) tax and compensation issues. The report indicates that the examinations resulted in disallowance of a significant amount of UBI losses claimed by the colleges and universities on their tax returns, in many cases because the claimed losses were associated with activities for which the IRS determined that the institution lacked a profit motive. The report also indicates that although most colleges and universities attempted to meet the rebuttable presumption standard under Section 4958 (which provides that, if certain steps are followed, the burden is shifted from the organization to the IRS to prove that executive compensation is unreasonable), approximately 20% of schools failed to use appropriate comparability data in determining reasonable compensation.

The IRS indicated that as a result of its findings, it plans to look at UBI reporting more broadly, especially at recurring losses and the allocation of expenses, and to ensure, through education and examinations, that tax-exempt organizations are aware of the importance of using appropriate comparability data when setting compensation. The report also sparked interest in Congress, and prompted the House Ways and Means Committee to hold a hearing on the report in May 2013.

Proposed legislation: On February 26, 2014, House Ways and Means Chairman Dave Camp released a draft "**Tax Reform Act of 2014.**" **The draft legislation contains numerous proposals affecting tax-exempt organizations.** Although the draft legislation may never become law in its proposed form, it does indicate the degree of scrutiny the tax-exempt sector is receiving and the types of changes that are under consideration. A number of provisions in the draft legislation would significantly impact colleges and universities, including:

- Limit on housing benefits: The exclusion for housing provided for the convenience of the employer and for employees of educational institutions would be limited to \$50,000.
- Tax on investment income: A 1% excise tax would be imposed on the net investment income of private colleges and universities with endowment assets of at least \$100,000 per full-time student.
- Tax on excess compensation: A 25% excise tax would be imposed on exempt organizations that pay specified compensation to certain employees that exceeds \$1 million for a taxable year.
- Modification of excess benefit rules: The definition of disqualified person for purposes of excess benefit transaction rules under section 4958 would be expanded to include athletic coaches and investment advisors. The rebuttable presumption standard would also be eliminated; instead, organizations would be required to meet certain procedural standards in establishing compensation for disqualified persons in order to avoid a proposed 10% entity-level tax.
- Changes to the unrelated business income tax: Certain present-law exclusions from UBI would be curtailed, **including the elimination of the exclusion for royalty payments for the use of an organization's name or logo**, and the imposition of significant limitations on the exclusion for corporate sponsorship payments.

Affordable Care Act - Employer provisions: Employers continue to focus on compliance with ACA provisions that are currently in effect, as well as planning for those provisions that are set to phase in over the next few years. In 2014, employers received transition relief and further guidance from the IRS with respect to the employer shared responsibility provisions of the ACA. Under the employer shared responsibility provisions, an applicable large employer (generally, an employer having 50 or more full-time-equivalent employees) must offer affordable, minimum value health coverage to its full-time employees or a shared responsibility payment may apply if one or more of its full-time employees receives a premium tax credit to assist the employee in obtaining insurance on a health insurance exchange. On July 9, 2013, the IRS published Notice 2013-45, which provided that the applicability of employee shared responsibility payments, which had been set to take effect for 2014, would be delayed until 2015. On February 10, 2014, the IRS issued final regulations implementing the employer shared responsibility provisions. These new regulations contain a number of provisions affecting the determination of whether employees of educational organizations will be considered full-time, including:

- Educational employees: Teachers and other educational employees will not be treated as part-time for the year simply because their school is closed or operating on a limited schedule during the summer.
- Student work-study programs: Service performed by students under federal or state-sponsored work-study programs will not be counted in determining whether they are full-time employees.
- Adjunct faculty: As a general rule, employers of adjunct faculty are to use a method of crediting hours of service for those employees that is reasonable in the circumstances and consistent with the employer responsibility provisions. To accommodate the need for predictability and ease of administration, the final regulations expressly allow crediting an adjunct faculty member with 2 ¼ hours of service per week for each hour of teaching or classroom time as a reasonable method for the purpose of determining whether the faculty member is full-time.

IRC Section 501(r) update: Section 501(r), which was enacted in 2010, contains requirements that not-for-profit hospitals, including academic medical centers, must satisfy to maintain tax-exempt status under Section 501(c)(3). These include requirements for financial assistance and emergency medical care policies, limitations on charges, restrictions on billings and collections practices, and the requirement to complete a community health needs assessment (CHNA). Failure to comply with Section 501(r) can result in loss of tax exemption and the imposition of excise taxes. In 2012 and 2013, the IRS published proposed regulations addressing the range of issues under Section 501(r). The proposed regulations are not binding, but hospitals may rely on guidance contained in the proposed regulations until temporary or final regulations are issued.

Importantly, the proposed regulations published in 2013 indicate that hospital organizations will be given opportunities to correct unintended violations of Section 501(r), and the revocation of exempt status is expected to be limited to egregious cases. In January 2014, the IRS published proposed procedures under which certain failures to meet the requirements of Section 501(r) will be excused, provided failures are corrected and disclosed in accordance with specified guidelines. Final regulations on the requirements of Section 501(r) are expected by the end of 2014.

### *Federal award compliance and audit requirements*

On December 26, 2013 OMB published its "Sweeping Reform" guidance, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (the guidance or document). This represents the culmination of a process undertaken by OMB to accomplish several objectives. These objectives include streamlining existing federal administrative, cost, and audit circulars, reducing administrative burden, and reducing the risk of fraud, waste, abuse, and improper payments. OMB received numerous comments from multiple stakeholders over the past two years. The document includes a substantial section devoted to comments received, and OMB's considerations when deciding whether or not to implement the comments.

This document replaces several existing OMB circulars, including the administrative circulars A-110 and A-102; cost circulars A-21, A-87 and A-122; and the non-federal audit circular A-133. The effective date of the cost and administrative portions of this guidance is December 26, 2014 for new awards and funding increments issued on or after that date. The effective date for the audit guidance is audits of fiscal years beginning on or after December 26, 2014. Each federal agency is required to issue implementing regulations, and any changes from this document must be approved by OMB unless a federal regulation, statute, or executive order requires a change.

The document includes numerous changes from existing compliance and audit rules that each institution should now be considering and planning to implement by the effective date. The more significant items are included below — but this is not a complete list of all changes.

- Federal agencies must provide award performance goals, indicators and milestones, and recipients must relate award financial data to the performance goals and provide cost information to demonstrate cost efficiencies. There is some relief for research and development awards.
- Procurement requirements are largely taken from A-102 rather than A-110. Because of this, there is much more emphasis on competition and competitive bids.
- Recipients must maintain effective internal controls. COSO and the federal Green Book (federal agency internal control framework) are listed as two examples that "should" be followed as a best practice.
- Subrecipient monitoring has largely not changed and there is specific emphasis on performing a risk assessment of each subrecipient. Subrecipients must be paid a minimum indirect cost rate of 10%.
- The traditional three examples of effort reporting have been removed. Emphasis is placed upon using existing payroll distribution systems, and strengthening internal controls to assure an accurate distribution of payroll.
- OMB plans to develop new required compliance audit procedures for auditors to follow. The procedures will be designed to focus on and have greater emphasis on the goal of reducing fraud, waste, abuse, and improper payments.

The new OMB guidance represents the first time in decades where OMB and the federal agencies have focused on reducing the burden of compliance and audits while still achieving effective program management and accountability of public funds. The changes are extensive, and many of them will require institutions to take a critical look at their internal compliance structure and processes to determine where change is required to existing institutional practice.

Given the relatively short time to the effective date, institutions should be examining each of the more significant items to their institution, and develop an implementation plan and timetable. These plans should include training of both financial and compliance administrators, as well as the faculty and investigators who carry out the work of the federal awards.

In addition, the greater emphasis on internal control best practices will necessitate in practice a review of internal controls over compliance at a minimum, to determine where there may be significant gaps that should be addressed.

### *DATA Act*

During 2012 and 2013 the House and Senate each issued versions of the Digital Accountability and Transparency (DATA) Act. The intent of the Data act is to amend the 2006 Federal Funding Accountability and Transparency Act to further increase transparency of federal spending by federal agencies and the recipients of federal awards. During May 2014 the House and Senate reconciled their respective versions and President Obama signed the DATA Act into law on May 9, 2014.

The Data Act includes the following:

- The OMB and Treasury Department are to develop government wide financial data standards for federal agencies and recipients of federal funds to use for reporting. Common data elements will to be mandated for use in financial reporting and payment information by all federal agencies.
- The new data standard **must incorporate a “widely accepted, nonproprietary searchable platform — independent, computer readable format,” such as XBRL.** This is similar to the electronic data tagging and reporting mandated by the SEC for public companies several years ago.
- There is a three-year development period that includes a pilot study to be conducted by OMB to determine the feasibility of pushing the electronic tagging and reporting down to the recipients’ **funding.**

The Data Act, when fully implemented by federal agencies, will significantly increase the visibility the general public has into federal spending and undoubtedly will impact the federal award decisions made in the future.

### *Debit cards*

The Education Department Office of the Inspector General, at the request of Congress, has looked into and reported on the use of debit cards as a means for schools to provide students access to their financial aid remaining credit balances. Often, schools contract with a third-party servicer to provide the debit cards to students.

The Inspector General, in its report issued in March 2014, noted several concerns and recommended the **Department of Education issue new rules. The concerns include a lack of school monitoring over the servicer’s** compliance with student financial aid regulations, lack of full disclosure to students of options available to them to receive access to their funds, charging transaction fees, and collection of personal information not necessary for student financial aid compliance but rather for marketing purposes.

The Inspector General also noted concerns about potential conflicts of interest associated with schools that contractually might benefit financially from issuance of debit cards. This is similar to the concern the Department of Education addressed with preferred lender arrangement service years ago.

### *For-profit education*

For-profit educational institutions provide access to higher education programs for a large segment of the population. The cost of the programs offered by the for-profit sector compared with the not-for-profit sector, and the resulting level of student loan debt incurred by students, is a focus of several regulators.

This sector of the education industry continues to be under the microscope as Congress investigates perceived abuses of Department of Education regulations and the level of oversight provided by the Department of Education and accrediting agencies. Incentive compensation paid to recruiters, questionable recruiting techniques and the rate of program completion are some of the areas Congress is investigating. Accrediting agency and Department of Education oversight is also being called into question, as well as management practices.

**The “gainful employment” rule is considered a first step toward reducing the perceived abuse and improving** oversight of this sector. Although certain significant components of the rule were overturned in a court ruling last year, the court clearly indicated the Department of Education has the statutory authority to issue regulation similar to gainful employment as long as it is based upon more factual studies and analysis. The gainful employment disclosure requirements survived the court ruling.

In March 2014, the Department of Education issued draft revised gainful employment regulations for public comment. The revised rules continued to include a graduate debt-to-income test, but also add a loan repayment test and a program level cohort default test.

This revised regulation also requires that each for-profit school program must meet state licensure and accreditation requirements in order for the school to participate in the federal student financial aid program.

It is likely that these new proposed rules will cause some percentage of programs to be disqualified from being eligible for student financial aid program participation, and **others may fall into a “warning zone” that would require student notification.**

### *Our perspective*

The attention to educational institutions from Congress, the president, and other regulatory bodies is not slowing down. While some legislation is in progress to streamline compliance requirements and reduce the financial burden, other legislation in progress, as described previously in this paper, will result in more compliance requirements and added cost of implementation. Therefore, when the opportunity arises, educational institutions should continue to be vocal with regulatory bodies and political leaders as to their perspectives on proposed changes and the regulatory cost associated with such changes. In the meantime, institutions will need to continue to be vigilant in enhancing internal controls over compliance.

In connection with the development of an organizational framework for institutional compliance, educational institutions should continue to develop other proactive responses to manage and monitor regulatory compliance. Institutions should consider the following to enhance overall compliance and reduce the financial, operational, and reputational risks associated with noncompliance:

- Stay abreast of new regulatory developments and ensure their voice and points of view are heard through industry associations and political influences.
- Continue to educate trustees, faculty, and staff of the ever-changing regulatory environment to ensure there is the appropriate level of focus on compliance with not only external rules and regulations but also internal policies and procedures.
- Determine who is responsible throughout the organization for compliance with rules and regulations and whether actions are needed to improve or maintain compliance.
- Assess key exposures and implications to the institution from an operational, financial reporting, and legal perspective, and respond to these exposures through risk management programs, involvement of appropriate parties with the identification and monitoring of risks (including senior management, internal auditors, and other key departmental administrators), and establish ongoing programs to mitigate potential noncompliance.
- Identify best practices for appropriate compliance metrics and other means to track and report the processes and procedures associated with regulatory compliance.

While educational institutions are not SEC registrants, many are considered “public interest entities” due to their issuance of tax-exempt municipal bonds and other factors. As a result, institutions must be cognizant and proactive with respect to the level of reporting, controls, and compliance responsibilities associated with this designation.

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# Protecting information assets

## Background

**An organization's ability to adequately protect valuable information assets, such as personal and proprietary data, is an urgent issue for both the private and public sector. With each high-profile security incident or data breach that makes the media headlines, comes increasing worry by a variety of internal and external stakeholders about whether an organization's information assets are being adequately protected and used appropriately.**

Organizations across a variety of industries, including the education industry, collectively reported over 63,000 security incidents throughout 2013.<sup>6</sup> While only approximately 1,300 of these security incidents confirmed data compromise, the tangible and intangible costs that organizations expend to confirm whether the information was potentially exposed to an unauthorized party are insurmountable. Furthermore, an analysis of the 2014 Verizon Data Breach Investigation Report (DBIR) survey dataset tells a story that perpetrators of these security incidents are getting better at what they do at a higher rate than the individuals within an organization who are tasked with detecting and preventing such incidents.

With respect to the public-sector specifically, the 2014 PwC Global State of Information Security survey noted that public-sector respondents reported a significant increase in data loss as result of security incidents. Compromise of employee and customer records remain the most cited impacts, potentially jeopardizing an organization's most valuable relationships.

Higher education is not immune to the internal and external forces that are influencing how organizations are expected to protect and use their information assets. Increased scrutiny on compliance with regulations under the Family Educational Rights and Privacy Act Regulations (FERPA), Health Insurance Portability and Accountability Act (HIPAA), EU Data Protection Directive, and various state-level data protection and breach notification laws are joined now by other high-stakes business drivers — revenue and reputation — which are calling for educational institutions to take action.

Once considered the domain of **the educational institution's administrative departments, such as legal, compliance, or information technology, the responsibility for protecting and appropriately using an institution's information assets is now a top priority for the academic leadership, and others tasked with governance. Rethinking how information assets can be adequately protected is just one key part of keeping pace with today's changing realities.** As part of a bigger picture, institutions have an opportunity to re-evaluate their approach to how they collect, use, and share personal and other proprietary information in the wake of the new and existing threats and opportunities that a digital world brings.

## Impact on educational institutions

Educational institutions are collecting more information than ever about students, research, alumni, and faculty, **resulting in personal information becoming one of the institutions' most valuable assets.** In addition, institutions globally are struggling with appropriately allocating sufficient resources to prevent, detect, and respond to sophisticated cyber-**threats targeting access to the institution's proprietary and sensitive information.** As higher education looks to strike a balance between the risk and reward of having so much valuable information, two key questions are being asked: How much decentralization and autonomy can be accepted in a historically decentralized and open information technology culture? Should an institution be more proactively collaborating across academic and administrative departments to create an integrated information protection and management strategy?

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<sup>6</sup> Source: Verizon's 2014 Data Breach Investigation Report.

For example, an institution with a student health center or medical school may see one of its departments focused on adopting a controls framework that demonstrates compliance with applicable regulatory requirements such as HIPAA. The same institution may also have a research department focused on a more operational approach to protecting information, such as Privacy by Design, whereby a common set of privacy principles are embraced because of the agility with integrating information management concepts across new research projects.

Higher education institutions have an opportunity to take greater advantage of building trust and transparency with their internal and external stakeholders through their information protection and management practices. Many institutions have focused attention in the following areas:

- Avoiding information protection silos. Has the institution formed a governance structure to ensure that academic and administrative departments are integrated with respect to defining and operationalizing their strategy and programs for protecting valuable information and evaluating the sufficiency of existing policies, processes, and controls?
- Getting the right fit. **Does the institution's information protection and management programs align with the institution's broader business strategy and priorities and its approach to interacting and engaging with its constituents?**
- Minding the policy gap. Can the institution validate that information protection and management policies and processes are aligned with current business practices and that the underlying internal controls supporting these programs are designed and operating effectively?
- Finding the weakest link. Does the institution perform due diligence procedures on business partners to **ensure that they are honoring the institution's information protection and management commitments** which have been made to key stakeholders?
- Checking the defaults. Do standard service provider contracts and inter-department service level agreements meet the unique information protection or management needs of a given department?

### *Our perspective*

By considering the appropriate information protection and management strategy, an educational institution will be building a program that considers more than how to prevent loss of trust, damage to brand and reputation, fines, or litigation. Specifically, by focusing on creating and implementing the foundational elements of an effective information protection and management program, institutions build trust and transparency. The foundational elements of well-designed programs to protect information assets today and in the future will include:

1. Establishing an accountability and governance structure. Many institutions still lack a dedicated executive for information protection, or they appoint a role but not the resources. Even those that do have a data czar or chief privacy officer are now embedding privacy and security consultants within administrative and academic departments. Working together, these specialists and department leaders are able to determine how information protection and management activities affect institutional goals and then craft an appropriate strategy.
2. Identifying and inventorying information that needs to be protected. Institutions should treat their information assets the same way they would their financial and physical assets. Institutions need to make sure that they understand what information they have, the value of this information, what laws and regulations apply to such information, and who has access to the information and for what purposes. Consideration should also be given to third-party service providers and outside partners with whom such information is shared. Information inventories should also be updated on a periodic basis based on the results of risk assessment activities, operating model changes, new regulations or other changes to the processes and controls impacting the information management lifecycle.



3. Performing a risk assessment. Once institutions have identified their most valuable information, ensuring that academic and administrative departments understand their fiduciary obligations for protecting institutional information must be a top priority. Often times, individual departments may not fully understand the relevance of these obligations and the related processes and controls that may be required to **effectively manage the institution's risk and regulatory requirements. A comprehensive risk assessment should outline the institution's risk appetite, identify external and internal risk factors, and therefore drive** an overall consideration of the administrative, technical and procedural controls required for an information protection and management program.
4. Training and educating institution personnel and other key stakeholders. A comprehensive training program can be a significant deterrent, and highly effective for employees, faculty, and students alike. For example, it may help demonstrate how to better identify, react and respond to current external threats such as phishing and social engineering attacks. Training can also help ensure employees have a solid **understanding of an institution's security policies, procedures and best practices and mitigate risk derived** from human error.
5. Managing and monitoring third-party relationships. Institutions need to ensure that they are undertaking proper due diligence **when selecting a third party, including consideration of the third party's** information security posture and resilience. Written contracts need to exist and outline the rights and responsibilities of all parties. Clear roles and responsibilities for overseeing, monitoring, and managing the relationship need to be defined, documented and communicated.
6. Developing a robust breach detection and response strategy. Institutions need to be able to maintain a comprehensive inventory of all incidents and breaches, including corresponding investigative results. It is also becoming more common for institutions to develop an integrated incident detection and response program that also covers cybersecurity threats and broader information privacy and security-related incidents.
7. Evaluate ongoing program effectiveness. Monitoring the effectiveness of the information protection and management program should be embedded into the day-to-day operations. In addition, the provost, trustees, and management are expecting assurance that their institution is honoring its information protection commitments which often introduces the need for periodic independent reviews of the **institution's information management practices.**

In short, while many higher education institutions continue to make improvements in how they protect and manage their information assets, they continue to be at risk of falling behind the determined adversaries of today. Rethinking how information assets can be adequately protected and managed should be a critical component of an **institutions' overall business strategy and will help ensure that an institution does not solely rely on yesterday's practices to combat today's threats.**



# *The evolving global higher education market*

## *Background*

The higher education landscape continues to evolve as the international demand for a highly skilled and knowledgeable workforce increases. This need has prompted the global higher education community to transform the means for its citizens to obtain degrees at both the undergraduate and graduate levels and has also led to new strategies and practices at institutions in the United States.

Policy changes continue to take effect internationally as a way to address the demand for higher education. For instance, in Europe, the Bologna Declaration united forty-seven countries in an effort to streamline the transparency across curriculums, increase student and faculty mobility among institutions and standardize the degrees offered. European institutions have also moved toward offering a **three-year bachelor's degree, which is** attractive to students not only from a cost perspective but also to accelerate the process of obtaining higher-level degrees.

Demographic changes have also prompted countries to identify better ways to educate their residents. In 2013, India had over 140 million people at the age where they could attend a college or university. Furthermore, the **country's growing middle class continues to enable more families to pay for their education. Significant efforts are** underway to offer schooling for the growing population, including developing a mandatory accreditation system, standardizing benchmarks between institutions and creating a rewards and tenure based system to attract and retain qualified faculty members. Similarly, China is looking to retain its ever growing population of college bound citizens, as well as appeal to international students by implementing strategies such as increasing the number of scholarships offered by the government. These efforts are paying off; from 2011 to 2012 the number of international students attending Chinese institutions increased approximately 12.2% from 292,600 international students to 328,300 students.

The global educational market also continues to have a significant impact on institutions in the United States. According to the US Department of Commerce, during the 2013 academic year, approximately 820,000 international students came to US colleges and universities, contributing more than \$24 billion to the economy. Furthermore, the primary source of educational funding for 61% of these students is personal and family funds. These students are paying full tuition, which is especially attractive as US institutions continue to be challenged with financial pressures.

## *Impact on educational institutions*

US institutions continue to adapt to the evolving global environment, and many are expanding into new and different territories to accomplish their goals. Several are expanding their presence in international markets by setting up branch campuses, which can be attractive in certain countries where start-up funding from both the public and private sectors is available. For those institutions that do not want to outlay the capital requirements and related funding associated with branch campuses, consideration is being given to study centers, partnerships **with international institutions, and other types of joint ventures as viable alternatives to a traditional "bricks and mortar" overseas campus.**

Staying competitive with international institutions and capitalizing on the growing demand for higher education has also led to increased overseas recruitment efforts by many US institutions. Specific roles have been created at universities to focus on these efforts, including opening international offices to make the recruiting process more

efficient. These international offices are often outsourced to firms that specialize in the policies and procedures in the local country where recruiting is being conducted.

US institutions are also expanding their study abroad programs for their students. As the educated workforce extensively operates on a global basis, the need for international experience continues to be magnified. To respond to this need, certain institutions are requiring an overseas educational component before obtaining a degree. Through collaborations with other domestic institutions, growing study-abroad offices, and faculty rotations to overseas locations, greater international opportunities for students are being promoted as a differentiator between competing universities.

### *Our perspective*

The continued globalization of higher education presents both opportunities and challenges for US institutions. The increasing population of foreign students who are demanding access to education beyond traditional resources offered in their countries advances the possibility of both domestic and international expansion by US institutions. Offsetting these expansion possibilities is the fact that foreign countries are responding to the demands of their citizens by making improvements to their current higher education models, thus attracting their residents to remain in their home country. As US institutions grapple with these opportunities and challenges, consideration should be given to the following:

- Academic quality – As institutions deal with domestic pressures to define and measure the quality of a **student's academic experience, expanding on a global basis only increases the challenges of monitoring** whether the international academic experience is on par with the standards established in the United States. Universities should establish a quality assurance program to ensure the experiences overseas coincide with the expectations of the domestic campus.
- Recruitment practices - The pressure to attract and keep international students at US colleges and universities has led to the need for stringent policies and procedures when recruiting from foreign countries. Qualified admissions counsellors and/or independent contractors should abide by established principles of a university to ensure proper representations are made to recruited students.
- Regulatory – Multiple rules and regulations must be considered when a presence is contemplated in a foreign country. These include licensing requirements, taxation, student visas, and export rules, among many others. Whether establishing an overseas location, sending faculty and students to a foreign country or setting up a recruitment office, US institutions should involve both domestic and international legal counsel, as well as other specialists knowledgeable about the regulatory requirements in a specific country.
- Financial – Regardless of the type of foreign program established, long-term forecasts and budgets must be considered to determine the viability of expansion into a new territory. Projections that consider fluctuating enrollment, currency exchange variability and operating and capital requirements should be factored into the forecasts that are developed.
- Centralization of international efforts on campus – Given the decentralized nature of many universities, international activities are often dispersed across multiple schools and departments. To properly address the opportunities and challenges of international activities on a coordinated basis, the centralization of such international efforts as study-abroad programs, overseas travel by faculty, recruitment goals, and long-term international initiatives should be moved to a centralized unit within an institution.

Expanding to new territories and capitalizing on the international demand for higher education is requiring extensive discussions at the highest levels of management and with the boards at US universities. The engagement of faculty is also needed in strategy discussions to ensure their voice is heard when consideration is being given to **expanding an institution's global footprint. The rewards from an effective overseas strategy include reputational growth, new revenue sources, and additional opportunities for students.** These rewards must be weighed against **risks such as how an institution's brand may be impacted, how local law may impact the educational experience,** and how sustainable an overseas presence is, once initial funding is no longer available. Involvement of many different constituents will continue to be necessary to ensure the international strategy is in line with both short- and long-term goals and strategies of an institution.

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# *Facilities planning*

## *Background*

Higher education institutions continue to face pressure to build, maintain, and renovate campus facilities. Institutions are competing with growing demand for large and new infrastructure projects such as research facilities, athletic venues, technology learning environments and residential and social facilities. There is also a **need for more “green” buildings: those that are environmentally sustainable but come at a higher cost. In addition** to these challenges, institutions continue to grapple with how to fund the growing deferred maintenance of their facilities as a result of aging campuses.

The funding for capital projects can be a challenge. Institutions are dealing with budget cuts from the federal government and pressures to reduce tuition increases. Third-party financing has become more difficult, as there is **increased scrutiny on an institution’s debt service capacity. Development offices are trying to address these** challenges by promoting capital campaign messaging not only around new construction, but also renovations to existing facilities and the inherent costs of maintaining infrastructure over a significant period of time.

In a recent publication by the American Association of State Colleges and Universities, state capital outlay and deferred maintenance funding was listed as one of the **“Top 10 Higher Education State Policy Issues for 2014.”** This issue is certainly not unique to state-supported higher education institutions, but is also relevant to private colleges and universities. Long-term facilities planning and strategies are at the forefront of discussions at the board and senior management levels, as institutions debate funding strategies with respect to the significant costs associated with campus renewal and replacement.

## *Impact on educational institutions*

To address their facility needs, colleges and universities are developing comprehensive capital plans. These plans are addressing all phases of the capital life cycle, from new construction to ongoing operational costs to deferred maintenance of existing facilities. Included in the plans are space studies to determine the most effective and efficient use of existing space, and to evaluate whether it is more advantageous to renovate existing buildings or construct new structures. Detailed deferred maintenance reviews and cost-benefit analyses of owning versus leasing are all being factored into overall capital strategies.

Many institutions are seeing the benefit of having a collaborative capital planning process with involvement of key individuals throughout the university. This involvement includes key representatives from facilities, the budget office, finance, advancement, provost/academic planners and executive leadership. The collaboration continues with the board of trustees and appropriate subcommittees of the board including facilities, finance, audit and executive committees. Funding options are at the forefront of all discussions, given the long-range implications of campus planning.

The growing backlog of deferred maintenance has risen to the forefront of many discussions. Institutions are evaluating deteriorating facilities for code and safety concerns, as well as for general student satisfaction. A thorough understanding of the needs on campus is being assessed and prioritized for those that are most pressing. Long-term budgeting is taking into consideration the need to properly fund depreciation so backlogs of deferred maintenance do not continue to grow.

To fund campus projects, institutions are being more specific and creative with their capital campaign messaging. Historically, donors have been most willing to provide funding for new construction, but with limited resources available to renovate and repair existing facilities, campaigns are being focused more toward these needs. Renaming of existing structures and recognition of those gifts that support the long-term needs of a building are being used as ways to incentivize donors to provide funding for renewal and maintenance efforts.

In an effort to control the significant costs of new construction, institutions are evaluating their current buildings and making decisions to renovate or consolidate space. Outside specialists are being hired to review the entire campus footprint including space that may be rented to outside parties or leased by the institution, to evaluate the most appropriate use or ownership of these types of buildings. Ideas such as shared space arrangements, hoteling of offices, and remote learning considerations are all being factored into space reports.

To address the increased demand for “green” buildings, colleges and universities are developing policies to formalize their green initiatives on campus. These policies include goals for reducing CO2 emissions, energy use, and water use. Institutions are also striving to achieve higher ratings in the leadership in energy and environmental design (LEED) rating system, which provides verification that a building is environmentally sustainable. Efforts in this area are being promoted as a recruiting tool, given that students and other constituents view these endeavors in a positive light.

### *Our perspective*

The challenges of dealing with facilities management is going to continue. Prioritizing the capital needs of the institution, conducting ongoing space and deferred maintenance studies and engaging constituents across campus are all important aspects of properly dealing with campus renewal and replacement. Long range planning and forecasting is imperative given the significance of construction and related financing on an institution. Active involvement of the board of trustees on decisions regarding significant facilities activities is also a key component of the process.

Responding to the growing facilities expectations of students, parents, faculty and other constituents is going to require strong messaging around financial aspects of the campus footprint. This messaging should include development personnel who will need to promote fundraising goals around capital, facilities personnel who will need to communicate the **institution’s commitment to the environment surrounding new construction, and** executive leadership on the long-term renewal and replacement plans at the institution. Education of appropriate parties is also needed on such concepts as funded depreciation, financing structures and non-availability of certain funds at the institution due to donor restrictions.

As institutions look at their long-term capital needs, proper consideration must also be given to how employees may work in the future, and how students may learn. Thinking creatively about workforce flexibility such as telecommuting arrangements, as well as distance learning initiatives and inter-university collaborations, must all be considered when looking ahead to facility needs. Those institutions **that solely focus on traditional “bricks and mortar” campuses will miss the potential opportunities that are going to evolve in the future.**

With the proper planning, dialogue and support from leadership, institutions can focus their facilities priorities and needs in a well thought out manner. Those that approach facilities management with a broad, long-term view will ensure their campus facilities keep up with ever-changing ways that employees work, students learn and faculty conduct research.

# Healthcare reform and the effect on higher education

## Background

As the Affordable Care Act (ACA) proceeds in 2014, new norms and opportunities are rapidly reshaping the \$2.8 trillion US health sector. Healthcare organizations are adjusting to empowered consumers, rapid innovation, and, most notably, increased competition from non-traditional players. Newcomers such as retailers pose a mounting threat to the status quo, while at the same time, technologies are coming together to create new business models better able to coordinate care and offer greater value to purchasers.

**In the past year, the ACA's fifty-one** health exchanges sputtered to life amid significant technical woes and a budget battle in Washington. Despite the turmoil, much of the health industry has accepted that reform is here to stay. Seismic shifts in the healthcare landscape are underway and are unlikely to be reversed in the near term, namely:

- More people have coverage through the exchanges and Medicaid expansion
- Medicare reform is increasingly rewarding value over volume
- Reducing costs is critical to long-term fiscal strength
- New collaborations, affiliations, and mergers are occurring rapidly in attempts to provide cost-effective and competitively differentiated care to patients and employers

Forward-looking executives are making decisions based on a post-ACA landscape that has altered the provision of private insurance and the delivery of care. Government and employers are shifting the way they pay for healthcare, placing greater control in the hands of consumers to manage their medical costs.

While the political turmoil around the ACA continues, a new health economy is taking shape. Healthcare continues to undergo a customer-centric transformation that many other industries long ago embraced. Consumers are empowered, engaged and more discerning as emerging technologies allow them to wield new tools providing better and more up-to-date information to comparison shop. The year ahead will be marked by how well the industry responds to these shifts.

## Impact on educational institutions

Higher education, as with most industries, is not immune to the healthcare landscape transformation. In fact, many higher education institutions are uniquely impacted by the significant industry trends as they must balance the challenge of being a large employer and purchaser of healthcare while at the same time being a provider of healthcare themselves through an affiliated clinical enterprise. The manner in which higher education institutions are impacted by and respond to these trends reflects the multiple missions these organizations embody. The following represents several of the more significant areas that educational institutions are impacted by the ACA.

1. *Employer implications* – Today, more than 156 million Americans receive health insurance through the workplace. Employers in 2014 are looking for more creative, more affordable ways to provide that benefit. As large employers with a complex and diverse workforce, the health demands higher education institutions face are similarly complex and diverse. Higher education institutions must balance their healthcare needs with the fiscal realities of healthcare expenditures that have grown significantly over the past decades. As such, institutions are increasingly reviewing their benefits options and exploring the use of new and innovative approaches to support their employees and core missions. These options include the growth of high **deductible or tiered plans, financially supporting employees' choices on the healthcare exchange**, as well as implementing plans to foster healthy lifestyles as a cost control strategy.

2. *Student implications* – Many universities are working to better coordinate their student health plans and contain cost. Student health insurance now must conform to certain minimum standards (with some temporary exceptions), and their risk pool may change, with students able to stay on parents' plans longer, and possibly be eligible for Medicaid or subsidies to assist buying coverage on an exchange. In addition, reform has placed an increased regulatory burden on student health centers, increasing the cost of delivering care and driving some institutions to consider outsourcing.
3. *Clinical implications* – Higher education institutions that also are academic medical centers (AMCs) face additional complexities, such as not only having to address all the same challenges of a large employer but also the impact of the previously identified industry trends and the resulting dynamic changes to one of their core missions. Clinical revenues that once could help subsidize the core missions of education and research now face increasing downward pressure, resulting in heightened scrutiny of the funds flow between the tripartite missions of the AMC. Rationalization of graduate medical education (GME) spending, strategic and programmatic support of the academic enterprise and optimization of administrative and functional support areas through new and innovative collaboration models (such as shared services) are all initiatives underway to support long-term financial sustainability of the AMC.
4. *Faculty implications* – As educators at this critical time in our history, the industry sits in a unique position to both study and measure the impact of healthcare reform and also support effective responses to the challenges reform is trying to address or is causing. As the aging population confronts a limited supply of **healthcare providers, the industry's response to such disparities is driving innovation in healthcare delivery**, technology, and consumer expectations. At the same time, higher education is challenged to educate and train the existing and future healthcare workforce needs of the country while facing its own need for innovation in the face of rising costs and regulatory pressure, financial constraints, and students confronting the reality of mounting debt. Cost reduction efforts continue across the industry through development of innovative cost effective teaching methodologies and leveraging technology.
5. *Research implications* – As the healthcare industry comes under increasing pressure to replenish its product pipeline faster and with fewer dollars, researchers at higher education institutions must rethink their research methods and funding opportunities. Research insights drawn from consumer-generated data will play a bigger role in clinical trials and epidemiological health research initiatives, as well as facilitate greater research collaboration (e.g., big data and crowd sourcing). As it evolves, research will become more data driven and funding opportunities will be increasingly aligned with outcomes and population health.

Educational institutions as employers are not immune to the implications of the ACA. Many are mobilizing around developing and implementing effective short-term and long-term strategies in response.

### *Our perspective*

Educational institutions must continue to effectively and proactively respond to the impact of healthcare reform. There is no doubt that an effective response will challenge institutional business models and cost structure. Institutions should continue to focus on the following areas in developing and implementing an effective strategic response to the ACA:

1. *Focus on benefits management to optimize the choices offered to employees and students within the fiscal realities facing the industry.*
  - Evaluate insurance options to continue to offer employees and students limited health plan choices or to participate in private exchanges.
  - Consider longer-term prospects of directing some employees and students to state exchanges in future years.
  - Focus on employee and student wellness in recognition that preventive care will be critical to long-term sustainability of robust health benefits.

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- Educate and incentivize an intergenerational and diverse workforce and student body about the economics of their healthcare choices.
2. *Continue to focus on the cost, affordability and attractiveness of the educational curriculum to meet greater demand for medical education in an economically sustainable way.*
- Re-evaluate decentralized and/or ineffective administrative structures and processes to improve efficiencies through shared service opportunities
  - Leverage technology to develop more cost effective and efficient delivery models that create new and valued learner experiences.
  - Make the educational curriculum relevant and attractive to the next generation of healthcare providers seeking to pursue a sustainable healthcare career.
  - Set performance expectations for faculty productivity that aligns the significant resources committed to faculty with academic goals and priorities.
3. *Develop alternative revenue sources to offset reduced clinical funds flow.*
- Consider new and creative partnerships or affiliations where the value inherent to an AMC aligns with other providers, payers and industry needs.
  - Collaborate with inter- and intra-disciplinary research partners to increase successful grant funding opportunities.
  - Align research with funding opportunities focused on population health and patient-centered quality outcome driven research grants.
  - Leverage the translational research capabilities inherent to AMCs as a means to demonstrate new cost effective treatments envisioned by healthcare reform and to partner with industry on intellectual property development and its associated revenue streams.
4. *Expand GME programs to support the growing demand for physicians, particularly primary care specialists, and the increasing number of insured.*
- Grow and/or right-size programs in ways that match increasingly limited resources in cost effective ways to support training priorities.
  - **Explore alignment with the ACA’s funding increases to primary care training programs including critical access hospitals and federally qualified health clinics (FQHCs) in order to grow the physician workforce.**
  - Support growth at affiliated clinical sites through GME knowledge transfer, curriculum and faculty development, and potential sponsorship or collaborative program development.

Higher education continues to adapt to healthcare reform. Reform’s impact on the many constituents higher education serves and their ability to pursue mission goals and priorities must be addressed in order to continue playing a strategically important role in achieving healthcare reform’s goal of expanding cost effective quality care.



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# *Crisis communications*

## *Background*

From campus shootings and other crimes to network and data breaches, student incidents, and adverse headlines related to faculty, staff, executive leadership, and affiliations, examples of crisis scenarios are plentiful. Many types of emergencies are expected and periodically recur, such as weather-related incidents, demonstrations on campus, missing students, and outbreaks of illness. Other crises are sudden and unexpected, and are instantly made public through social media. In the wake of recent incidents, campuses have embarked upon various efforts to evaluate and enhance their ability to respond to these events, including implementation of disaster recovery and emergency preparedness plans. Institutions focus planning efforts on a multitude of incidents believed to be reasonably possible.

Timely and effective communication is absolutely critical to ensuring the safety of all stakeholders and should be one of the key components of any emergency response plan. In addition to the immediate risks of the crisis itself, institutions may face serious reputational risk as a result of the crisis and the response. A communication plan must proactively consider the senders and receivers of information to effectively guide all stakeholders, from the onset of the incident to the resolution and through the aftermath, in some situations. Handling and response to emergencies can have dramatic downstream impact.

Even though institutions are doing more than ever to prevent crises, such as identifying at-risk students and attempting to intervene, and preparing for significant crime threats and campus demonstrations, they are often challenged to develop and maintain an effective, comprehensive communication plan to be activated when needed. Communication will continue to be a key component of any emergency response plan.

## *Impact on educational institutions*

An effective communication plan is essential for institutions to develop and implement with the support of leadership, faculty and staff. There are many factors to consider when creating the plan, such as incident types, message control and delivery, establishment of communication channels, design of emergency alerts, policy and procedure enforcement for crisis communication, and testing/practice drills.

Most institutions have certain policies and procedures to address crisis or incident response. This documentation should be reviewed and revised periodically to ensure ongoing alignment with ever-evolving requirements. Institutions have considered the following when creating, reviewing, and updating crisis communication policies and procedures:

- Evaluation of historical emergency responses and lessons learned by other institutions can help to improve existing plans and identify additional types of incidents for which plans should be developed.
- Campus safety and emergency preparedness is an increasingly important selection criterion for prospective students and their parents.
- Transparency and ease of access to information should be emphasized in all plan documents, including policies and procedures and communication plans.

There are many stakeholders impacted by an emergency situation. These individuals are both internal and external to the institution and care must be taken to keep each category of stakeholders informed appropriately. The first priority is always to restore or maintain safety. The nature of the event and the stage of its progress will determine whether the communication is to inform, respond to, or drive action for the different groups of stakeholders **involved. The table below identifies many of the parties that have typically been included in an institution's communication plan as senders and/or receivers of information, depending on the nature and stage of the event.**



Internal stakeholders	Internal personnel	External parties
<ul style="list-style-type: none"> <li>• Students</li> </ul>	<ul style="list-style-type: none"> <li>• President</li> </ul>	<ul style="list-style-type: none"> <li>• Members of the community</li> </ul>
<ul style="list-style-type: none"> <li>• Parents/relatives of students</li> </ul>	<ul style="list-style-type: none"> <li>• Provost</li> </ul>	<ul style="list-style-type: none"> <li>• News media/outlets (local, national and international)</li> </ul>
<ul style="list-style-type: none"> <li>• Faculty</li> </ul>	<ul style="list-style-type: none"> <li>• CFO</li> </ul>	<ul style="list-style-type: none"> <li>• Local community leaders/politicians</li> </ul>
<ul style="list-style-type: none"> <li>• Staff</li> </ul>	<ul style="list-style-type: none"> <li>• Police/security</li> </ul>	<ul style="list-style-type: none"> <li>• Legislators (state/public colleges)</li> </ul>
<ul style="list-style-type: none"> <li>• Board/Regents</li> </ul>	<ul style="list-style-type: none"> <li>• Alumni relations</li> </ul>	<ul style="list-style-type: none"> <li>• Sponsoring agencies</li> </ul>
<ul style="list-style-type: none"> <li>• Alumni</li> </ul>	<ul style="list-style-type: none"> <li>• VP of communications</li> </ul>	<ul style="list-style-type: none"> <li>• Donors</li> </ul>
<ul style="list-style-type: none"> <li>• Members of the community</li> </ul>	<ul style="list-style-type: none"> <li>• Campus and student life/student affairs</li> </ul>	<ul style="list-style-type: none"> <li>• Business partners</li> </ul>
<ul style="list-style-type: none"> <li>• Affiliated entities (e.g. hospitals, other not-for-profits)</li> </ul>	<ul style="list-style-type: none"> <li>• General counsel</li> </ul>	<ul style="list-style-type: none"> <li>• National organizations (accreditors and NCAA)</li> </ul>
<ul style="list-style-type: none"> <li>• Charter/lab schools</li> </ul>	<ul style="list-style-type: none"> <li>• Athletics director</li> </ul>	<ul style="list-style-type: none"> <li>• Federal/state regulators</li> </ul>

Stakeholders intended to be receivers of information should also be considered potential senders of information and as such can pose additional risk. For example, a vocal faculty or staff member could verbalize opinions about the crisis directly to the media and may appear to speak on behalf of the institution. Institutions are managing the impact of these multiple, and sometimes conflicting, messages while continuing to address the crisis itself.

Maintaining control of the message and delivery of the crisis/incident information is essential for institutions. The organizational structure of communication/public relations function can vary considerably by institution and may impact the ability to manage communication effectively. For example, the communication/public relations function may be combined with community affairs, aligned to governmental relations/affairs for public schools or be a part of campus safety and security. There can be a fine line between communication, media, and governmental relations/affairs. Leadership needs to be aligned and informed regardless of the organizational structure to support effective execution of the communication plans. Institutions are considering the following items when creating and reviewing their communication plans:

- How does the institutional structure affect the management and delivery of information relevant to the crisis scenarios in the emergency plan?
- What is the optimal frequency and level of detail of communications for each scenario?
- Who needs to be aware of the emergency response and associated communication plan?
- How will relevant stakeholders stay informed about changes to the current plan and know where to find relevant guidance when needed? (e.g. will there be training on the plan and for whom?)
- Who is the most appropriate spokesperson for each scenario type considered in the plan?
- What channels of communication are available to escalate developing information in a crisis situation to keep leadership and decision-makers appropriately informed?
- What contingency plans might be needed?

With various scenarios, a certain type of outgoing alert may be part of the communication strategy. Institutions are establishing which alerts are the most suitable communication channels for each scenario to keep relevant stakeholders informed and drive appropriate action. The most common methods include phone – voice, text messaging, E-mail, “Amber” type alerts/broadcasts, social media (i.e. Twitter, Facebook, etc.), and communication with local/national/international media outlets.

Each of these methods can be effective and appropriate means to communicate in an urgent situation. For example, **it is common for texts and “Amber” type broadcast alerts to be used when communication is more urgent and** immediate action is needed, as in a tornado warning or other situations where immediate action is required. Email may be more appropriate for reminding students to get their annual vaccine to reduce the likelihood of a flu outbreak on campus. As with all aspects of the plan, periodic testing and validation of all communication channels and an update of contact information is needed to ensure delivery of crucial messages in the event of an actual emergency.

### *Our perspective*

Having a flexible, adaptive plan which is prescriptive enough to drive decisive action is necessary for successful management during a crisis. A decision tree type framework should be used to determine the most appropriate categorization of a given situation which points to specific plans of action. A detailed plan that can be executed at a **moment’s notice should be developed** for each category and should include a comprehensive communication plan to be readily adapted for multiple scenarios. Specific communication directives should be part of almost every step in each planned emergency response.

Response time will vary based on the type of incident as institutions may need to investigate first to gather facts. In time of crisis, media interest may flare at the onset and there could be a massive influx of inquiries from internal and external stakeholders. The communication plan should be developed as a detailed guide for each crisis category defined in the broader emergency response plan to drive what is communicated when, how, by whom, and to whom so that in the flurry of activity there is clear direction and unity in purpose. Also as part of the plan, institutions need to designate a spokesperson responsible for responding to inquiries from the media and others, including phone calls and social media. Roles and responsibilities for all stakeholders should be explicitly included in plans to the extent possible.

Practice drills should be performed on a periodic basis to ensure all those who support the process know what to do in the event of a true emergency. As appropriate, institutions should coordinate these drills with local police, fire, and other emergency responders. Practice drills should also be publicized to the students and broader community to the extent practicable in order to promote awareness of potentially dangerous situations as well as the existence of effective emergency plans. These are opportunities for educating the public and promoting the institutional brand.

As was noted in the 2013 edition of *Perspectives in Higher Education*, ***“External threats played out in mainstream media ... will, unfortunately, require institutions to ensure they have appropriate plans to react swiftly and appropriately to maintain the health and safety of the student body and to communicate to the campus at large.”***

Educational institutions have invested significant resources in making their campuses safer and improving crisis communication in recent years. The investment and attention should continue, along with an increased focus on the effectiveness of communication plans.

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# *Institutional data reporting*

## *Background*

Recent and highly publicized incidents of erroneous and inflated collegiate reporting metrics used in ranking colleges and universities have raised questions on how to prevent this from occurring at institutions across the country. Colleges and universities strive to achieve the most favorable rankings possible and there are reputational impacts to publicized errors. The incidents of misreporting have called into question both the controls and processes surrounding external reporting practices, which are often highly decentralized on many campuses, as well as the reliability of reported metrics.

At their annual meeting in September 2013, the National Association for College Admission Counseling (NACAC) amended their Statement of Principles of Good Practice, to require members **to have “an official policy regarding the collection, calculation and reporting of institutional statistics. This must include a process for validating all institutional data.”** While not required, the NACAC commented that colleges and universities could fulfil the validation requirement by obtaining an audit of their institutional data by an outside entity prior to disseminating their statistics externally. While ambiguity and interpretation continue to exist in the metric definitions provided by many external reporting agencies, institutions can take action to improve their confidence in the reliability and consistency of their externally reported institutional statistics.

## *Impact on educational institutions*

With the heightened focus on the reporting of key metrics, institutions are looking to strengthen the policies and procedures used to gather supporting information. Those institutions that have strengthened their reporting practices have focused on the following three areas related to data reporting.

### *System(s) of record*

The system(s) of record that support the collection, querying and aggregation of student and institutional data used to prepare externally reported statistics is central to the reliability of the information reported. Questions that institutions are asking surrounding the system(s) include:

- How are individuals involved in the reporting process using the systems of record to collect, analyze and transmit information to the institutional research department?
- Are the systems helping to facilitate the effective use and understanding of institutional data used by various groups at the institution?
- Do the systems require extensive work around programs and queries to enable effective day-to-day processing and external reporting?
- Has the institution’s needs outgrown the capabilities of current systems?
- Are the system interfaces and configurations up-to-date and customized to maximize efficiency and effectiveness in the reporting process?
- **Do individuals interacting with the institution’s systems have the proper training to maximize the capabilities of these systems?**

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## *Data ownership and change management*

The ownership and management of changes to an institution's data can have a direct impact on the institution's ability to effectively and efficiently extract necessary data points from the systems of record and accurately report institutional statistics externally. Factors that institutions are contemplating when compiling information and preparing institutional data include the following:

- Does the institution clearly define key data points, and is this understanding shared by those responsible for **external data reporting (e.g. what constitutes an "enrolled" student)**?
- Are data inputs used to calculate statistics properly flagged and tracked within the systems of record?
- Are key data changes logged by the system to establish an audit trail?
- Are changes to the systems of record and data variables communicated to all of the teams involved in the reporting process? Does this include teams located across multiple campuses?
- Is access to data monitored periodically to determine whether the ability to alter institutional data is redirected to authorized individuals?
- Has management formally documented the guidelines and procedures for the capture, storage, use, and reporting of key institutional data points?
- **Does one group/department oversee the institution's data to standardize the process and controls by which data is input, updated and maintained in the systems?**

## *Process transparency*

The third element institutions are focusing on to foster accurate institutional reporting is the level of transparency surrounding the data collection, aggregation and reporting processes within the institution. Questions that are being asked around process transparency include the following:

- Is there an internal audit process to determine whether stated policies and procedures are consistently followed?
- Do internal or external parties, independent of those who compiled the data, validate the accuracy of institutional statistics prior to reporting?
- Are there documented policies and procedures supporting the acquisition, input and maintenance of student and institutional data, as well as the interpretation of reporting guidelines and definitions?
- **Does the institution's code of conduct cover an employee's responsibility for accurate institutional reporting and the ownership of associated functions?**
- Has the institution considered how job performance incentives may create conflicts, real or perceived, with accurate reporting?
- **Has the institution's statistic reporting to external parties been evaluated and addressed through the institution's enterprise risk management program or by an equivalent committee/workgroup?**
- Are individuals properly trained on institutional policies relating to accurate metric reporting?

The accuracy and reliability of reported institutional statistics is critical as increased attention is paid to ensuring this information can be trusted. Accomplishing this goal has required the leadership within colleges and universities to review and evaluate various areas and processes within their institution.

## *Our perspective*

With the continued scrutiny regarding the accuracy of collegiate reporting metrics, it is vital that institutions implement processes to assess the accuracy of the information provided to third-parties. As noted previously, the systems of record that support the collection, querying and aggregation of student and institutional data is central to the reliability of the information reported. Given the importance a **college or university's systems of record play in the institutional statistic reporting process, it is imperative that the systems used fit both the institution's internal process needs, as well as the external reporting requirements.**

As it relates to data ownership and change management, colleges and universities may have a centralized Institutional Research Department that compiles, analyzes and reports key data to external parties, or the external reporting of institutional data may be decentralized across campus, increasing the risk of inaccurate reporting. Appointing a centralized group that is responsible for data reporting decreases the risk that inappropriate individuals have access to the underlying data and can further minimize the likelihood that key data variables will be altered within the systems of record without considering the downstream impact of these modifications.

Given the increased public pressure and scrutiny surrounding institutional statistic reporting, including the new requirements of the NACAC, the need for a defined and effective system of internal control and the validation of that system is important. By assessing process transparency and evaluating the personnel responsible for collecting, aggregating, and reporting institutional data statistics, potential issues can be identified prior to the release of reporting metrics to third parties.

In addition to a focus on the systems of record, data ownership and change management, the following items should also be considered when implementing controls and processes around institutional data reporting:

- Identifying opportunities to enhance data integrity;
- Increasing process effectiveness and efficiencies;
- Identifying system functionality limitations and modification opportunities;
- Evaluating the accuracy of reported institutional statistics;
- Raising awareness of vulnerabilities and issues within the institution;
- Providing guidance and points of view in interpreting guidelines and identifying areas of risk; and
- Strengthening procedures for future reporting.

Just as various other industries from banking to manufacturing have experienced increased regulatory requirements, colleges and universities should anticipate the increasing requirements over institutional statistic reporting to continue. In response, institutions need to assess their current processes and controls and where weakness or gaps are identified, implement the necessary actions to facilitate an environment of accuracy and integrity in their institutional statistic reporting.

# Megatrends – Considerations for the future of higher education

PwC's Center for Board Governance identified five megatrends that are shaping the world. These include some of society's biggest challenges and opportunities, as well as the consideration of the potential implications on business – now and in the future. The five megatrends are:

- Accelerating urbanization
- Climate change and resource scarcity
- Demographic shifts
- A shift in economic power
- Technological breakthroughs

The following is a discussion of four selected megatrends that have the potential for the greatest impact across institutions of higher education, and select questions trustees and administrators should consider in determining how their institution is positioned to adapt to these potential trends.

## *Demographic shifts*

Higher education is seeing a dramatic shift in student demographics. The typical student is no longer only the full-time, on-campus student. The student population includes international students, older students, either working full- or part-time, commuters and internet students. Additionally, demographic studies, for the first time in decades, are predicting a diminishing population of college age students in the US, with the number of high school graduates dropping sharply over the next decade.

There is however a continued expected increase in first-generation and low-income graduates and minority students. These shifts and the diversification of the campus will present more challenges in recruiting, enrollment management, financial aid programs and student retention across campuses. Student recruitment, both nationally and globally, will require a different outreach model and recruiting skills, which takes more time and institutional capital.

Enrollment management is also critical to achieving institutional priorities and goals, and the right balance across quality of the student, financial aid funding and diversification of the student body. An increasingly diverse pool of prospective students will continue to challenge institutions in determining that balance. Additionally, the student **profile continues to change, and today's students are demanding more cross-disciplinary learning and thinking**, particularly in science, engineering, and technology. This cross-disciplinary learning demand shift is challenging institutions to create opportunities and redesign campus facilities to bring cross-disciplines and creative students and faculty together for increased collaboration. Institutions need to think about how these campus space changes serve as opportunities to advance the student learning experience and to serve as curriculum drivers.

Executive leadership and trustees should continue the dialogue on the challenges and opportunities around demographic shifts. Specific factors to consider include:

- Is the institution addressing the rapidly shifting demographics from the perspective of the student including what should they learn, how best to attract the new student and has the value proposition changed?
- Is the institution considering demographic shifts in their policy making, curriculum and programs offered?
- How is the institution preparing for demographic shifts and specifically the impact on recruiting efforts, enrollment management, tuition funding models and campus facilities?

## *Shifts in global economic power*

The globalization of higher education is rapidly accelerating with the recent physical expansion of satellite campuses outside the US by several institutions. The current global expansion trend raises the profile of colleges and universities and provides greater opportunities to attract elite domestic and international students and faculty. The number of international students attending US institutions has risen steadily and has often compensated for reductions in federal and state funding. However, the number of international students attending US institutions may peak over the next ten years, as more institutions from the US and other countries expand globally.

Partnerships between institutions in different countries may also become more common to allow US colleges and universities with fewer reserves to obtain a footprint outside the US. Academic excellence in developing nations will also evolve as these countries will require a better educated population. Global faculty appointments and staff will also become more commonplace as the borders of higher education expand.

Executive leadership and trustees should continue the dialog on opportunities and challenges impacting the globalization of higher education. Specific factors to consider include the following:

- Has the institution developed strategic objectives that consider expansion outside the US, including consideration of partnerships with other entities?
- How does the institution intend to sustain and/or increase the number of international students in the face of increasing competition for these students here and abroad?
- Has the institution considered the nuances of its academic curriculum in other countries and how it achieves consistency in academic excellence in each country?

## *Resource scarcity*

Reductions in education and research funding by the federal government have become a reality due to the current fiscal state of federal and state governments. Universities are subsidizing more education funding for financially needier students, as they can no longer rely on past levels of federal and state monetary support. In order to survive and remain competitive, colleges and universities will need to build their endowments, which may require targeting donor and research funding sources outside the US. Research funds from the private sector and large, well-endowed foundations may provide the largest sources of research capital over the next ten years.

The pressure for institutions to monetize intellectual property will also become more intense in the future, to counter continued reductions in governmental support and to sustain capital demand for funding strategic initiatives (e.g., global expansion) and to maintain academic excellence.

Executive leadership and trustees should continue to discuss objectives to secure future funding. Specific factors to consider include the following:

- Has the institution developed scenarios that consider varying levels of governmental funding and identified and pursued alternative monetary funding sources?
- **How is the institution's advancement function reaching out to potential donors outside the US?**
- Is the institution aggressively pursuing partnerships and monetization of intellectual property?

## *Technological breakthroughs*

Innovation continues to be at the forefront and technology is both a driving factor of success and a recruitment and retention tool for students and faculty. As new technologies emerge, the expectations of students and faculty is that state-of-the-art technology will be available to them with the same ease as they experience in their everyday life. For institutions to provide a high caliber of services, both support and innovation across the campus community is critical to allow students and faculty to be nimble and engaged from anywhere. The emergence and combination of the internet, social media, mobile devices, data analytics and cloud computing will continue to transform the higher education landscape.

While the digital revolution creates new learning experiences and opportunities, security is an important element to the equation. **The profile of today's students and their learning expectations** extend beyond the classroom. To accommodate this culture, and stay ahead of the curve, institutions are expanding course offerings to include certain forms of on-line learning to enable a more flexible and accessible platform to reach a larger number of students.

Advancements in technology and creative tools have paved the way to promoting innovation in a cost-effective manner. The traditional learning experience is shifting to web-conferencing and media platforms to collaborate and solve problems, and more curriculum focus is directed to media creation, design and student-led projects. Studies show that employers are seeking more real world experiences from students entering the workplace and institutions, through the use of technology, are looking to advance learning opportunities that better prepare their students.

Technology will continue to play an expanded role in advancing student learning and meeting the demands of students. The continued investment in new technological developments may require campus-wide change. Investments in training and the development of faculty is critical.

Executive leadership and trustees should continue the dialogue on the challenges and opportunities related to emerging technological developments. Specific factors to consider include:

- **Is the institution's IT infrastructure enabled to take advantage of emerging technologies and adapt to new education models?**
- Is the institution utilizing and capitalizing on big data and developing tools to identify patterns that may be applied to improving decision making?
- **Does the institution's strategic plan encompass initiatives to respond to technological developments and how these will affect students and faculty?**
- **Is the institution's IT security infrastructure sufficiently flexible and far reaching to encompass the newest advancements in technology?**

There are obviously many more trends and alternative views on what higher education will look like over the next generation. While no prediction can be certain, senior management and trustees should continue to discuss and challenge themselves, asking what their institution will look like fifteen to twenty years from now. These discussions should include expectations of the competitive marketplace at that time, and what can be done today to position their institution for the future.



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# *Contributors*

Matt Carlson  
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Maria Esposito  
Martha Garner  
Tom Gaudrault  
Melanie Glover  
Alicia Harkness  
Julianne Inozemcev  
Elizabeth Klucznik  
Frank Maggio  
Dave Merriam  
Sean O'Hara  
Ann Pike  
Carol Ruiz  
Eric Schwartz  
Shannon Smith  
Gwen Spencer  
Margaret Stover  
Paul Tanis  
Kelly Thornton  
Ivy Xie



# Compliance and Integrity Program Report



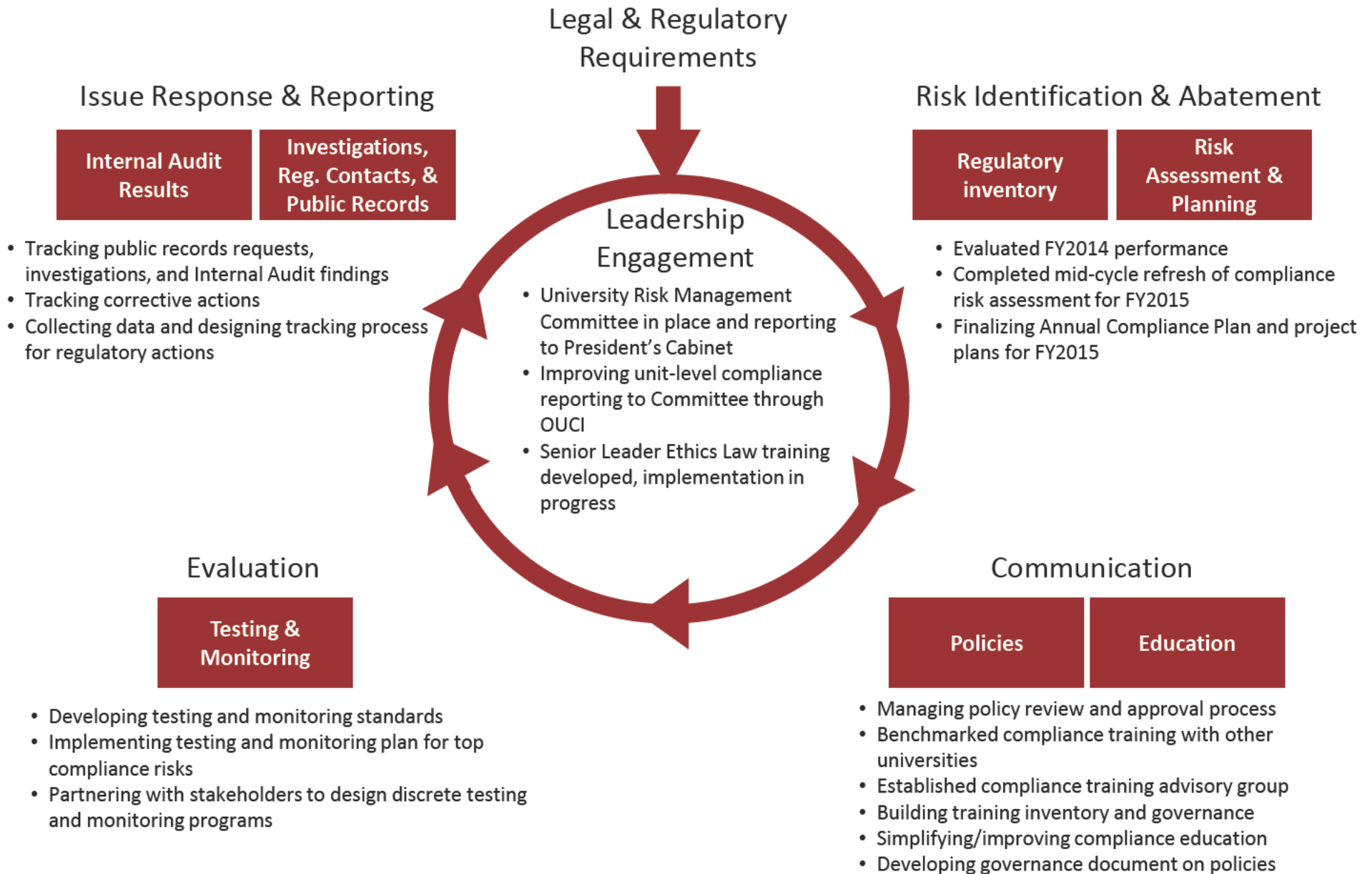
## Audit and Compliance Committee

August 28, 2014

**OFFICE OF LEGAL AFFAIRS  
CHRISTOPHER CULLEY**

**OFFICE OF UNIVERSITY COMPLIANCE AND INTEGRITY  
GATES GARRITY-ROKOUS**

# Key Compliance Processes: Update



# Title IX and Clery Act

*Ensure gender equity in higher education, to include protection against sexual harassment or violence; ensure campus safety, to include annual reporting of campus crimes and timely warning of safety risks*

## Title IX

### Title IX Program—High Risk

- **Regulatory Action:**
  - Nationwide Title IX enforcement initiative: over 70 schools currently under review; others already subject to Voluntary Resolution Agreements
  - OCR conducting 4 year compliance review of Ohio State's Title IX program
- **Risk Exposure:**
  - Resolution Agreement and potential litigation
  - Reputational harm due to negative publicity (sexual assault on college campuses a high-profile national issue)
  - Federal funding is ultimate sanction
- **Mitigation:**
  - Addressing through Title IX programmatic efforts
  - Ongoing negotiations with OCR over proposed Resolution Agreement

### Congressional Action

- **Regulatory Action:** U.S. Senator Claire McCaskill conducted survey on campus sexual assaults; proposed bipartisan legislation to increase regulations and penalties (including fines up to 1% of operating budget)
- **Risk:** new regulations; congressional subpoenas
- **Mitigation:**
  - Completed response to McCaskill survey; addressing through Title IX programmatic efforts
  - President Alutto letter to delegation with OSU Title IX program statement

## Clery Act

### Annual Report—Moderate Risk

- **Regulatory Action:**
  - Required annual disclosure of crime and safety statistics
  - 2012 disclosure reviewed by DoE; requested additional crime records
- **Risk:** non-compliance could result in Clery Audit by OCR and \$35,000 fine per violation (\$150,000 under McCaskill bill)
- **Mitigation:**
  - Responded to DoE's additional crime records (requests on 8/8/13 and 12/17/13); DoE satisfied with response and closed review on 1/14
  - Continued training of Campus Security Authorities

### Timely Warning—Moderate Risk

- **Regulatory Action:** required to issue timely warning to campus community when certain crimes occur on campus or in related areas
- **Risk:** failure to adequately issue timely warnings could result in Clery Audit and fines
- **Mitigation:** review university's timely warning policy and procedures; currently benchmarking against peer universities

# FY2014 Compliance Report

## Integrity Culture and Governance

### Key Accomplishments

- Prioritized consistent reporting to Board of Trustees Audit and Compliance Committee to ensure Board is appropriately informed on key issues and decisions
- Developed partnerships with key stakeholders, including Legal Affairs, Internal Audit, and Academic Affairs
- Partnered with Risk Management to develop coordinated approach to proactive risk management
- Consolidated compliance budgets and formalized compliance responsibilities with unit leaders

### Challenges

- Integrating unit-level governance of university-level risks in decentralized environment
- Building integrity culture in absence of data

## Mitigation of Compliance Risks

### Key Accomplishments

- Partnered with key stakeholders to develop core compliance risk identification and mitigation processes
- Partnered with Risk Management to develop the University Risk Management Committee
- Worked to proactively mitigate top compliance risks through Annual Compliance Plan

### Challenges

- Initiating programmatic approach to proactive compliance risk management under public records law
- Determining appropriate risk definition and ownership for university-wide top compliance risks, i.e. HR Legal Requirements and International Requirements
- Simplification of compliance education limited by lack of university Learning Management System (LMS)

## Issue Response

### Key Accomplishments

- Established Public Records Office to improve management of process
- Assessed university's investigative functions, developed recommendations for improvements, and implemented investigative tracking system
- Worked with Internal Audit and Controller to strengthen audit results tracking and follow-up
- Responded to regulatory challenges (Title IX review, Clery inquiries, CLIA settlement, ICD investigation, etc.)

### Challenges

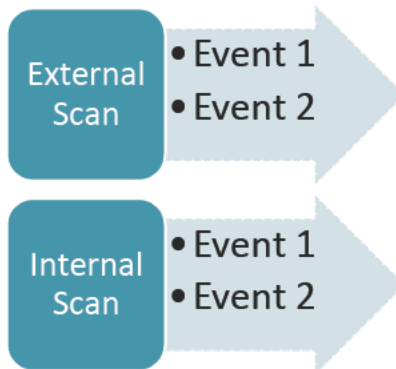
- Managing spike in public records requests due to senior leader transitions and presidential search
- Ensuring implementation, consistency, and reporting of corrective actions for investigations
- Identifying numerous regulatory contact points across university
- Linking reactive audit processes to proactive efforts for mitigating pervasive audit issues

# Risk Assessment Refresh

FY2014 Top Compliance Risks

The table displays a grid of risk data for FY2014. A large, semi-transparent watermark with the word "Example" is centered over the table. The table has multiple columns and rows, with a yellow highlight on the right side.

Begin with 2014 Risk Assessment



Evaluate FY2014 Results and External & Internal Developments

FY2015 Top Compliance Risks

The table displays a grid of risk data for FY2015. Overlaid on the table are four large, semi-transparent icons: a green plus sign at the top, a yellow up arrow on the left, a yellow down arrow on the right, and a red X mark at the bottom. The table has a yellow highlight on the right side.

Add, re-rank, or drop risks found on assessment as a result of developments

## Mid-Cycle Refresh

- Three-year assessment “cycle”: Next bottom-up assessment occurs for FY2017
- Goal: Mid-cycle review of top risks

## Process

- Evaluate FY2014 results (accomplishments, challenges, and FY2015 outlook)
- Evaluate major external and internal developments impacting the University; gather input from compliance team and key university stakeholders
- Reassess FY2014 risks based on output and set FY2015 risk priorities

# Board Scorecard

Metric	FY 2014 Actual	YTD Goal	Current Status
<b>Annual Compliance Plans: University</b>			
1. Integrity Culture and Governance	93%	100%	↑
2. Risk Mitigation	94%	100%	↑
3. Issue Response	98%	100%	↑
<b>Annual Compliance Plans: Key Units</b>			
4. Medical Center	94%	100%	↑
5. Research	98%	100%	↑
6. Athletics	95%	100%	↑
7. Environmental Health & Safety	97%	100%	↑
Metric	Current Period <sup>1</sup>	FY 2014 Total	Current Status
<b>Issue Response Data</b>			
<b>Public Records</b>			
8. Number of record requests closed	84	576	N/A
9. Average days to fill all records requests	21	14	↓
<b>Internal Investigations by OUCI</b>			
10. Number of investigations opened	4	45	N/A
11. Number of investigations closed	8	39	N/A
12. Percent of closed investigations with findings	25%	41%	N/A
<b>Internal Audit</b>			
13. 1st follow-up audits: Percent with remaining issues	11%	16%	▬
14. 2nd follow-up audits: Percent with remaining issues	0%	6%	↑
15. 3rd follow-up audits: Percent with remaining issues	0%	3%	▬

<sup>1</sup> Represents 5/9/14 - 6/30/14

- Meets or Exceeds Goal
- Caution
- Below Goal - Action Needed
- Data Pending
- ↑ Performance Up
- ▬ No Change in Performance
- ↓ Performance Down



The Ohio State University  
Board of Trustees

August 29, 2014

**THURSDAY, AUGUST 28, 2014  
ACADEMIC AFFAIRS AND STUDENT LIFE COMMITTEE MEETING**

Alex Shumate  
Linda S. Kass  
Cheryl L. Krueger  
Algenon L. Marbley  
Janet B. Reid  
Clark C. Kellogg  
Timothy P. Smucker  
Abigail S. Wexner  
Alan VanderMolen  
Steven M. Loborec  
Janet Box-Steffensmeier  
Jeffrey Wadsworth (*ex officio*)

Location: Longaberger Alumni House  
Sanders Grand Lounge

Time: 4:15-5:45pm

**ITEMS FOR ACTION**

- |   |             |
|---|-------------|
| 1. Personnel Actions - Dr. Steinmetz    | 4:15-4:20pm |
| 2. Revocation of Degree - Dr. Steinmetz | 4:20-4:25pm |

**ITEMS FOR DISCUSSION**

- |  |             |
|--|-------------|
| 3. <i>Academic Initiatives Scorecard</i> - Mr. Shumate                               | 4:25-4:35pm |
| 4. <i>Financial Wellness and Education</i> - Dr. Adams-Gaston, Dr. Osmer, Mr. Ashton | 4:35-5:00pm |
| Executive Session  | 5:00-5:45pm |

**PERSONNEL ACTIONS**

BE IT RESOLVED, That the Board of Trustees hereby approves the personnel actions as recorded in the Personnel Budget Records of the University since the June 6, 2014, meeting of the Board, including the following Appointments, Reappointments, Appointment/Reappointment of Chairpersons, Faculty Professional Leaves, Faculty Professional Leave Cancellation, Emeritus Titles, Promotion and Tenure.

Appointments

Name: JOHN V. CAMPO  
Title: Professor (The Charles F. Sinsabaugh Chair in Psychiatry)  
College: Medicine  
Effective: June 1, 2014 through May 31, 2018

Name: JENNIFER E. COWLEY  
Title: Vice Provost for Capital Planning and Regional Campuses  
Office: Academic Affairs  
Term: August 15, 2014 through June 30, 2019

Name: SKYLER CRANMER\*  
Title: Associate Professor (The Carter Phillips and Sue Henry Professorship in Political Science)  
College: Arts and Sciences - Division of Social and Behavioral Sciences  
Term: August 16, 2014 through August 15, 2019

Name: SONIA A. DUFFY\*  
Title: Professor (The Mildred E. Newton Professorship)  
College: Nursing  
Term: September 15, 2014 through September 14, 2019

Name: CHRISTOPHER M. FAIRMAN  
Title: Professor (The C. William O'Neill Professorship in Law and Judicial Administration)  
College: The Michael E. Moritz College of Law  
Term: September 1, 2014 through August 31, 2019

Name: BERNARD S. GAUDI  
Title: Professor (The Thomas Jefferson Chair for Discovery and Space Exploration)  
Office: Academic Affairs  
Effective: September 1, 2014 through August 31, 2019

Name: CHARLENE D. GILBERT  
Title: Dean and Director  
College: The Ohio State University - Lima  
Term: August 11, 2014 through June 30, 2019

Name: ANDREW H. GLASSMAN  
Title: Professor-Clinical (The Frank J. Kloenne Chair in Orthopedic Surgery)  
College: Medicine  
Term: January 1, 2014 through June 30, 2017

\* New to University

**PERSONNEL ACTIONS (cont'd)**

Name: STEVEN F. HUEFNER  
 Title: Associate Professor (The Moritz College of Law Alumni Society Designated Professorship in Law)  
 College: The Michael E. Moritz College of Law  
 Effective: September 1, 2014 through August 31, 2019

Name: GARRY W. JENKINS  
 Title: Associate Professor (The John C. Elam/Vorys Sater Professorship)  
 College: The Michael E. Moritz College of Law  
 Effective: September 1, 2014 through August 31, 2019

Name: LARRY M. JONES  
 Title: Associate Professor – Clinical (The American Electric Power Foundation Chair in Burn Care)  
 College: Medicine  
 Term: July 1, 2014 through June 30, 2018

Name: USHA MENON  
 Title: Professor (Centennial Professor of Nursing)  
 College: Nursing  
 Term: August 29, 2014 through June 30, 2019

Name: BERNADETTE A. MINTON  
 Title: Professor (The Arthur E. Shepard Endowed Professorship in Insurance)  
 College: The Max M. Fisher College of Business  
 Term: September 1, 2014 through August 31, 2019

Name: ANTOINETTE C. MIRANDA  
 Title: Associate Professor (The William H. and Laceryjette V. Casto Professorship in Interprofessional Education in Honor of Henry and Ruth Leuchter and Van Bogard and Geraldine Dunn)  
 College: Education and Human Ecology  
 Term: September 1, 2014 through August 31, 2017

Name: ABHAY R. SATOSKAR  
 Title: Professor (The University Pathology Services Anatomic Pathology Professorship)  
 College: Medicine  
 Term: July 1, 2014 through June 30, 2018

Name: DANIEL P. TOKAJI  
 Title: Professor (Charles W. Ebersold and Florence Whitcomb Ebersold Professorship)  
 College: The Michael Moritz College of Law  
 Term: September 1, 2014 through August 31, 2019

Name: ALEXANDER E. WENDT  
 Title: Professor (Ralph D. Mershon Professorship)  
 Center: Mershon  
 Term: July 1, 2014 through June 30, 2019

**PERSONNEL ACTIONS (cont'd)**

Reappointments

Name: GREG M. ALLENBY  
Title: Professor (The Helen C. Kurtz Chair in Marketing)  
College: The Max M. Fisher College of Business  
Term: October 1, 2014 through September 30, 2019

Name: JAIDEEP ANAND  
Title: Professor (William H. Davis Chair in the American Free Enterprise System)  
College: The Max M. Fisher College of Business  
Term: September 1, 2014 through August 31, 2019

Name: ROBERT R. BAHNSON  
Title: Professor (The Dave Longaberger Endowed Chair in Urology)  
College: Medicine  
Term: July 1, 2014 through June 30, 2018

Name: ANNETTE L. BEATTY  
Title: Professor (The Deloitte and Touche Chair in Accounting)  
College: The Max M. Fisher College of Business  
Term: October 1, 2014 through September 30, 2019

Name: JOHN B. CASTERLINE  
Title: Professor (Robert Lazarus Professorship in Population Studies)  
College: Arts and Sciences – Division of Social and Behavioral Sciences  
Term: July 1, 2014 through June 30, 2019

Name: LARRY J. COPELAND  
Title: Professor (The William Greenville Pace III and Joann Norris Collins-Pace Chair for Cancer Research)  
Center: Comprehensive Cancer Center – The Arthur G. James Cancer Hospital and Richard J. Solove Research Institute  
Term: July 1, 2014 through June 30, 2018

Name: GLENN S. DAEHN  
Title: Professor (The Dr. Mars G. Fontana Professorship in Metallurgical Engineering)  
College: Engineering  
Term: July 1, 2014 through June 30, 2019

Name: JOHN C. FELLINGHAM  
Title: Professor (The H.P. Wolfe Chair in Accounting)  
College: The Max M. Fisher College of Business  
Term: October 1, 2013 through September 30, 2018

Name: RONALD L. HARTER  
Title: Professor (The Jay J. Jacoby MD, PhD Chair in Anesthesiology)  
College: Medicine  
Term: July 1, 2013 through June 30, 2017

**PERSONNEL ACTIONS** (cont'd)

Name: TINA M. HENKIN  
 Title: Professor (Robert W. and Estelle S. Bingham Designated Professorship)  
 College: Arts and Sciences – Division of Natural and Mathematical Sciences  
 Term: August 16, 2014 through August 15, 2019

Name: WAEL N. JARJOUR  
 Title: Associate Professor – Clinical (The Martha Morehouse Chair in Arthritis and Immunology Research)  
 College: Medicine  
 Term: July 1, 2013 through June 30, 2017

Name: BARBARA L. KEYFITZ  
 Title: Professor (The Dr. Charles Saltzer Professorship in Mathematics)  
 College: Arts and Sciences – Division of Natural and Mathematical Sciences  
 Term: October 1, 2014 through August 31, 2019

Name: BARBARA I. KIEFER  
 Title: Professor (The Charlotte S. Huck Professorship in Children’s Literature)  
 College: Education and Human Ecology  
 Term: October 1, 2013 through May 31, 2018

Name: DOUGLAS M. LAMBERT  
 Title: Professor (The Raymond E. Mason Chair in Transportation and Logistics)  
 College: The Max M. Fisher College of Business  
 Term: July 1, 2014 through September 30, 2019

Name: LEA M. MCGEE  
 Title: Professor (The Marie Clay Endowed Chair in Reading Recover and Early Literacy)  
 College: Education and Human Ecology  
 Term: October 1, 2011 through December 31, 2014

Name: MICHAEL J. MILLS  
 Title: Professor (Taine G. McDougal Professorship in Engineering)  
 College: Engineering  
 Term: July 1, 2014 through June 30, 2019

Name: HENRI MOSCOVICI  
 Title: Professor (The Alice Louise Ridenour Wood Chair in Mathematics)  
 College: Arts and Sciences – Division of Natural and Mathematical Sciences  
 Term: October 1, 2014 through August 31, 2019

Name: RAYMOND A. NOE  
 Title: Professor (Robert and Anne Hoyt Designated Professorship in Management)  
 College: The Max M. Fisher College of Business  
 Term: October 1, 2014 through September 30, 2019

**PERSONNEL ACTIONS (cont'd)**

Name: LYNNE E. OLSON  
 Title: Faculty Ombudsman  
 Office: Academic Affairs  
 Term: September 1, 2014 through August 31, 2015

Name: STEVEN A. RINGEL  
 Title: Professor (The Neal A. Smith Chair in Electrical Engineering)  
 College: Engineering  
 Term: July 1, 2014 through June 30, 2019

Name: WOLFGANG SADEE  
 Title: Professor (The Dr. Samuel T. and Lois Felts Mercer Professorship of Medicine and Pharmacology)  
 College: Medicine  
 Term: July 1, 2014 through June 30, 2018

Name: DANIEL D. SEDMAK  
 Title: Professor (The Donald A. Senhauser, MD, Chair in Pathology)  
 College: Medicine  
 Term: September 1, 2014 through August 31, 2018

Name: ODED SHENKAR  
 Title: Professor (The Ford Motor Company Chair in Global Business Management)  
 College: The Max M. Fisher College of Business  
 Term: May 1, 2014 through April 30, 2019

Name: MICHAEL F. TWEEDLE  
 Title: Professor (The Stefanie Spielman Chair in Cancer Imaging)  
 Center: Comprehensive Cancer Center – The Arthur G. James Cancer Hospital and Richard J. Solove Research Institute  
 Term: July 1, 2013 through June 30, 2015

Name: HANUMANTHA R. UNNAVA  
 Title: Professor (The W. Arthur Cullman Professorship in Marketing)  
 College: The Max M. Fisher College of Business  
 Term: October 1, 2014 through September 30, 2019

Name: YUAN F. ZHENG  
 Title: Professor (The Howard D. Winbigler Designated Chair in Engineering)  
 College: Engineering  
 Term: July 1, 2014 through June 30, 2019

Name: DONGPING ZHONG  
 Title: Professor (The Robert Smith Endowed Professorship in Physics)  
 College: Arts and Sciences – Division of Natural and Mathematical Sciences  
 Term: October 1, 2014 through August 31, 2019

The Ohio State University  
Board of Trustees

August 29, 2014

Appointments/Reappointments of Chairpersons

LUIS G. CASIAN\*\*, Chair, Department of Mathematics effective September 1, 2014 through August 31, 2018

DAVID B. GREENBERGER\*\*, Chair, Department of Management and Human Resources effective October 1, 2014 through August 31, 2015

JOEL T. JOHNSON, Chair, Department of Electrical and Computer Engineering effective September 1, 2014 through August 31, 2018

KRISTINE A. KEARNEY, Interim Chair, Department of Theatre effective June 1, 2014 through June 30, 2014

JOHN T. KISSEL, Chair, Department of Neurology effective July 1, 2014 through June 30, 2018

BRADLEY M. PETERSON\*\*, Chair, Department of Astronomy effective September 1, 2014 through August 31, 2018

MARK A. SEEGER, Chair, Department of Molecular Genetics effective September 1, 2014 through August 31, 2018

MARY A. TARANTINO, Interim Chair, Department of Theatre effective July 1, 2014 through July 31, 2014

PETER T. WARD \*\*, Chair, Department of Management Sciences effective July 1, 2014 through August 31, 2015

RICHARD D. WHITE \*\*, Chair, Department of Radiology effective July 1, 2014 through June 30, 2018

XIAODONG ZHANG\*\*, Chair, Department of Computer Science and Engineering effective September 1, 2014 through August 31, 2018

WALTER ZINN\*\*, Chair, Department of Marketing and Logistics effective July 1, 2014 through August 31, 2015

\*\* Reappointments

Faculty Professional Leaves

CHRIS O. IGODAN, Professor, Ohio State University Extension effective Autumn Semester 2014 and Spring Semester 2015

MO-YEE LEE, Professor, College of Social Work effective Spring Semester 2015

CARLA K. MILLER, Professor, Department of Human Sciences effective Spring Semester 2015

YONGMIN SUN, Professor, Department of Sociology (Mansfield) effective Autumn Semester 2014 and Spring Semester 2015

REBECCA Y. KIM, Associate Professor, College of Social Work effective Spring Semester 2015

Faculty Professional Leave – Cancellation

HENRI COLE, Professor, Department of English effective Autumn Semester 2014 and Spring Semester 2015

The Ohio State University  
Board of Trustees

August 29, 2014

ROBERT GILLESPIE, Professor, School of Music effective Spring Semester 2015

PHILIP J. GRANDINETTI, Professor, Department of Chemistry and Biochemistry effective Spring Semester 2015

VALERIE KINLOCH, Professor, School of Teaching and Learning effective Spring Semester 2015

Emeritus Titles

CLAUDE D. ANDERECK, Department of Physics with the title Professor Emeritus effective September 1, 2014

GREGORY R. BAKER, Department of Mathematics with the title Ohio Eminent Scholar Professor Emeritus effective September 1, 2014

MICHAEL A. ELLIS, Department of Plant Pathology with the title Professor Emeritus effective October 1, 2014

PATRICIA A. LATHER, Department of Educational Studies with the title Professor Emeritus effective September 1, 2014

PETER MARCH, Department of Mathematics with the title Professor Emeritus effective September 1, 2014

ILEANA RODRIGUEZ, Department of Spanish and Portuguese with the title Professor Emeritus effective September 1, 2014

ANDREW P. SLIVKA, Department of Neurology with the title Professor Emeritus effective September 1, 2014

JULIA A. WATSON, Department of Comparative Studies with the title Professor Emeritus effective September 1, 2014

GIFFORD WEARY, Department of Psychology with the title Professor Emeritus effective September 1, 2014

WESLEY L. BOOMGAARDEN, University Libraries with the title Associate Professor Emeritus effective September 1, 2014

DEBORAH Y. GEORG, Knowlton School of Architecture with the title Associate Professor Emeritus effective September 1, 2014

JACQUELINE E. LAMUTH, Ohio State University Extension with the title Associate Professor Emeritus effective September 1, 2014

WILLIAM E. MAHER, Department of Internal Medicine with the title Associate Professor-Clinical Emeritus effective September 1, 2014

MARGARET H. TEAFORD, Department of Health and Rehabilitation Sciences with the title Associate Professor-Clinical Emeritus effective September 1, 2014

WILLIAM D. HARRIS, Ohio State University Extension with the title Assistant Professor Emeritus effective September 1, 2014



The Ohio State University  
Board of Trustees

August 29, 2014

Promotion and Tenure

**COLLEGE OF MEDICINE**

PROMOTION TO ASSOCIATE PROFESSOR WITH TENURE

Gu, Chen, Neuroscience, effective July 1, 2014

**COLLEGE OF THE ARTS AND SCIENCES**

**DIVISION OF SOCIAL & BEHAVIORAL SCIENCES**

TENURE (AT THE CURRENT RANK OF ASSOCIATE PROFESSOR)

Wang, Zheng, School of Communication, effective September 1, 2014

**COLLEGE OF VETERINARY MEDICINE**

PROMOTION TO PROFESSOR

Wu, Li, Veterinary Biosciences, effective July 15, 2014

**REVOCATION OF DEGREE**

Synopsis: Revocation of a Bachelor of Science degree, is proposed.

WHEREAS a panel of the committee on academic misconduct constituted according to rule 3335-5-48.7 of the Administrative Code request that the Board of Trustees effectuate the revocation of the Bachelor of Science degree of Jiarui Huang; and

WHEREAS the request was concurred with by the Executive Vice President and Provost; and

WHEREAS the request was further concurred with by the Academic Affairs and Student Life Committee; and

WHEREAS the appropriate bodies and administrative officer of the university have fully complied with applicable procedures and in accordance with those procedures:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves that the Bachelor of Science degree of Jiarui Huang, granted on December 15, 2013, pursuant to paragraph (E) of rule 3335-1-06 of the Administrative Code, is hereby revoked immediately.

August Board Meeting - Academic Affairs and Student Life Committee

Academic Initiatives Scorecard

August 2014

	2009-10	2010-11	2011-12	2012-13	2013-14	Progress Toward 2020 Goal	2020 Goal
<b>Academic Priority: Enhancing the undergraduate and graduate student experience</b>							
1. Student to Faculty Ratio <sup>1</sup>		19:1	19:1	19:1	19:1	▬	18:1
2. NSSE High Impact Practices Participation (% First-Year, % Seniors)	45%/77%			48%/94%		↑	62%/94%
3. USNWR, America's Best Colleges Rank (Publics)	18	18	17	18	16	↑	10
4. Gallup Well-being Index (available 2015)							
5. Graduate/Professional Student Academic Experience Index	72			71		↓	75
6. USNWR, Number of Graduate and Professional Programs in Top 25 <sup>2</sup>	49	57	60	56	55	▬	65
<b>Academic Priority: Developing the Discovery Themes of Energy and Environment, Food Production and Security Health, and Health and Wellness</b>							
1. Discovery Theme Faculty Hired						▬	185
<b>Academic Priority: Developing eLearning</b>							
1. Number of on-line programs offered			6	6	10	↑	
2. Number of on-line course sections taught	587	691	804	741	989	↑	
3. Number of students enrolled in on-line courses	19,117	22,375	25,990	23,899	29,992	↑	
<b>Academic Priority: Discussing new models of faculty evaluation and rewards in an interdisciplinary climate</b>							
1. Total Research Expenditures, Rank among Public Universities <sup>3</sup>	7	9	11	10	11	↓	8
2. Increase tenure-tenure track faculty by 8-10%	3,035	2,978	2,926	2,904	2,844	↓	3,230
<b>Academic Priority: Balancing affordability and access and excellence for our students</b>							
1. Provide \$40M in additional scholarships and financial aid	\$91.5M	\$96.9M	\$108.6M	\$127.2M	\$138.2M	↑	\$148.3M
1a. Increase merit-based aid	\$64.9M	\$67.5M	\$70.8M	\$77.6M	\$87.9M	↑	
1b. Increase need-based aid	\$26.6M	\$29.4M	\$37.8M	\$49.6M	\$50.3M	↑	
2. Undergraduate Graduation Rate (within six years) <sup>4</sup>	74.9%	78.0%	79.7%	82.4%	83.2%	↑	85%
2a. Undergraduate URM Graduation Rate (within six years)	63.9%	68.3%	73.7%	74.2%	74.4%	↑	
2b. Undergraduate First Generation Graduation Rate (within six years)				74.7%	75.8%	↑	
<b>Academic Priority: Enhancing the arts at Ohio State and our connections with the Columbus arts community</b>							
To be developed							

<sup>1</sup> OSU definition changed to conform to US News & World Report definition in 2010-11

<sup>2</sup> Represents published rankings between 2011 and 2015.

<sup>3</sup> Represents FY 2008 - 2012

<sup>4</sup> Represents entering cohorts for Autumn 2003 to Autumn 2007, Columbus campus only (URM includes American Indian/Alaskan Native,

█ Meets or Exceeds Goal      ↑ Performance Up  
█ Caution                      ▬ No Change in Performance  
█ Below Goal - Action Needed    ↓ Performance Down  
 Data Pending

The Ohio State University  
Board of Trustees

August 29, 2014

#### Financial Wellness and Education at The Ohio State University

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This presentation will provide an overview of Student Life's and the Graduate School's financial education programs. The goal of these programs is to provide information and tools to Ohio State students that will enable them begin their lives and careers after graduation on a sound financial base.

Student loan debt in the U.S. is greater than \$1 trillion and exceeds credit card debt. Additionally, the delinquency/default rate on student loan debt now exceeds that of credit card debt. At Ohio State, the average amount of student debt in 2013 was \$26,000 for undergraduates and 56% of students had loans. For graduate students, debt was \$36,000 and 46% of students had loans. For professional students in the health sciences, debt levels ranged from \$114,000 to \$199,000, with 89% to 98% of the students having loans. (All loan amounts are consistent with national averages.)

Financial concerns are also a leading cause of stress for college students. In last year's National Collegiate Health Assessment, approximately one-third of the nation's college students reported that their finances were traumatic or difficult to handle in the year leading up to the survey. This statistic is consistent among Ohio State students. Accordingly, through Student Life's wellness inventory of last year's incoming first year students, 50% indicated that they were concerned about their financial future even before starting their first semester.

Research indicates that higher levels of financial stress are related to academic problems and decreased academic performance (Shaulskiy et al., 2014; Joo et al., 2008). The work of Ohio State's Dr. Rachel Dwyer and Dr. Randy Hodson also tells us that large amounts of debt are related to a reduced likelihood of college completion (Dwyer et al., 2012). However, it is important to note that evidence also suggests that when students adopt positive financial attitudes and behaviors, financial stress can decrease and academic performance can increase (Hayhoe et al., 2000; Xiao et al., 2008; Shim et al., 2009).

Clearly, student debt and the need for financial education are critically important topics in the state and national debates about higher education.

Ohio State has been a proactive leader in studying and addressing this issue. U.S. Secretary of Education Arne Duncan has highlighted Student Life's Scarlet and Gray Financial Peer Coaching program as a model that other institutions should emulate. In addition to this innovative program, Ohio State has developed educational workshops and modules as well as concentrated support services for all students. The goals of the efforts have been to:

- **Develop student financial capability:** The university helps students assess and acknowledge their current financial knowledge and provides educational programs, tools and resources to help students create healthy attitudes and behaviors.
- **Address student financial stress:** In addition to counseling and consultation by experts and peers, students are empowered to use the provided tools and resources to manage and take charge of their money and funding needs.
- **Anticipate and offer just-in-time education:** The university has identified crucial financial moments of a college career (applying for loans, entering into loan repayment, evaluating job offers, selecting insurance, moving off campus, etc.) and crafts education and intervention efforts in response.
- **Support students in financial crisis:** This includes assisting students in applying for emergency grants/loans and offering support to students who struggle to meet day-to-day expenses or secure the ample financing for their education.

As it relates specifically to graduate students, financial support for this population is the top-level issue of concern among graduate deans according to the Council of Graduate Schools (CGS). Furthermore, large amounts of undergraduate student debt impede the entry of college graduates into graduate school, and changes in federal programs mean that students now accrue interest on their undergraduate student loans while they are in graduate school.

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Board of Trustees

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To address these problems at Ohio State, through funds from Huntington Bank and a \$40,000 grant from CGS and TIAA/CREF, the Graduate School and Student Life are developing a coordinated undergraduate and graduate financial education program for all graduate students. This program is being implemented through the Scarlet and Gray Financial program in a multi-pronged approach:

- Web access to all Scarlet and Gray financial education resources, including an Ohio State branded, web-based product, will enable all students to self-assess their financial knowledge and risk.
- Workshops will be offered on topics such as budgeting, managing personal finance and personal finance in the U.S. for international students, who constitute 25% of graduate enrollment.
- Face-to-face peer coaching services will be available, particularly for students assessed to have high-financial risk.

Ohio State is focusing on long-term outcomes. Through university-wide collaborations and partnerships, we are developing comprehensive processes for assisting students, tools that allow students to practice new behaviors and creating customizable educational content that meets the needs of many as well as the unique situations of individual students.



**THE OHIO STATE UNIVERSITY**

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# FINANCIAL WELLNESS AND EDUCATION

Dr. Javaune Adams-Gaston

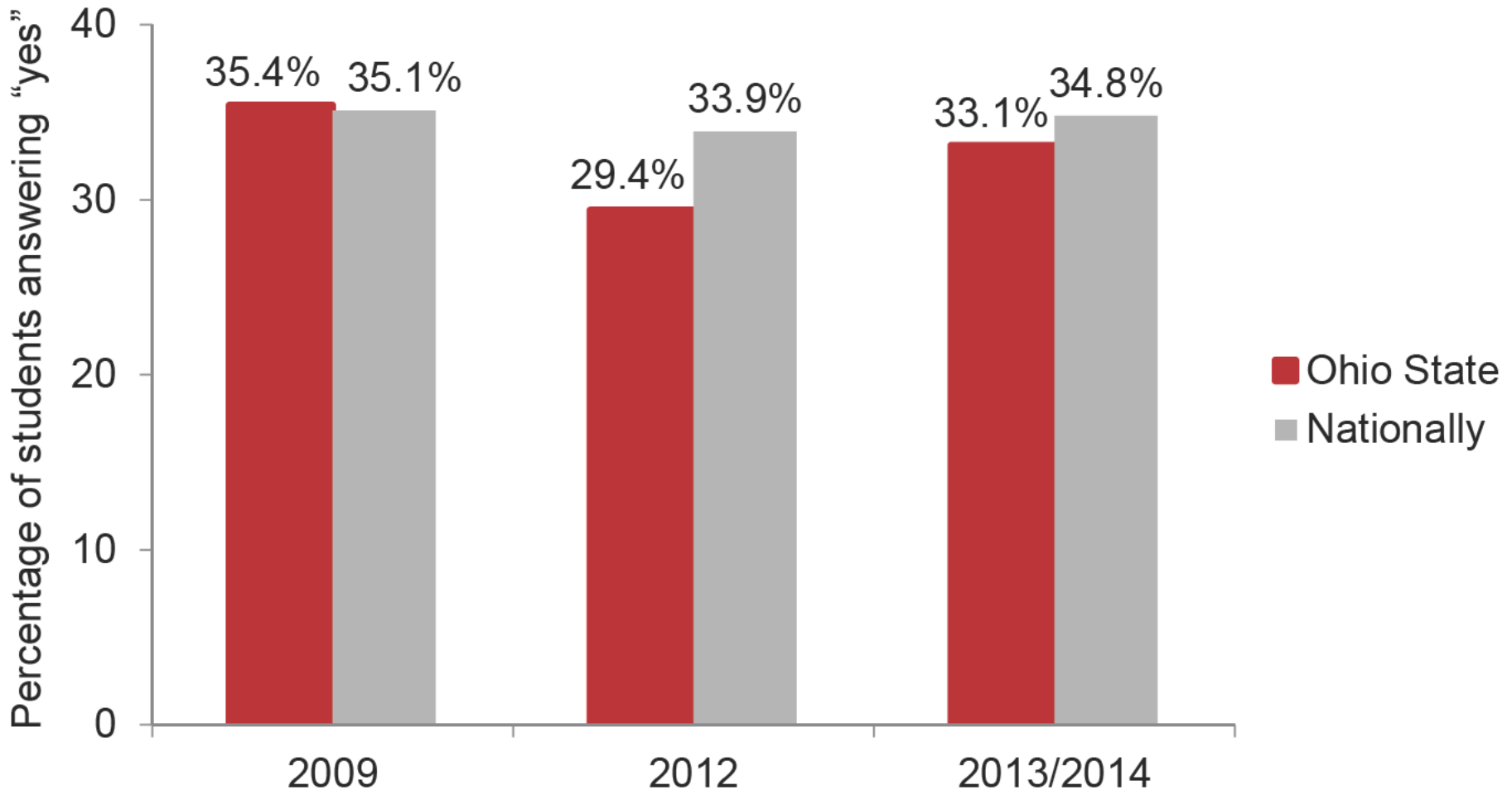
Dr. Patrick S. Osmer

Mr. Bryan Ashton



# IMPACT ON STUDENTS

# Within the last 12 months, have you found your finances traumatic or difficult to handle?

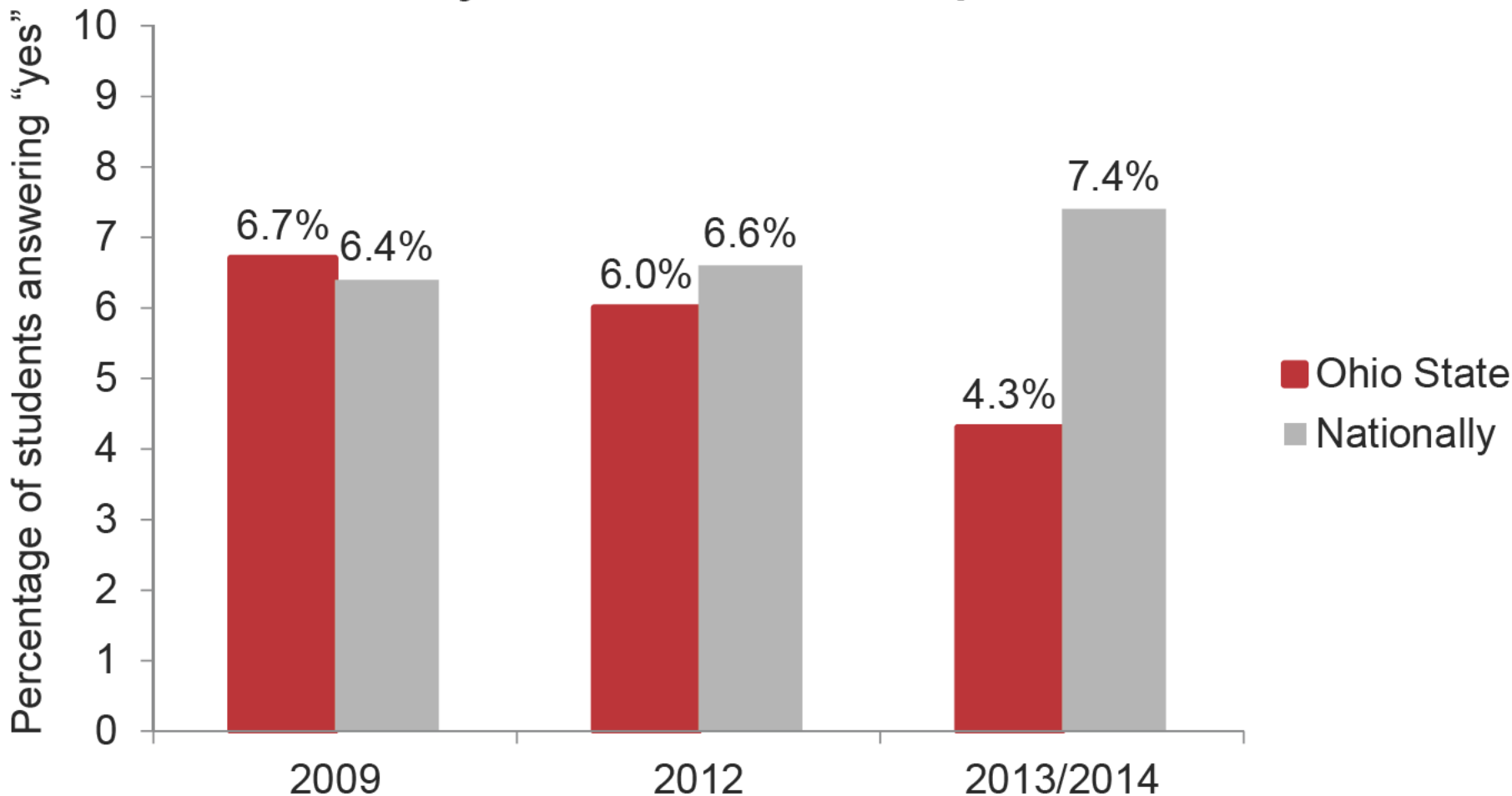


Source: National College Health Assessment-II. Ohio State includes undergraduate and graduate/professional students on the Columbus campus.



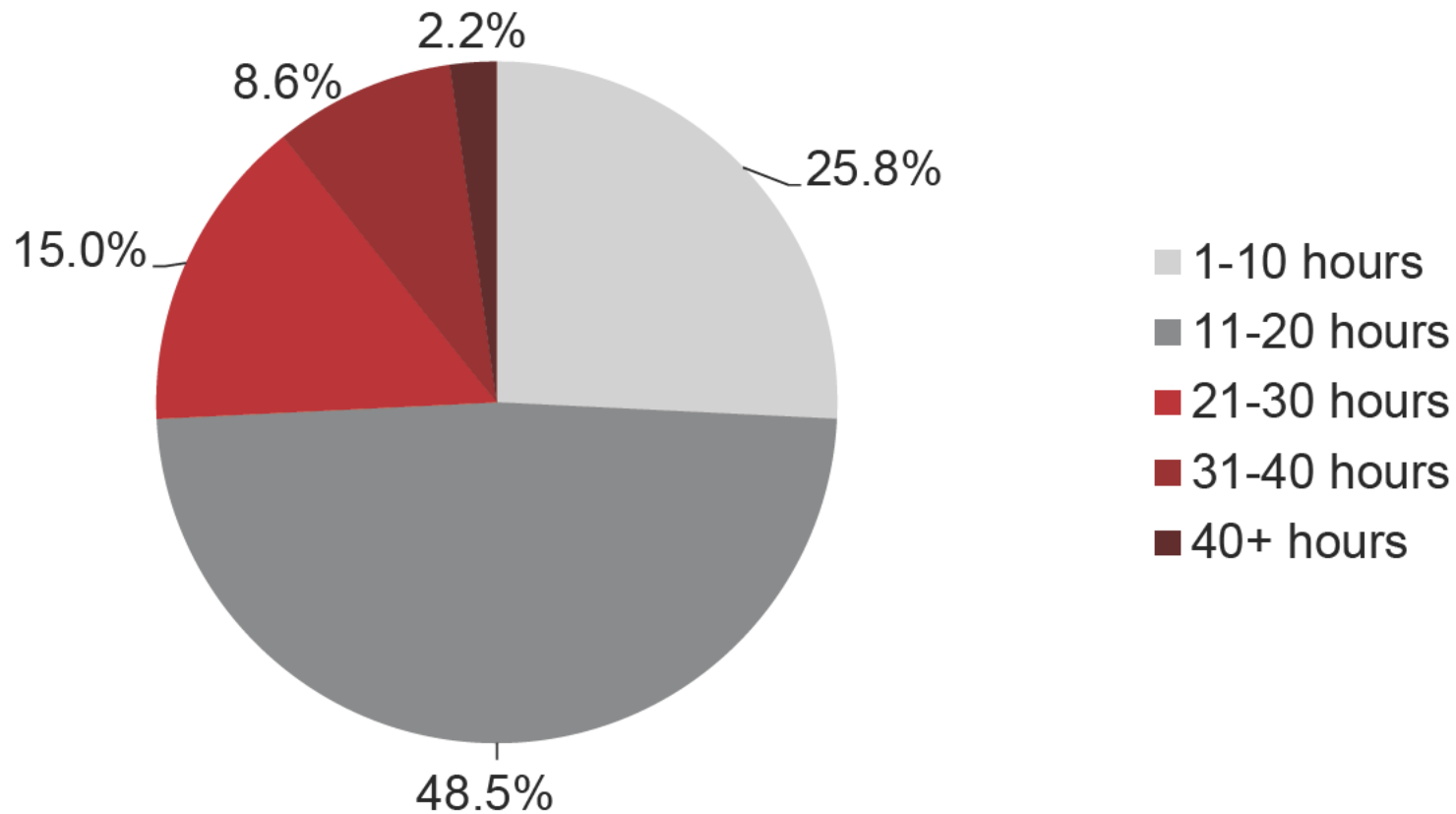


# Within the last 12 months, have finances affected your academic performance?



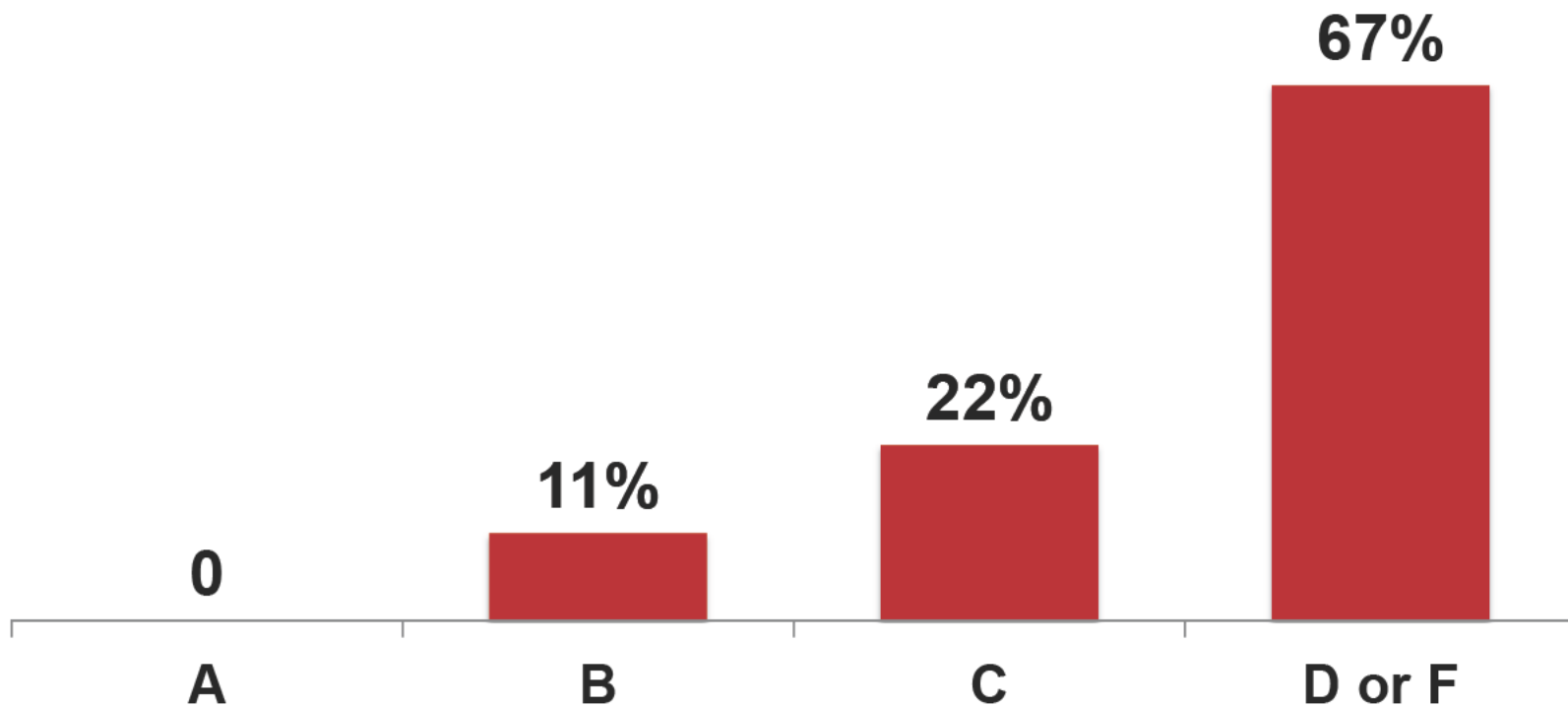
Source: National College Health Assessment-II. Ohio State includes undergraduate and graduate/professional students on the Columbus campus.

# If you work, on average, how many hours do you work each week during the school year?



Source: Student Life Survey, 2013. Undergraduate students on Columbus campus.

# College Students' Financial Literacy Scores



- College students scored 62%
- Graduating Seniors scored 65%

Source: Inceptia, January 2013



# STRUCTURE OF OUR RESPONSE



## Comprehensive support

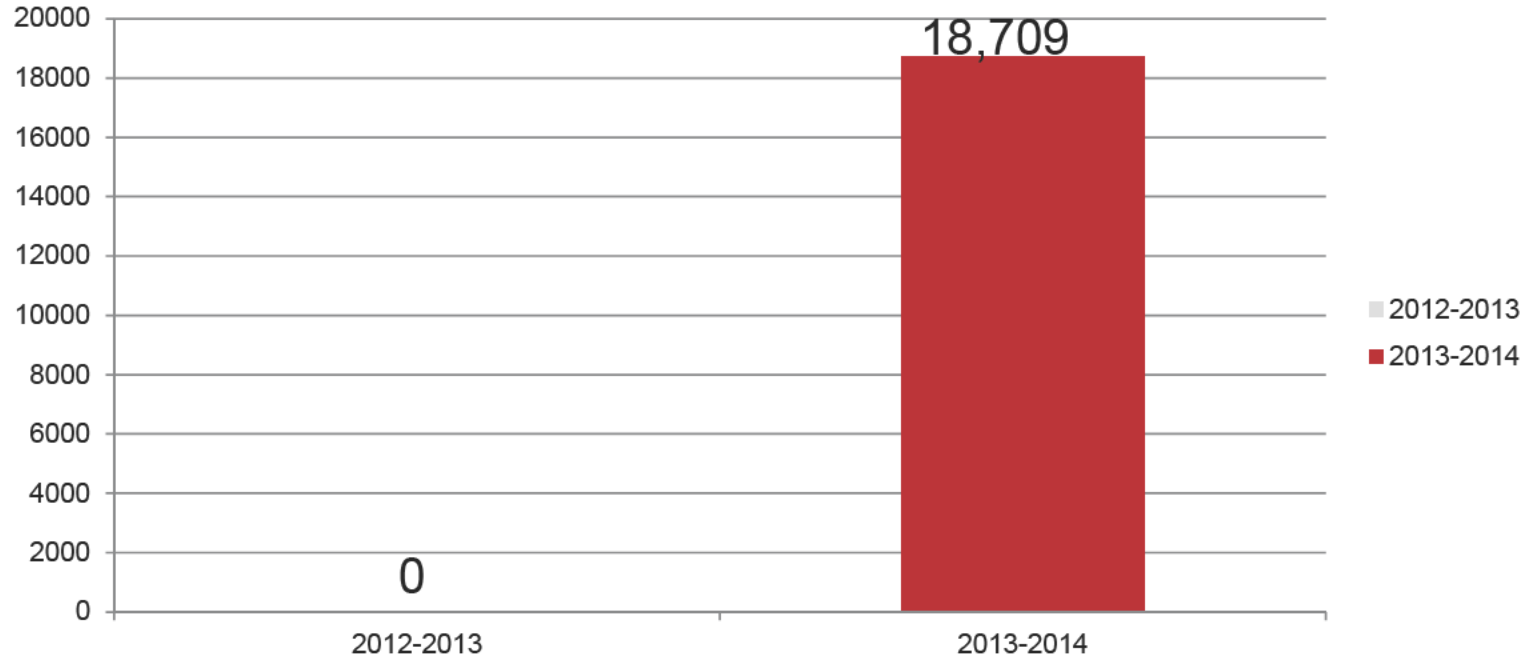
- Develop financial capability
- Address financial stress
- Anticipate and offer just-in-time education
- Support students in financial crisis



# OUR RESPONSE

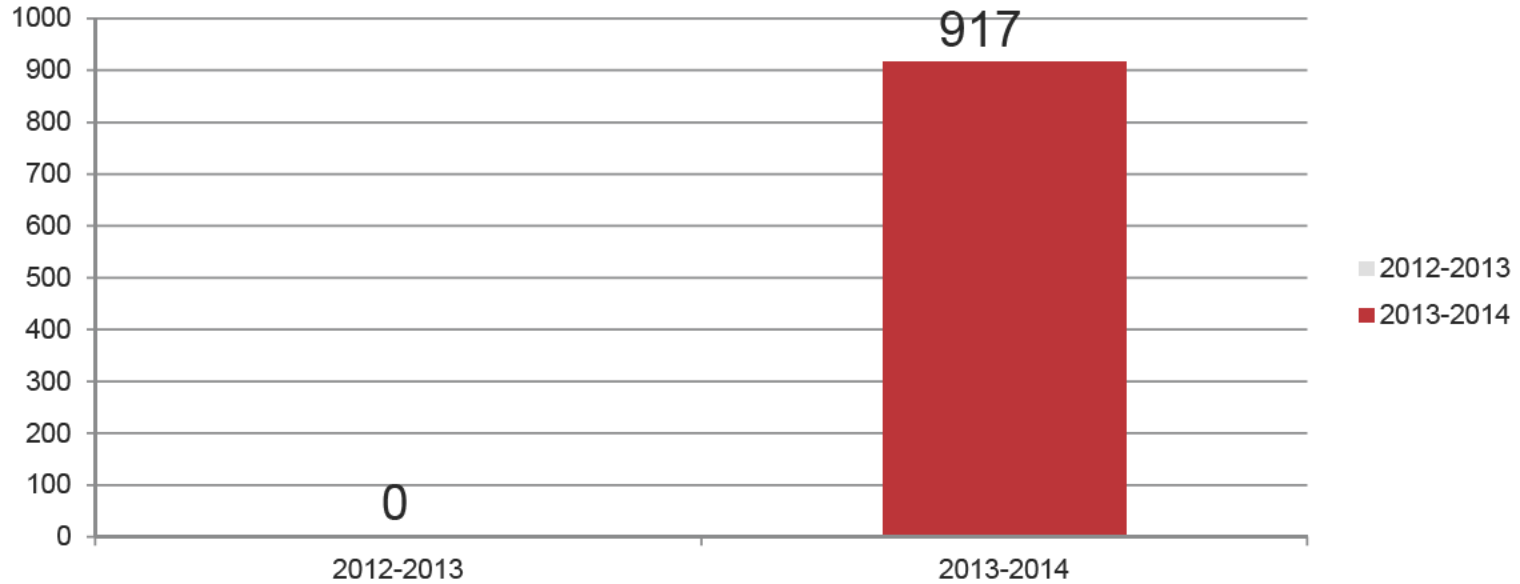
# Online Education

## iTunes U Course Downloads



# Online Education

## EverFi Transit Usage

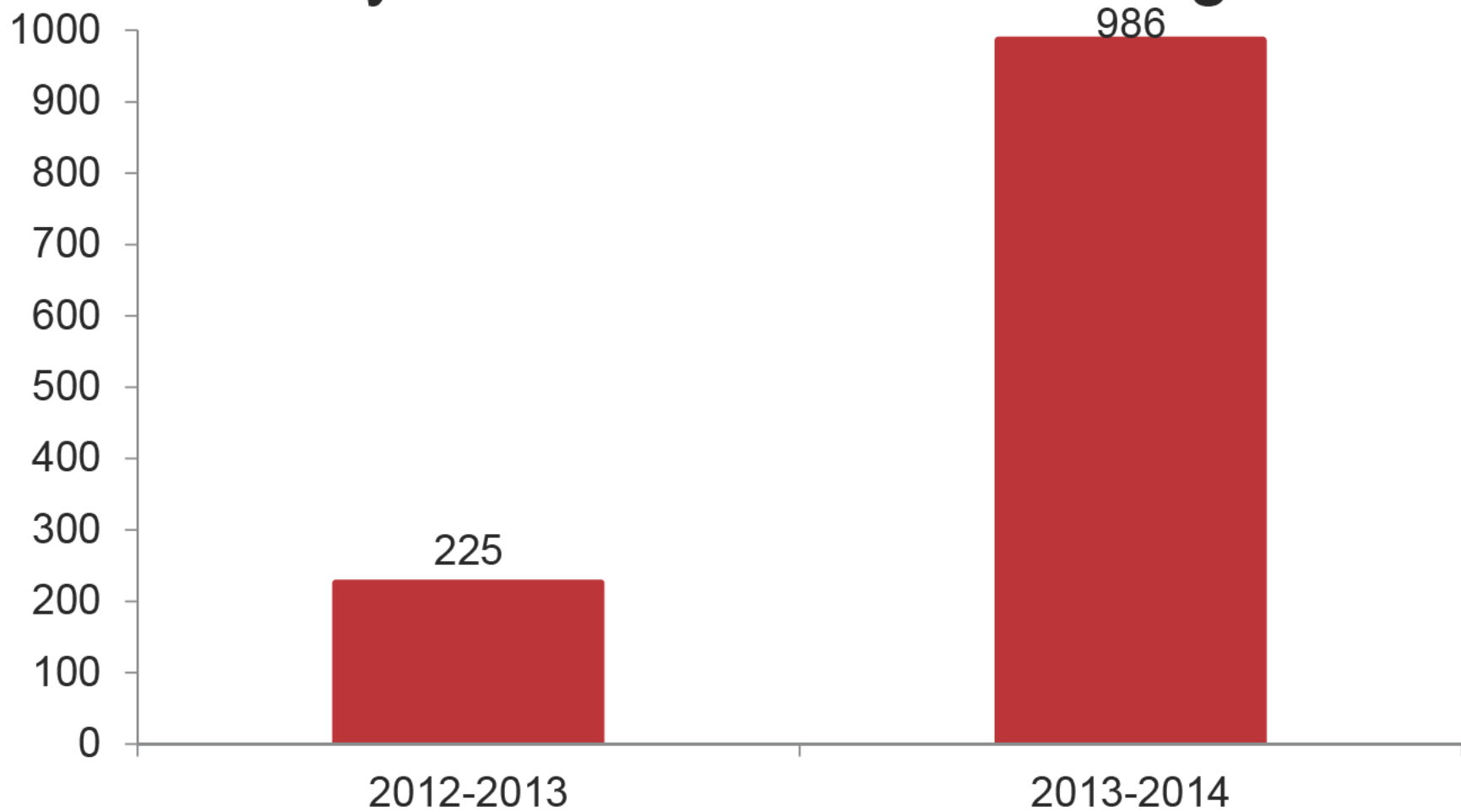




# Workshop Based Programs



# Number of 1:1 Appointments with Scarlet and Gray Financial Peer Coaching





# NEXT STEPS

## HUNTINGTON FUNDING and CGS/TIAA CREF GRANT

- Collaboration with the Graduate School
- Enhanced Targeted Resources
  - Online Education
  - One on One Peer Coaching
  - Workshops

## NATIONAL STUDENT FINANCIAL WELLNESS STUDY

- Multi-institutional study  
Up to 100 institutions including Iowa State University, Pennsylvania State University, and University of Michigan
- Collaboration between Office of Student Life and College of Education and Human Ecology
- Launch date: November 2014
- Data will be used to generate both policy recommendations and best practices

**THURSDAY, AUGUST 28, 2014  
FINANCE COMMITTEE MEETING**

Michael J. Gasser  
Ronald A. Ratner  
Brent R. Porteus  
William G. Jurgensen  
Erin P. Hoeflinger  
Alexander R. Fischer  
G. Gilbert Cloyd  
Corbett A. Price  
Stacie E. Seger  
Jo Ann Davidson  
Jeffrey Wadsworth (*ex officio*)

Location: Longaberger Alumni House  
Mount Leadership Room

Time: 4:15-5:45pm

*ITEMS FOR DISCUSSION*

- |   |             |
|---|-------------|
| 1. <i>Fiscal Year 2014 Interim Financial Report - Mr. Chatas</i>  | 4:15-4:20pm |
| 2. <i>University Financial Scorecard - Mr. Chatas</i>   | 4:20-4:25pm |
| 3. <i>Physical Environment Scorecard - Mr. Kasey</i>  | 4:25-4:30pm |
| 4. <i>Project Status Report - Ms. Readey</i>  | 4:30-4:35pm |
| 5. <i>The Office of Investments &amp; Office of the Treasurer Annual Review: Fiscal Year 2014 - Mr. Chatas, Mr. Papadakis</i> | 4:35-4:50pm |
| 6. <i>Update on Upper Arlington Ambulatory Care Center – Mr. Chatas</i>   | 4:50-4:55pm |

*ITEMS FOR ACTION*

- |   |             |
|---|-------------|
| 7. <i>Fiscal Year 2015 Capital Investment Plan - Mr. Chatas, Mr. Kasey</i>  | 4:55-5:00pm |
| 8. <i>Fiscal Year 2015 Budget - Mr. Chatas</i>  | 5:00-5:15pm |
| 9. <i>Modification of Asset Classes and Allocations and Benchmarks for the Long-Term Investment Pool - Mr. Chatas, Mr. Murrer</i> | 5:15-5:20pm |
| 10. <i>Approval to Enter Into Professional Services and Construction Contracts - Ms. Readey</i>                                   | 5:20-5:25pm |
| 11. <i>Approval to Enter Into a Joint Use Agreement - Mr. Myers</i>   | 5:25-5:30pm |
| 12. <i>Sale of Real Property - Mr. Myers</i>  | 5:30-5:35pm |
| <i>Executive Session</i>  | 5:35-5:45pm |

The Ohio State University  
Board of Trustees

August 29, 2014

**THE OHIO STATE UNIVERSITY BOARD OF TRUSTEES  
FINANCE COMMITTEE**

**TOPIC:** Fiscal Year 2014 Interim Financial Report – May 31, 2014

**CONTEXT:** The purpose of this report is to provide an update of financial results

**SUMMARY:** The highlighted areas include:

- Review of comparative financial statements
- State Support
- OSU Wexner Medical Center
- Enrollment
- Research
- Key Affiliates
- Auxiliary Operations

**REQUESTED OF THE FINANCE COMMITTEE:** No vote required; for information only

The Ohio State University  
Board of Trustees

August 29, 2014

- I. Summary
- II. Financial Statement Review – For the Eleven Months Ending May 31, 2014
  - A. Interim Financial Statements
  - B. Revenue
  - C. Operating Expenses
  - D. Revenues Less Operating Expenses
  - E. Investments
  - F. Cash Flows
  - G. Assets and Liabilities
  - H. Debt
- III. Financial Highlights – For the Eleven Months Ending May 31, 2014
  - A. State Support Outlook
  - B. OSU Wexner Medical Center
  - C. Enrollment
  - D. Research
  - E. Key Affiliates
  - F. Auxiliary Operations



The Ohio State University  
Board of Trustees

August 29, 2014

## I. Summary

Consolidated revenues through the first 11 months of fiscal year 2014, excluding investment income, were \$4.72 billion, an increase of \$119 million, or 2.6% over the same period of fiscal year 2013. The revenue growth is primarily in Healthcare revenues, which were up \$105 million. Additional details on revenue trends are provided below:

- University revenue through the first 11 months of fiscal year 2014 increased by \$14 million compared to the same period in fiscal year 2013 at \$2.5 billion.
  - Student tuition and fees were relatively flat, increasing \$7 million, to \$791 million. Increases in autumn and spring semester revenues, due to 2% enrollment growth, were offset by a decline in summer semester revenues.
  - University gifts increased by \$13 million to total \$178 million and represented an 8% increase over the prior 11 months ended May 31, 2013; \$8 million of this increase can be attributed to donors who contributed amounts greater than \$500,000, and \$4 million of this increase relates to gift receipts for the Pelotonia event.
  - Auxiliary revenue increased by \$4 million. Increases of \$13 million in room and board fees as Student Life brings more rooms on-line with the reopening of residence halls and expanded dining options were offset by decreases of \$7 million from the transfer of parking operations to CampusParc in fiscal year 2013.
  - Revenue from sales and services of earnings operations increased by \$4 million primarily due to increases from the new veterinary medicine clinic and conference fees.
  - Revenues from grants and contracts decreased by \$7 million from fiscal year 2013 to 2014 reflecting the decrease in private contracts from revenue earned by TRC for maintaining and improving the facility (which is owned by Honda of America Manufacturing).
- Consolidated Healthcare revenues for the OSU Health System and OSU Physicians (OSUP) increased \$105 million, or 5%, to \$2.26 billion. The Health System accounted for \$87 million of the increase. Outpatient visits were up 7.2%, while inpatient admissions were up 0.6%. OSUP revenues increased \$17 million.

Consolidated operating expenses for the first 11 months of fiscal year 2014 were \$4.6 billion, up \$150 million, or 3.4%, over the same period of fiscal year 2013. The growth over last year is primarily a result of planned salary increases, increases in staffing levels at the Health System, increases in composite benefit rates, and increases in supplies and services.

- University (excluding auxiliary) expenses of \$2.4 billion for the first 11 months of fiscal year 2014 increased \$76 million, or 3.3%, over the same period of fiscal year 2013 primarily due to a 2% planned salary increase, increases in composite benefit rates, and Office of Academic Affairs investments in the HR/SIS upgrade project, security projects, and Distance Education and eLearning initiatives.
- Auxiliary expenses of \$237 million increased \$1.8 million, or 1%, primarily due to increases in personnel and supplies costs to operate various auxiliary operations. These increases were partially offset by costs due to the transition of parking operations to CampusParc in September 2012.
- Healthcare expenses of \$2.0 billion increased \$72 million, or 3.8%, due to a planned 3% salary increase, increases in staffing levels, increases in composite benefit rates, and increased supplies expenses.

Overall, expenses outpaced revenues primarily due to planned salary and benefit increases in the first 11 months of fiscal year 2014 compared to the first 11 months of fiscal year 2013. As a result, margins decreased \$30 million, to \$134 million in fiscal year 2014 over the same period for fiscal year 2013.

The Ohio State University  
Board of Trustees

August 29, 2014

Total cash, restricted cash, and temporary investments decreased \$117 million, or 5.7%, from June 30, 2013 due to increases in payments on capital projects. Gifted endowment and other long-term investments increased \$373 million due to market value increases in the Long-Term Investment Pool. The Long Term Investment Pool experienced an investment return of 13.24% versus the Policy Benchmark of 10.59% for the first 11 months of the fiscal year. Global equity markets returned over 21% during the period. Total university net position (equity) increased \$509 million, with year-to-date net investment income accounting for \$439 million of the increase.

The Ohio State University  
Board of Trustees

August 29, 2014

**II. Financial Statement Review – For the Eleven Months Ending May 31, 2014****A. Interim Financial Statements (in thousands)**THE OHIO STATE UNIVERSITY  
CONSOLIDATED STATEMENTS OF NET POSITION - UNAUDITED  
May 31, 2014 and June 30, 2013

	As of May 2014	As of June 2013	Increase/Decrease	
			Dollars	%
<b>ASSETS:</b>				
Current Assets:				
Cash and cash equivalents	\$ 282,801	\$ 117,186	\$ 165,615	141.3%
Temporary investments	1,297,757	1,021,806	275,951	27.0%
Accounts receivable, net	492,843	434,023	58,820	13.6%
Notes receivable - current portion, net	23,998	23,998	-	0.0%
Pledges receivable - current portion, net	27,491	27,491	-	0.0%
Accrued interest receivable	18,808	21,204	(2,396)	-11.3%
Inventories and prepaid expenses	112,800	86,078	26,722	31.0%
Total Current Assets	<u>2,256,498</u>	<u>1,731,786</u>	<u>524,712</u>	<u>30.3%</u>
Noncurrent Assets:				
Restricted cash	368,048	926,444	(558,396)	-60.3%
Notes receivable, net	50,216	58,133	(7,917)	-13.6%
Pledges receivable, net	71,655	71,655	-	0.0%
Long-term investment pool	3,506,943	3,149,169	357,774	11.4%
Other long-term investments	86,590	70,887	15,703	22.2%
Capital assets, net	4,531,032	4,216,554	314,478	7.5%
Total Noncurrent Assets	<u>8,614,484</u>	<u>8,492,842</u>	<u>121,642</u>	<u>1.4%</u>
<b>Total Assets and Deferred Outflows</b>	<b><u>\$ 10,870,982</u></b>	<b><u>\$ 10,224,628</u></b>	<b><u>\$ 646,354</u></b>	<b><u>6.3%</u></b>
<b>LIABILITIES AND NET POSITION:</b>				
Current Liabilities:				
Accounts payable and accrued expenses	\$ 466,122	\$ 408,602	\$ 57,520	14.1%
Deposits and advance payments for goods and services	264,739	180,511	84,228	46.7%
Current portion of bonds, notes and leases payable	59,415	58,541	874	1.5%
Long-term bonds payable, subject to remarketing	446,435	446,435	-	0.0%
Other current liabilities	73,249	63,042	10,207	16.2%
Total Current Liabilities	<u>1,309,960</u>	<u>1,157,131</u>	<u>152,829</u>	<u>13.2%</u>
Noncurrent Liabilities:				
Bonds, notes and leases payable	2,147,835	2,195,189	(47,354)	-2.2%
Compensated absences	139,764	137,780	1,984	1.4%
Self-insurance accruals	101,070	106,851	(5,781)	-5.4%
Amounts due to third-party payors - Health System	19,026	11,366	7,660	67.4%
Obligations under annuity and life income agreements	35,129	33,702	1,427	4.2%
Refundable advances for Federal Perkins loans	31,445	31,445	-	0.0%
Other noncurrent liabilities	94,519	61,306	33,213	54.2%
Total Noncurrent Liabilities	<u>2,568,788</u>	<u>2,577,639</u>	<u>(8,851)</u>	<u>-0.3%</u>
<b>Total Liabilities</b>	<b><u>3,878,748</u></b>	<b><u>3,734,770</u></b>	<b><u>143,978</u></b>	<b><u>3.9%</u></b>
Deferred Inflows:				
Parking service concession arrangement	467,711	474,332	(6,621)	-1.4%
Net Position:				
Invested in capital assets, net of related debt	2,249,989	2,446,605	(196,616)	-8.0%
Restricted:				
Nonexpendable	1,622,787	1,340,681	282,106	21.0%
Expendable	745,353	737,848	7,505	1.0%
Unrestricted	1,906,394	1,490,392	416,002	27.9%
<b>Total Net Position</b>	<b><u>6,524,523</u></b>	<b><u>6,015,526</u></b>	<b><u>508,997</u></b>	<b><u>8.5%</u></b>
<b>Total Liabilities, Deferred Inflows, and Net Position</b>	<b><u>\$ 10,870,982</u></b>	<b><u>\$ 10,224,628</u></b>	<b><u>\$ 646,354</u></b>	<b><u>6.3%</u></b>

**August Board Meeting - Finance Committee Meeting**

The Ohio State University  
Board of Trustees

August 29, 2014

**THE OHIO STATE UNIVERSITY  
CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES,  
AND OTHER CHANGES IN NET POSITION - UNAUDITED**

**Comparative Year-To-Date  
May 31, 2014 and May 31, 2013  
(in thousands)**

	<b>May 2014</b>	<b>May 2013 Restated</b>	<b>Increase/Decrease</b>	
			<b>Dollars</b>	<b>%</b>
<b>Operating Revenues:</b>				
Student tuition and fees	\$ 790,720	\$ 783,251	\$ 7,469	1.0%
Federal grants and contracts	303,566	315,612	(12,046)	-3.8%
State grants and contracts	60,650	43,014	17,636	41.0%
Local grants and contracts	15,105	15,650	(545)	-3.5%
Private grants and contracts	189,570	199,114	(9,544)	-4.8%
Sales and services of educational departments	130,630	126,413	4,217	3.3%
Sales and services of auxiliary enterprises	246,625	242,354	4,271	1.8%
Sales and services of the OSU Health System	1,948,526	1,860,596	87,930	4.7%
Sales and services of OSU Physicians, Inc.	306,558	289,269	17,289	6.0%
Other operating revenues	36,220	31,359	4,861	15.5%
<b>Total Operating Revenues</b>	<b>4,028,170</b>	<b>3,906,632</b>	<b>121,538</b>	<b>3.1%</b>
<b>Operating Expenses:</b>				
<b>Educational and General:</b>				
Instruction and departmental research	885,800	875,484	10,316	1.2%
Separately budgeted research	410,216	400,294	9,922	2.5%
Public service	116,894	98,745	18,149	18.4%
Academic support	157,131	145,846	11,285	7.7%
Student services	86,839	89,490	(2,651)	-3.0%
Institutional support	248,612	223,603	25,009	11.2%
Operation and maintenance of plant	103,333	118,930	(15,597)	-13.1%
Scholarships and fellowships	124,072	120,794	3,278	2.7%
Auxiliary enterprises	236,880	235,084	1,796	0.8%
OSU Health System	1,684,649	1,630,591	54,058	3.3%
OSU Physicians, Inc.	290,862	272,903	17,959	6.6%
Depreciation	242,662	226,071	16,591	7.3%
<b>Total Operating Expenses</b>	<b>4,587,950</b>	<b>4,437,835</b>	<b>150,115</b>	<b>3.4%</b>
<b>Operating Loss</b>	<b>(559,780)</b>	<b>(531,203)</b>	<b>(28,577)</b>	<b>5.4%</b>
<b>Non-operating Revenues (Expenses):</b>				
State share of instruction and line-item appropriations	404,331	397,150	7,181	1.8%
Federal subsidies for Build America Bonds interest	10,500	10,794	(294)	-2.7%
Federal non-exchange grants	54,859	55,822	(963)	-1.7%
State non-exchange grants	6,972	8,087	(1,115)	-13.8%
Gifts	124,233	109,245	14,988	13.7%
Net investment income (loss)	438,863	371,721	67,142	18.1%
Interest expense on plant debt	(64,069)	(56,936)	(7,133)	12.5%
Other non-operating revenues(expenses)	4,632	2,087	2,545	121.9%
<b>Net Non-operating Revenue (Expense)</b>	<b>980,321</b>	<b>897,970</b>	<b>82,351</b>	<b>9.2%</b>
<b>Income (Loss) before Other Revenues, Expenses, Gains or Losses</b>	<b>420,541</b>	<b>366,767</b>	<b>53,774</b>	<b>14.7%</b>
<b>Other Changes in Net Position</b>				
State capital appropriations	34,480	57,129	(22,649)	-39.6%
Private capital gifts	7,529	8,341	(812)	-9.7%
Additions to permanent endowments	46,447	47,926	(1,479)	-3.1%
<b>Total Other Changes in Net Position</b>	<b>88,456</b>	<b>113,396</b>	<b>(24,940)</b>	<b>-22.0%</b>
<b>Increase (Decrease) in Net Position</b>	<b>508,997</b>	<b>480,163</b>	<b>\$ 28,834</b>	<b>6.0%</b>
<b>Net Position - Beginning of Year</b>	<b>6,015,526</b>	<b>5,491,286</b>		
<b>Net Position - End of Period</b>	<b>\$ 6,524,523</b>	<b>\$ 5,971,449</b>		

The Ohio State University  
Board of Trustees

August 29, 2014

**THE OHIO STATE UNIVERSITY  
CONSOLIDATED STATEMENTS OF CASH FLOWS - UNAUDITED**

**Years Ended May 31, 2014 and May 31, 2013**  
(in thousands)

	May 2014	May 2013 Restated	Incr/(Decr) to Cash Dollars	%
<b>Cash Flows from Operating Activities:</b>				
Tuition and fee receipts	\$ 698,062	\$ 682,796	\$ 15,266	2.2%
Grant and contract receipts	595,302	587,326	7,976	1.4%
Receipts for sales and services	2,632,451	2,546,559	85,892	3.4%
Receipt of parking service concession	-	453,546	(453,546)	-100.0%
Payments to or on behalf of employees	(2,089,789)	(2,014,152)	(75,637)	3.8%
University employee benefit payments	(605,200)	(579,452)	(25,748)	4.4%
Payments to vendors for supplies and services	(1,430,680)	(1,433,170)	2,490	-0.2%
Payments to students and fellows	(114,178)	(110,752)	(3,426)	3.1%
Student loans issued	(8,617)	(9,620)	1,003	-10.4%
Student loans collected	9,349	10,321	(972)	-9.4%
Student loan interest and fees collected	1,789	2,738	(949)	-34.7%
Other receipts (payments)	53,452	24,826	28,626	115.3%
Net cash provided (used) by operating activities	<u>(258,059)</u>	<u>160,966</u>	<u>(419,025)</u>	<u>-260.3%</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
State share of instruction and line-item appropriations	404,331	397,150	7,181	1.8%
Non-exchange grant receipts	61,831	63,909	(2,078)	-3.3%
Gift receipts for current use	124,233	109,245	14,988	13.7%
Additions to permanent endowments	46,447	47,926	(1,479)	-3.1%
Drawdowns of federal direct loan proceeds	328,854	354,505	(25,651)	-7.2%
Disbursements of federal direct loans to students	(330,428)	(339,605)	9,177	-2.7%
Disbursement of loan proceeds to related organization	(75)	(2,085)	2,010	-96.4%
Repayment of loans from related organization	6,947	188	6,759	3595.2%
Amounts received for annuity and life income funds	4,853	3,487	1,366	39.2%
Amounts paid to annuitants and life beneficiaries	(3,426)	(3,448)	22	-0.6%
Agency funds receipts	3,488	3,509	(21)	-0.6%
Agency funds disbursements	(3,342)	(2,762)	(580)	21.0%
Net cash provided by noncapital financing activities	<u>643,713</u>	<u>632,019</u>	<u>11,694</u>	<u>1.9%</u>
<b>Cash Flows from Capital Financing Activities:</b>				
Proceeds from capital debt	-	500,575	(500,575)	-100.0%
State capital appropriations	42,311	59,565	(17,254)	-29.0%
Gift receipts for capital projects	7,529	8,341	(812)	-9.7%
Payments for purchase or construction of capital assets	(535,479)	(557,988)	22,509	-4.0%
Principal payments on capital debt and leases	(42,617)	(257,372)	214,755	-83.4%
Interest payments on capital debt and leases	(49,757)	(45,112)	(4,645)	10.3%
Federal subsidies for Build America Bonds interest	9,797	11,731	(1,934)	-16.5%
Net cash (used) by capital financing activities	<u>(568,216)</u>	<u>(280,260)</u>	<u>(287,956)</u>	<u>102.7%</u>
<b>Cash Flows from Investing Activities:</b>				
Net (purchases) sales of temporary investments	(275,951)	476,552	(752,503)	-157.9%
Proceeds from sales and maturities of long-term investments	885,465	820,745	64,720	7.9%
Investment income	41,401	32,623	8,778	26.9%
Purchases of long-term investments	(861,134)	(1,298,732)	437,598	-33.7%
Net cash provided (used) by investing activities	<u>(210,219)</u>	<u>31,188</u>	<u>(241,407)</u>	<u>-774.0%</u>
<b>Net Increase (Decrease) in Cash</b>	<u>(392,781)</u>	<u>543,913</u>	<u>\$ (936,694)</u>	<u>-172.2%</u>
Cash and Cash Equivalents - Beginning of Year	<u>1,043,630</u>	<u>1,312,031</u>		
Cash and Cash Equivalents - End of Period	<u>\$ 650,849</u>	<u>\$ 1,855,944</u>		

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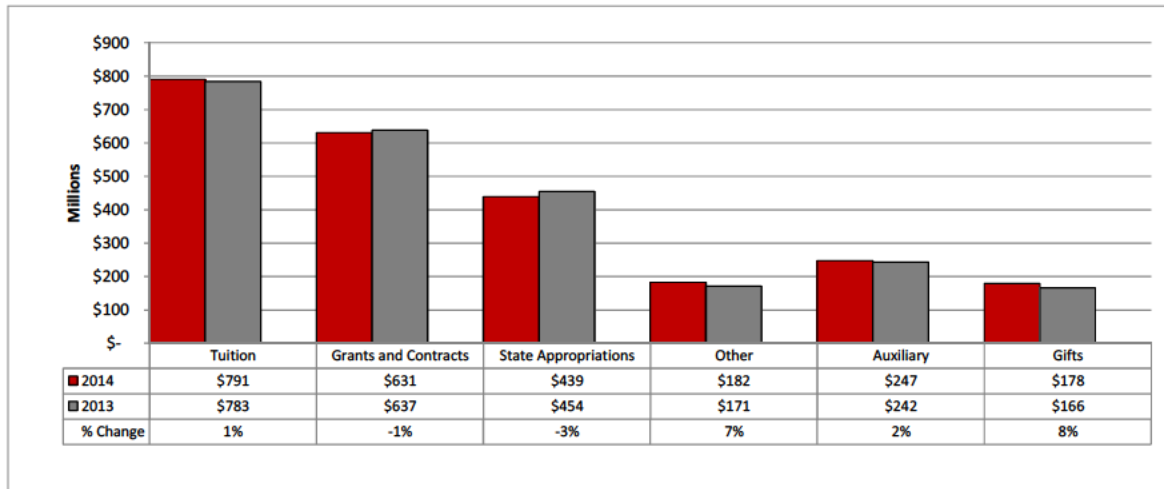
**B. Revenue**

Consolidated revenues through the first 11 months of fiscal year 2014, excluding investment income, were \$4.72 billion, an increase of \$119 million, or 2.6% over the same period of fiscal year 2013. The breakdown of comparative year-to-date revenues between the university and Healthcare (the OSU Health System hospitals and OSUP) follows.

University

University revenues for the first 11 months of fiscal year 2014 of \$2.47 billion were comparable with 2013. Major components of university revenues were as follows:

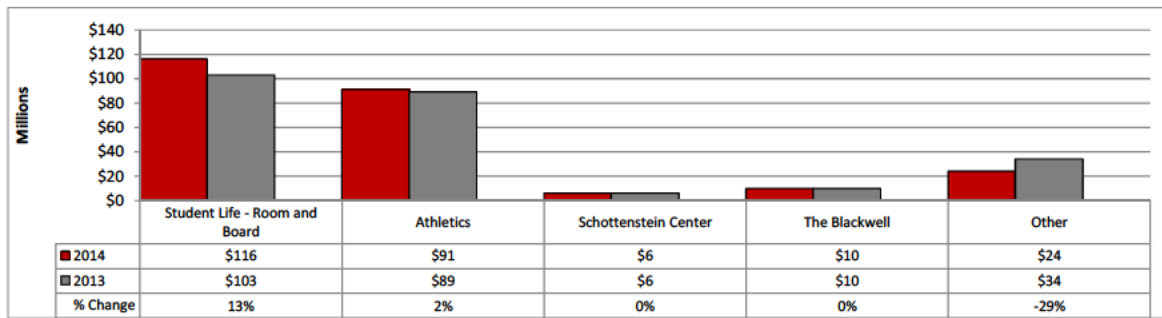
**University Revenue YTD First Eleven Months Fiscal Year 2014 vs. Fiscal Year 2013**



Student tuition and fees were up \$7 million, to \$791 million, compared with the first 11 months of fiscal year 2013. Summer 2013 tuition revenues were down \$13 million, primarily due to fewer summer enrollment days in fiscal year 2014. This decline is offset by increases in autumn and spring tuition revenues, reflecting increased enrollments (up 1% for resident and 5% for non-resident students). The university froze undergraduate tuition and mandatory fees for the 2013-2014 academic year.

Grant and contract revenues were down \$7 million, or 1.0%, to \$631 million, reflecting the decrease in private contracts from revenue earned by TRC for maintaining and improving the facility (which is owned by Honda of America Manufacturing).

**Auxiliary Operating Revenues YTD First Eleven Months Fiscal Year 2014 vs. Fiscal Year 2013**

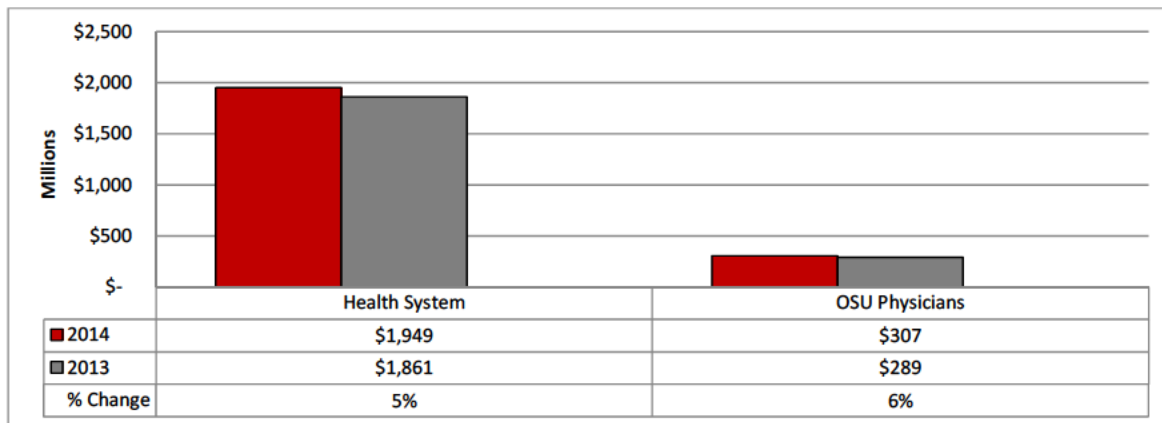


Auxiliary revenues for the first 11 months of fiscal year 2014 of \$247 million were up \$4 million, or 2%, compared to the first 11 months of fiscal year 2013. Student Life revenues were up \$13 million, to \$116 million, due to the re-opening of Smith/Steeb and Siebert Halls which added 1,350 renovated beds back into inventory, as well as a 4% increase in room and board rates for fiscal year 2014. Athletics revenues were up \$2 million. Ticket price increases for football and men's basketball, revenues from participation in a bowl game, and concession revenue exceeded decreases in revenue from a reduction in home football games from eight in the 2012 season to seven in the 2013 season. Other auxiliary revenues decreased \$10 million, primarily due to the transition of parking operations to CampusParc in September 2012.

**Healthcare**

Healthcare revenue for the first 11 months of fiscal year 2014 of \$2.26 billion increased \$105 million, or 5%, compared to \$2.15 billion for the first 11 months of fiscal year 2013.

**Healthcare Revenues YTD First Eleven Months Fiscal Year 2014 vs. Fiscal Year 2013**



Consolidated OSU Health System revenues of \$1.95 billion increased \$88 million, or 5%, in the first 11 months of fiscal year 2014 over the same period in 2013 and were on budget. Performance over prior year is predominantly driven by outpatient visits, which were up 7.2% compared to fiscal year 2013, while inpatient admissions were up 0.6%. OSUP revenue for the first 11 months of fiscal year 2014 of \$307 million increased \$18 million, or 6%, compared to \$289 million for the same period of fiscal year 2013.

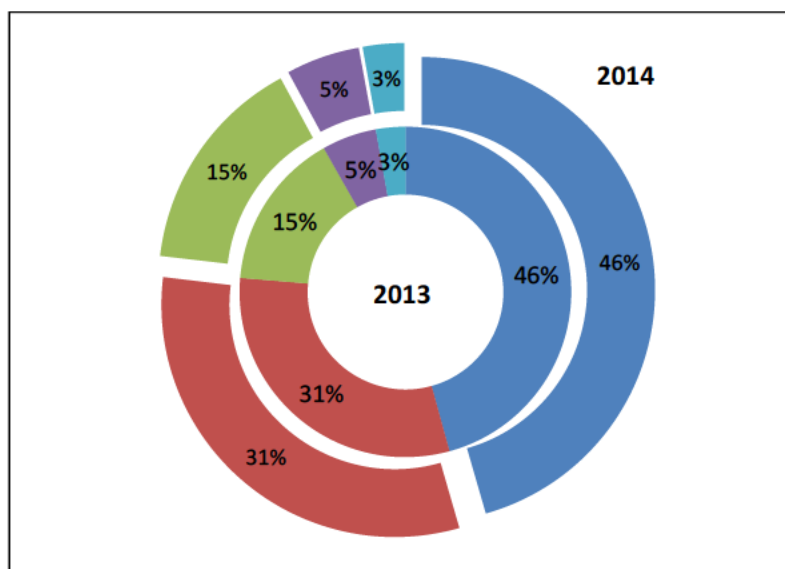
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### C. Operating Expenses

Consolidated operating expenses of \$4.59 billion for the first 11 months of fiscal year 2014 increased \$150 million, or 3.4%, compared to the first 11 months of fiscal year 2013 of \$4.44 billion. The \$150 million increase in operating expense was greater than the \$119 million increase in total revenues (excluding investment income) for the same period. Below is a comparison of operating expenses by expense type between the first 11 months of fiscal years 2014 and 2013. As is shown, the mix of expenses remained relatively constant between years, with salaries and benefits comprising approximately 61% of total operating expenses.

#### Mix of Operating Expenses YTD First Eleven Months Fiscal Year 2014 vs. Fiscal Year 2013



Consolidated Operating Expenses (in millions)	2014	2013	\$ Change	% Change
Salaries	\$ 2,098	\$ 2,022	76	3.8%
Supplies and Other	1,406	1,389	17	1.2%
Benefits & Fee Authorizations	709	675	34	5.0%
Depreciation	243	226	17	7.5%
Student Aid	132	126	6	4.8%
	<u>\$ 4,588</u>	<u>\$ 4,438</u>	<u>\$ 150</u>	<u>3.4%</u>

Salaries increased \$76 million in the first 11 months of fiscal year 2014, or 4% over the comparable period in fiscal year 2013. Health System salaries were up 5% over fiscal year 2013 levels, while university salaries (excluding Auxiliaries) were up 3% over fiscal year 2013 levels. The university salary increase included a pooled 3% rate increase through August with the 2% rate increase coming into effect in September. Benefit and graduate fee authorization expenses increased \$34 million, or 5% due to higher composite benefit rates and a higher salary base. Supplies and other expenses increased \$17 million, or 1%, primarily due to increases in supplies and services expenses for the Health System and OSU Physicians.

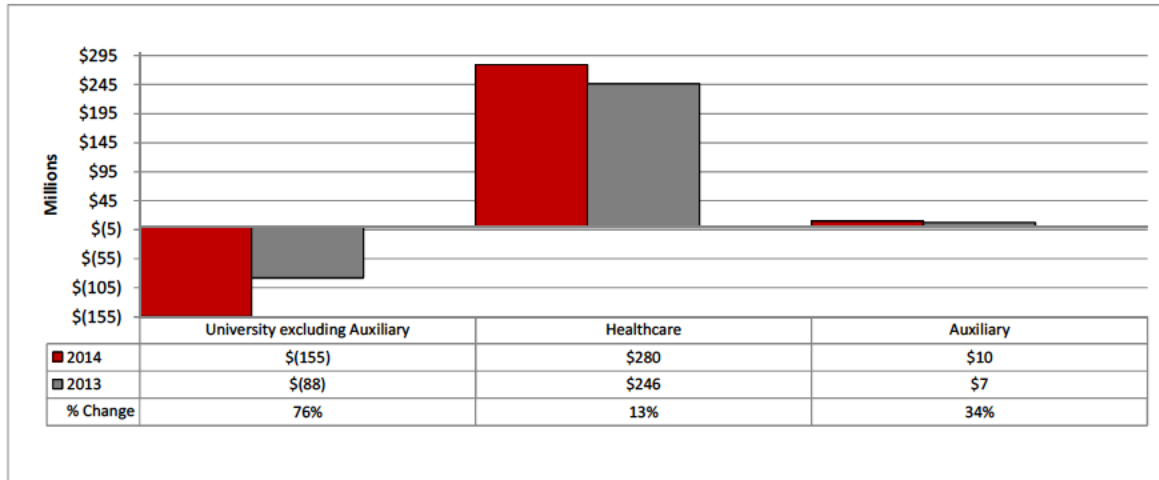
### D. Revenues Less Operating Expenses (Margins)

Consolidated revenues, excluding investment income, less operating expenses for The Ohio State University were \$135 million for the first 11 months of fiscal year 2014, down \$30 million compared to the



first 11 months of fiscal year 2013. University (excluding auxiliary) margins decreased \$67 million, reflecting increases in depreciation (\$17 million), OCIO investments in HR/SIS upgrade, security, and ODEE (\$10 million), investment advisory fees (\$4 million) as well as increases in salary, benefit, and supplies and services expenses while revenues remained relatively flat. Healthcare margins increased \$34 million as revenues grew at a faster rate than expenses. Auxiliary margins increased \$3 million year over year.

**Revenue Less Operating Expense by Area YTD First Eleven Months  
Fiscal Year 2014 vs. Fiscal Year 2013**



**E. Investments**

**Long-Term Investment Pool**

For the 11 months ended May 31, 2014 (FYTD), the Long-Term Investment Pool (LTIP) earned an investment return of 13.24% versus a Policy Benchmark of 10.59%, resulting in outperformance of 2.65%. During that period, our Global Equity investments led the rise returning 16.1% followed by Private Capital at 15.9%, Real Assets at 14.1%, and Global Credit at 6.5%.

For the FYTD, the LTIP's net investment income of \$424 million less net outflows of \$66 million produced an overall growth of \$358 million.

The comparable 11 month period ended May 31, 2013 saw an investment return of 12.71% versus a 8.44% Policy Benchmark for outperformance of 4.27%. During that period, our Global Equity assets returned 17.2%, followed by Private Capital at 7.1%, Real Assets at 5.6%, and Global Credit at 3.8%. The net FYTD overall growth of \$810 million was fueled by net investment income of \$359 million plus net inflows of \$451 million.

**Temporary Investments**

For the 11 months ended May 31, 2014 (FYTD) the Intermediate Investments earned a return of 1.70% versus the Policy Benchmark of 1.27%, resulting in outperformance of 0.43%. The Short-Term investments earned a FYTD return of 1.19%.

The comparable 11 month period ended May 31, 2013 saw a similar Intermediate Investment return of 1.18% versus a 1.02% Policy Benchmark return for outperformance of 0.16%.

**F. Cash Flows**

Cash flows from operating activities and non-capital financing activities were \$384 million through the first 11 months of fiscal year 2014, compared with \$793 million for the same period in fiscal year 2013. The reduction in net cash flows relates primarily to the receipt of proceeds from the parking agreement in September 2012.

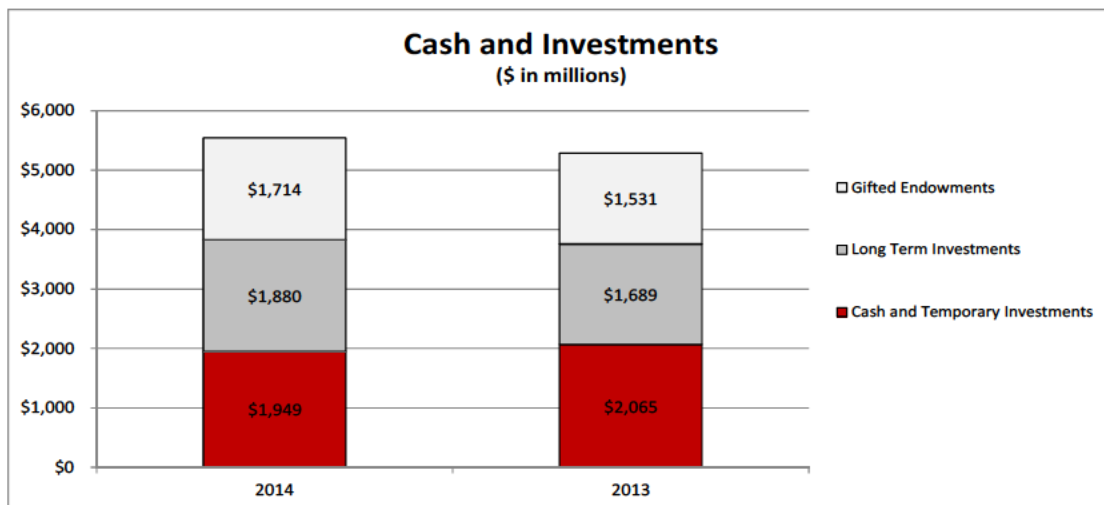
Net cash used for capital financing activities was \$567 million for first 11 months of fiscal year 2014, compared to \$280 million for the comparable period in fiscal year 2013. The increase in cash used in fiscal year 2014 is due primarily to two significant debt transactions. The fiscal year 2013 net cash used in capital financing activities was significantly lower than the same period in fiscal year 2014 due to cash received of \$380 million from the issuance of 2013 Series A bonds offset by cash payments of \$75 million for the defeasance of debt supporting parking garages.

Capital outlay for the 11 months ended May 31, 2014 approximated \$536 million. Of this amount \$184 million represents progress on the \$1.1 billion Medical Center Expansion which is slated for completion December 2014. An additional \$164 million was invested within the academic core, primary projects being the Chemical and Bio-molecular Engineering and Chemistry (CBEC) building and the related East Regional Chilled Water Plant (ERCWP), which will provide chilled water for the CBEC and other northern core academic buildings. Within Residence Life, \$52 million was expended; the North Residential District Transformation represented the largest portion of the expenditures as the project completes the demolition phase and prepares for excavation and foundations for several buildings this spring. Capital equipment expenditures included \$50 million in medical center equipment and an additional \$56 million in university equipment. Capital assets, net of accumulated depreciation, increased \$315 million since fiscal year end June 30, 2013.

Net cash used for investing activities was \$210 million for the first 11 months of fiscal year 2014, compared to \$31 million for the comparable period in fiscal year 2013. The net cash outflow relates primarily to purchases of temporary investments.

**G. Assets and Liabilities**

From June 30, 2013 to May 31, 2014, total university cash and investments increased by \$257 million, to \$5.5 billion. Cash and short term investments decreased \$116 million, reflecting increases in non-capital financing activities offset by year-to-date capital expenditures and scheduled debt service payments. Gifted endowment and long term investments increased \$183 million and \$190 million, respectively, primarily due to \$398 million of increases in market value for the Long Term Investment Pool.



#### **H. Debt**

There has been no new debt activity in fiscal year 2014. Fiscal year to date the university has paid off \$40.9 million in principal. The university continues to benefit from historically low interest rates on its variable rate debt, averaging 0.03% for the fiscal year to date.

### **III. Financial Highlights – For the Eleven Months Ending May 31, 2014**

#### **A. State Support Outlook**

According to the Ohio Office of Budget and Management (OBM) through May tax receipts were exceeding expectations by 0.9%. Income taxes were ahead of expectations by \$174 million, while sales taxes were \$12.6 million below expectations. Overall revenues to the state were 0.4% below expectations.

The Ohio Department of Jobs and Family Services announced that unemployment in Ohio dropped 5.5 % in May, the fourth consecutive month the unemployment rate has dropped. OBM still notes that “leading economic indicators remain consistent with uninterrupted growth at a modest pace across the country and in Ohio...”

The Board of Regents (BOR) released its preliminary fiscal year 2015 state share of instruction (SSI) data based in part on projected fiscal year 2014 enrollment and degree data. The projection will be used to determine the SSI allocation to the institutions for the first 6 months of fiscal year 2015. The university saw its SSI drop by approximately \$2.7 million, of which \$1.5 million is attributable to the loss of one time Bridge Funding at the Regional campuses and ATI. The remaining \$1.2 million is attributable to activity at Ohio State and other institutions. Final SSI projections using actual data will be released in fall for institutional review and adjustments to institutions’ SSI will occur over the final 6 months of the fiscal year.

The Inter-University Council (IUC) and BOR have started discussions about the fiscal year 2016-17 state share of instruction formula. The university intends to be fully engaged in these discussions.

#### **B. OSU Wexner Medical Center**

For the first 11 months of the fiscal year ending June 30, 2014, the Wexner Health System gain from operations was 9.3% higher than the same period of fiscal year 2013, and 8.7% above budget.

- Inpatient admissions were up 0.6% over last year and the total number of patients treated in beds grew 0.9%.
- Total outpatient visits were 8.9% above budget and 7.2% above last year.
- Operating revenue per adjusted admission was 0.6% above budget and 2.2% above prior year.
- Operating expense per adjusted admission was 0.3% above budget and 1.6% below prior year.
- Total operating revenue of \$1,947.2 million was 0.7% above budget and 4.7% above prior year.
- Total operating expense of \$1,742.4 million 0.2% below budget and 4.2% above prior year.
- Excess of revenue over expense (before transfers for research, education and strategic programs) of \$208.8 million was 10.2% above budget and 11.0% above prior year.
- Operating EBIDA margin was 4.3% above budget, days cash on hand was 0.9 days above budget, and debt service coverage was 8.8% above budget.

Medical Liability Reserves – Contributions to the Medical Liability Self Insurance Funds I & II and Oval, Ltd (the university’s captive insurance company) have been maintained according to budget. Both self-

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insurance funds are fully funded and Oval, Ltd is in full compliance with the funding requirements of the Bermuda Insurance Act.

**C. Enrollment**

Columbus Campus

Enrollment is 2% above budget at the Columbus Campus and up nearly 2% compared to fiscal year 2013. The following tables are based on student headcounts for summer, autumn, and spring semesters.

Student Level	Fiscal Year 2014 Actual vs. Budget Headcounts				Fiscal Years 2013 & 2014 Headcount Comparison			
	Actual	Budget	Change	% Chg	FY 2014	FY 2013	Change	% Chg
Undergraduate	95,587.0	92,315.0	3,272.0	3.5%	95,587.0	92,721.0	2,866.0	3.1%
Graduate	25,362.0	25,665.5	-303.5	-1.2%	25,362.0	26,041.0	-679.0	-2.6%
Professional	7,775.0	7,825.0	-50.0	-0.6%	7,775.0	7,791.0	-16.0	-0.2%
<b>Grand Total</b>	<b>128,724.0</b>	<b>125,805.5</b>	<b>2,918.5</b>	<b>2.3%</b>	<b>128,724.0</b>	<b>126,553.0</b>	<b>2,171.0</b>	<b>1.7%</b>

*Includes Summer & Autumn & Spring Terms*

As shown below, resident enrollments are up nearly 1% between fiscal year 2013 and fiscal year 2014 and nearly 3% above budget. Non-resident enrollment is 5% above fiscal year 2013 and is up 1% to budget. For the academic year-to-date, total enrollment has increased nearly 2% between fiscal year 2013 and fiscal year 2014 and is 2% above budget.

Student Level	Fiscal Year 2014 Actual vs. Budget Headcounts				Fiscal Years 2013 & 2014 Headcount Comparison			
	Actual	Budget	Change	% Chg	FY 2014	FY 2013	Change	% Chg
Resident	98,230.0	95,721.5	2,508.5	2.6%	98,230.0	97,516.0	714.0	0.7%
Non-Resident	30,494.0	30,084.0	410.0	1.4%	30,494.0	29,037.0	1,457.0	5.0%
<b>Grand Total</b>	<b>128,724.0</b>	<b>125,805.5</b>	<b>2,918.5</b>	<b>2.3%</b>	<b>128,724.0</b>	<b>126,553.0</b>	<b>2,171.0</b>	<b>1.7%</b>

*Includes Summer & Autumn & Spring Terms*

Regional Campuses

The following are the combined summer through spring semester headcount enrollment figures. Overall, regional campus enrollment has remained nearly flat from fiscal year 2013 and is 2% above budget. Enrollments decreased for three campuses between fiscal year 2013 and fiscal year 2014 due to a number of factors, including the decline of area high school graduates.

The Marion, Mansfield, and Newark campuses were each up from their projection for fiscal year 2014 by, 10%, 3%, and 1%, respectively. Lima campus was tracking close to projections while ATI was 4% below budget.

Student Level	Fiscal Year 2014 Actual vs. Budget Headcounts				Fiscal Years 2013 & 2014 Headcount Comparison			
	Actual	Budget	Change	% Chg	FY 2014	FY 2013	Change	% Chg
Lima	2,292.0	2,298.0	-6.0	-0.3%	2,292.0	2,425.0	-133.0	-5.5%
Mansfield	2,672.0	2,594.0	78.0	3.0%	2,672.0	2,719.0	-47.0	-1.7%
Marion	2,758.0	2,504.0	254.0	10.1%	2,758.0	2,670.0	88.0	3.3%
Newark	4,837.0	4,795.0	42.0	0.9%	4,837.0	4,865.0	-28.0	-0.6%
ATI	1,334.0	1,390.8	-56.8	-4.1%	1,334.0	1,252.0	82.0	6.5%
<b>Grand Total</b>	<b>13,893.0</b>	<b>13,581.8</b>	<b>311.2</b>	<b>2.3%</b>	<b>13,893.0</b>	<b>13,931.0</b>	<b>-38.0</b>	<b>-0.3%</b>

*Includes Summer & Autumn & Spring Terms*

Fiscal Year 2015 Projected Enrollment

The university continues to execute against the most recent Enrollment Plan, which was implemented in fiscal year 2012, to increase the quantity, quality and diversity of the student body. The Plan has been

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successful in meeting those objectives and in providing higher levels of new students to offset the temporary decline in existing students due to semester conversion in fiscal year 2013. Enrollment has since stabilized and enrollment for fall 2014 (fiscal year 2015) is expected to be essentially flat versus fiscal year 2014. With many students taking advantage of the free credit hour option in May term, summer revenue-generating enrollments and credit hours continue to lag behind pre-conversion levels. Regional campuses, which account for 10% of the university's enrollment, continue to be negatively impacted by several factors including the semester conversion, continued poor economic conditions in the communities they serve, the decreasing number of high school graduates and competition from community and technical colleges. As a result, fiscal year 2015 enrollments are projected to decline an average of 1.8% over fiscal year 2014 levels.

#### D. Research

Through the first 11 months of fiscal year 2014, direct cost expenditures from Office of Sponsored Programs projects totaled \$354 million with \$89 million of associated indirect cost recoveries, essentially identical to spending in the same period in fiscal year 2013.

Total awards received for fiscal year 2014 are up 10.7% compared to fiscal year 2013. Awards for NSF are up 21%, reflecting 5 new awards greater than \$1 million. Awards for DOE are up 23%, primarily due to a new \$2 million award in May. Awards for the State of Ohio also reflect increases, primarily due to \$9 million in new Third Frontier awards and \$6 million in new awards for the Ohio Department of Medicaid.

#### Technology Commercialization and Ohio State Innovation Foundation

Revenues for the 11 month period ending May 31, 2014 were \$2.2 million compared to \$1.8 million received in the same period last year.

#### E. Key Affiliates

Affiliated entities are separate organizations that are "closely related" to the primary mission of the university and are regularly monitored through the Audit and Compliance Committee of the Board of Trustees.

#### Campus Partners

Eleven Months Ended May 31, 2014

(In Thousands)

	<b>FY 14</b>	<b>FY 13</b>	<b>\$ Change</b>	<b>%</b>
Revenues	\$ 6,853	\$ 9,846	\$ (2,993)	-43.7%
Expenses	\$ 8,727	\$ 11,327	\$ (2,600)	-29.8%
Net Income	\$ (1,874)	\$ (1,481)	\$ (393)	-21.0%

Campus Partners' revenues and expenses are down compared to fiscal year 2013 due to the financial impacts from transferring the operations of the South Campus Gateway (SCG) residential apartments and SCG office space to OSU and the SCG parking garage operations to CampusParc.

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### SciTech

Eleven Months Ended May 31, 2014

(In Thousands)

	<b>FY 14</b>	<b>FY 13</b>	<b>\$ Change</b>	<b>%</b>
Revenues	\$ 5,631	\$ 5,369	\$ 262	4.9%
Expenses	\$ 5,034	\$ 4,710	\$ 324	6.9%
Net Income	\$ 597	\$ 659	\$ (62)	(9.4)%

The Science and Technology Campus Corporation (SciTech) was formed to further the development of a science and technology research park at The Ohio State University.

Revenues for the first 11 months of fiscal year 2014 increased \$262,000 due to increases in rental income of approximately \$462,000, net of a onetime gain of \$200,000 received in fiscal year 2013 for an investment in Leadscope, Inc. The increase in rental income is attributable primarily to new leases from OSU CEMAS (Center for Electron Microscopy and Analysis) and Nationwide Children's Hospital, the renegotiation of the TechColumbus incubator lease at 1275 Kinnear Road, and step increases in base rents and operating expense reimbursements for other tenants.

Expense increases were primarily attributable to changes in rental operating expenses due to increased occupancy and increased interest expense due to higher interest rates on permanent financing used to replace short term variable debt at the end of fiscal year 2013.

#### F. Auxiliary Operations

Auxiliaries are entities that exist to furnish goods or services to students, faculty or staff, or the general public for a fee. Auxiliary operations are essentially self-supporting. Examples at OSU include: Athletics, Schottenstein Center, the Blackwell, Fawcett Center, Drake Union, housing and dining operations, recreational sports and the Ohio Union. Each of these operations is discussed below.

### Athletics Department

Eleven Months Ended May 31, 2014

(In Thousands)

	<b>FY14</b>	<b>FY13</b>	<b>\$ Change</b>	<b>%</b>
Revenues	\$ 126,411	\$ 124,549	\$ 1,862	1.5%
Expenses	\$ 129,274	\$ 125,764	\$ 3,510	2.8%
Net Income	\$ (2,863)	\$ (1,215)	\$ (1,648)	135.6%

The \$1.8 million increase in Athletics revenue in fiscal year 2014 over fiscal year 2013 is primarily due to revenue from the Orange Bowl. Increases in the ticket prices for football and men's basketball along with concession revenue offset the impact of the reduction in home football games from eight in the 2012 season to seven in the 2013 season. Athletics expenses increased \$3.5 million, primarily due to \$1.1 million in unbudgeted expenses due to the bowl game, a \$1.9 million increase in grant-in-aid, and a \$400,000 increase in transfers to Student Life and the Library.

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### Schottenstein Center

Eleven Months Ended May 31, 2014  
(In Thousands)

	<u>FY14</u>	<u>FY13</u>	<u>\$ Change</u>	<u>%</u>
Revenues	\$ 19,579	\$ 17,541	\$ 2,038	11.6%
Expenses	\$ 18,939	\$ 17,433	\$ 1,506	8.6%
Net Income	\$ 640	\$ 108	\$ 532	492.6%

Revenue is \$2.04 million greater than year-to-date 2013 primarily due to an increase in transfers in of \$1.32 million for reimbursements to the operating fund from reserves for the scoreboard upgrade project. Ticket sales are also up \$575,000 due to the number of events to date and the sales mix. This created a positive impact on ticket fees revenue of \$78,000. Suite Sales are up by \$125,000 over prior year due to fewer vacancies than the prior year on annual leases. Expenses are \$1.51 million higher than prior year. This is due to a \$798,000 increase in cost of capital equipment attributable to the scoreboard project; the weather and additional square footage for the practice facility have caused utilities to increase by \$501,000, and payroll & benefits to increase \$425,000 (including a \$390,000 increase in part-time wage categories) over last year.

### Blackwell Inn

Eleven Months Ended May 31, 2014  
(In Thousands)

	<u>FY14</u>	<u>FY13</u>	<u>\$ Change</u>	<u>%</u>
Revenues	\$ 10,829	\$ 11,107	\$ (278)	-2.5%
Expenses	\$ 11,063	\$ 11,034	\$ 29	0.3%
Net Income	\$ (234)	\$ 73	\$ (307)	-420.5%

Revenues are \$278,000 under last year due to shortfalls in room revenue of \$106,800, food & beverage revenue of \$205,700 and other income revenue better than last year by \$35,200. Room revenue is under budget due to the shortfall in occupancy at 74.6% or 2.9 points under last year of 77.5%. Food & beverage revenues are \$205,700 under last year due mostly to a shortfall in banquet and event revenues which are down \$169,300 and outlet revenues are down \$36,400 due to the shortfall in hotel occupancy and weaker student meal plan usage which is \$84,500 of the outlet revenue shortfall. Expenses are \$29,000 under last year as the savings in variable costs related to sales such as overhead, cost of sales and payroll which are offset by the higher benefits costs.

### Housing & Dining

Eleven Months Ended May 31, 2014  
(In Thousands)

	<u>FY14</u>	<u>FY13</u>	<u>\$ Change</u>	<u>%</u>
Revenues	\$ 137,163	\$ 123,306	\$ 13,857	11.2%
Expenses	\$ 125,498	\$ 104,014	\$ 21,484	20.7%
Net Income	\$ 11,665	\$ 19,292	\$ (7,627)	-39.5%

Revenues from Housing have increased from fiscal year 2013 to fiscal year 2014 by approximately \$8 million primarily due to the re-opening of Smith/Steeb and Siebert Halls, which added 1,350 renovated beds back into the inventory, as well as a 3.9% housing rate increase. Other revenue sources are comparable to prior year. The primary driver of the increase in fiscal year 2014 expenses is the additional debt on the Residence on Tenth and South High Rise projects which is heightened by the fiscal year 2013 internal debt service charge not occurring until fiscal year 2014.

The Ohio State University  
Board of Trustees

August 29, 2014

Revenues from Dining have increased from fiscal year 2013 to fiscal year 2014 by approximately \$5.8 million or 12.3%. Primary drivers of this variance are additional meal plan revenue from the re-opening of Smith/Steeb and Siebert Halls along with the merger of Ohio Union Catering with University Catering. Fiscal year to date 2014 expenses exceed the prior year by \$3 million primarily due to the move of catering personnel and expenses previously supported by the Ohio Union.

#### Recreational Sports

Eleven Months Ended May 31, 2014

(In Thousands)

	<b>FY14</b>	<b>FY13</b>	<b>\$ Change</b>	<b>%</b>
Revenues	\$ 18,924	\$ 19,815	\$ (891)	-4.5%
Expenses	\$ 15,757	\$ 16,413	\$ (656)	-4.0%
Net Income	\$ 3,167	\$ 3,402	\$ (235)	-6.9%

Fiscal year 2014 revenues continue to track below prior year and reflect reductions in general funds support. Remaining revenue sources are consistent with prior year. Fiscal year to date 2014 expenses are in line with prior year with the exception of supplies and services, which are currently tracking lower due to later processing of utility surcharges.

#### Ohio Union

Eleven Months Ended May 31, 2014

(In Thousands)

	<b>FY14</b>	<b>FY13</b>	<b>\$ Change</b>	<b>%</b>
Revenues	\$ 6,011	\$ 8,846	\$ (2,835)	-32.0%
Expenses	\$ 5,236	\$ 8,380	\$ (3,144)	-37.5%
Net Income	\$ 775	\$ 466	\$ 309	66.3%

The reductions in current year revenues and expenses reflect the merger of Ohio Union Catering with University Catering. Restructuring within Student Life in fiscal year 2013 resulted in the move of revenue and personnel previously associated with the Union to Dining Services.

#### Fawcett Center

Eleven Months Ended May 31, 2014

(In Thousands)

	<b>FY14</b>	<b>FY13</b>	<b>\$ Change</b>	<b>%</b>
Revenues	\$ 3,875	\$ 4,117	\$ (242)	-5.9%
Expenses	\$ 3,402	\$ 3,634	\$ (232)	-6.4%
Net Income	\$ 473	\$ 483	\$ (10)	-2.1%

The year-to-date revenues for the Fawcett Center are down \$242,000 from the prior fiscal year. The decline in revenue is the result of lower food & beverage revenues of \$341,000 offset by a 3% annual rent increase for office space of \$100,300 with two new tenants as of October and January. Event-related food and beverage revenues are under budget, primarily due to the loss of \$160,000 in training table meals for the football team. Total expenses are down \$231,000 due to savings in variable costs related to sales such as overhead, cost of sales and payroll, and are offset by higher benefits costs of \$12,500 on \$31,000 less payroll. The shortfall in event revenues will continue to be our focus as the year progresses; however, training table meals are not easily replaced.



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August 29, 2014

**Drake Union**

Eleven Months Ended May 31, 2014

(In Thousands)

	<b>FY14</b>	<b>FY13</b>	<b>\$ Change</b>	<b>%</b>
Revenues	\$ 1,007	\$ 1,004	\$ 3	0.3%
Expenses	\$ 744	\$ 818	\$ (74)	-9.0%
Net Income	\$ 263	\$ 186	\$ 77	41.4%

The year-to-date revenues for the Drake Union are up \$3,000 from the previous fiscal year. The increase in revenue is the result of the 3% annual rent increase equaling \$3,000 and flat conference revenue to 2013. Total expenses are \$74,000 less than prior year. This is due to the correction of overcharges in utilities (\$4,700) and the lack of maintenance expenses (\$102,600) offset by increases in administrative and general expenses of \$26,000 due primarily to payroll and benefit increases and \$6,300 attributable to utilities costs.

University Financial Scorecard

Fiscal Year-to-Date: May 31, 2014

Metric	Actual	Budget	Actual vs Budget
<b>A. Revenue Drivers (in millions)</b>			
1. Tuition and Fees	\$947	\$948	—
2. Federal, State, Local and Private Grants & Contracts	\$631	\$568	—
3. Advancement Cash Receipts	\$178	\$174	—
4. State Support	\$404	\$402	—
5. Contribution from Auxiliary Enterprises	\$10	\$10	—
<b>B. Financial Snapshot (in millions)</b>			
1. Total Revenue excluding endowment performance	\$4,722	\$4,615	—
2. Total Expenses	\$4,652	\$4,549	—
3. Change in Net Assets	\$509	\$306	↑
4. Change in Net Assets excluding endowment performance	\$70	\$66	↓
5. Change in Net Financial Assets	\$303	\$125	↑
<b>C. Performance Metrics</b>			
1. Enrollment - Summer, Autumn & Spring	128,724	125,806	—
2. Liquidity – Primary Reserve Ratio	191	150	—
3. Liquidity – Days Cash on Hand	124	120	↓
4. Actual Debt Service to Operations (measured semi-annually)	3.3%	< 4.0%	—
5. Short Term Investment Pool Return	0.15%	0.06%	—
6. Intermediate Investment Pool Return	1.38%	1.11%	—
7. YTD Long Term Investment Pool Return	13.24%	10.59%	↑
8. Long Term Investment Pool Average 3 Year Return	7.75%	8.22%	↑
9. Credit Rating	AA	AA	—

- Meets or exceeds goal    ↑ Performance up
- Below goal    ▬ No change in performance
- Far below goal    ↓ Performance down

### Medical Center Financial Dashboard

Fiscal Year-to-Date: May 31, 2014

Metric	Actual	Budget	Actual vs Budget
<b>A. Revenue Drivers</b>			
1. Patient Admissions	52,129	52,901	—
2. Patients in Beds including Obs area	67,249	67,735	↑
3. Patient Discharges	52,149	52,649	↑
4. Total Surgeries	35,071	36,400	—
5. Outpatient Visits	1,455,517	1,337,081	↑
6. ED Visits	107,688	110,438	↓
<b>B. Activity Metrics</b>			
1. Adjusted Admissions	95,632	95,548	↑
2. Operating Revenue / Adjusted Admit	\$ 20,361	\$ 20,247	↓
3. Expense / Adjusted Admit	\$ 18,220	\$ 18,277	↑
<b>C. Financial Snapshot (in millions)</b>			
1. Operating Revenues	\$1,947.2	\$1,934.6	↑
2. Total Expenses	\$1,742.4	\$1,746.3	—
3. Gain from Operations	\$204.8	\$188.3	↑
4. Excess Revenue Over Expenses	\$208.8	\$189.4	↑
<b>D. Performance Metrics</b>			
1. Operating EBIDA Margin	14.6%	14.0%	↑
2. Days Cash on Hand	66.2	65.3	↑
3. Debt Service Coverage	6.2	5.7	↑

■ Meets or Exceeds Goal      ↑ Performance Up  
■ Caution or Data Pending      — No Change in Performance  
■ Below Goal - Action Needed      ↓ Performance Down



**PHYSICAL ENVIRONMENT SCORECARD (FY15 Year-To-Date)**  
 July FYTD - For One Month Ended: 7/31/2014



Metric	FY15 FISCAL YEAR-TO-DATE					FY15 Annual Target (Budget)	Comments
	Actual vs Target	Actual	Target (Budget)	Target %Var	Actual Prior Year Same Period (FY14 YTD)		
<b>A. FINANCIAL</b>							
1. A&P Tot. Operating Expenses (General & Earnings Funds)	↔	\$ 9,914,382	\$ 10,019,549	-1.0%	\$ 8,523,243	\$ 139,780,925	
<b>B. OPERATIONAL</b>							
1. ESS Gas & Electricity Expense	↑	\$ 4,970,236	\$ 5,090,648	-2.4%	\$ 4,049,000	\$ 61,200,000	Based on estimated AEP Electric and Columbia Gas Invoices
2. %Total Projects Completed on Time	↑	83.9%	90.0%	-6.8%	64.3%	90.0%	
3. %Total Projects Completed on Budget	↑	90.3%	90.0%	0.3%	100.0%	90.0%	
4. Utilities Customer Downtime Hours- Unplanned (QTRLY)		-	750	-	-	3,000	Metric is measured Quarterly; First FY15 value due Sept.
5. Capital Investment Program Spend		-	-	-	-	-	FY15 Proposed = approx. \$640.8M; FY14 Actual = \$483.2M
6. Facility Condition Index (%)	↔	77.3%	80.0%	-3.3%	77.2%	80.0%	
7. CABS Riders	↑	114,592	110,000	4.2%	108,285	4,544,592	
<b>C. SAFETY</b>							
1. EHS Environmental Safety Index (5 Point Scale)	↔	4.87	4.25	14.6%	4.40	4.25	Target set with limited (1 year) data history
2. Crimes- Part 1 (Major: theft, burglary, assault, arson, rape, etc.)	↔	43	46	-6.5%	38	564	Record Mgmt Sys. Data unaudited at time of retrieval
3. Crimes- All Other (Traffic violations, misdemeanor thefts, etc.)	↑	149	205	-27.3%	211	2,952	Record Mgmt Sys. Data unaudited at time of retrieval
4. Traffic Accidents Injury	↔	1	1	0.0%	1	25	Record Mgmt Sys. Data unaudited at time of retrieval
5. Traffic Accidents Non-Injury	↑	18	25	-28.0%	24	300	Record Mgmt Sys. Data unaudited at time of retrieval
6. Off-Campus Crime Statistics	↔	265	245	8.2%	247	2,940	Record Mgmt Sys. Data unaudited at time of retrieval
<b>D. FY15 KEY INITIATIVES</b>							
1. BIM for Existing Buildings %Implemented (Entire Project)	↔	32.1%	32.1%	0.0%	28.0%	54.0%	54% of total 3-year project expected to be completed in FY15
2. Enterprise GIS Implementation%	↔	28.0%	28.0%	0.0%	0.0%	100.0%	5 major projects slated for completion in FY15

Legend

How do we COMPARE against TARGET?		YTD Column: 4-Month TREND Improving?	
Green	Meets or surpasses Target	↑	4-Mo Target %Var improved from Prior 4-Mo Target %Var
Yellow	Within 10% of Target	↔	Within +/- 2.5% of achieving Prior 4-Mo Target %Var
Red	Does not meet Target by >10% _ Action Needed	↓	4-Mo Target %Var decline from Prior 4-Mo Target %Var





Office of Administration and Planning

Project Status Report – On Time/On Budget Scorecard  
 (Does not include Medical Center Expansion projects)

Project	Total Budget	On Time	On Budget	Additional Information
North Residential District	\$370.0M			Buildings A, D, E, H and J are under construction. Site restoration for fall semester is underway. The project will add 3,200 beds to the district. The first set of beds (1,500) will be ready for use fall 2015; the remaining beds will be ready for fall 2016.
				
Chemical and Biomolecular Engineering and Chemistry Building	\$126.3M			Construction continues on time for Jan 2015 occupancy; the Smith Green and Hansford Quad work continues. The Hansford Quad will be open for fall semester.
				

**Key:**  
 On track  
 Watching closely – actions are being taken to keep on track  
 Not on track

Project Status Report – On Time/On Budget Scorecard  
 (Does not include Medical Center Expansion projects)

Project	Total Budget	On Time	On Budget	Additional Information
East Regional Chilled Water Plant	\$66.8M			Phase 1 plant is operational, providing chilled water to CBEC and Smith Lab. Phase 2 equipment installation is underway. Phase 2 distribution will extend piping to the Celeste quad
				
Jameson Crane Sports Med Institute	\$35.0M			Construct a new facility for the Sports Medicine department. Project is completing design development.
				
Vet Hospital Enhancement and Expansion	\$17.1M			Construct and renovate approximately 57,000 GSF as a multi-phase project. Project design is underway.
				

**Key:**  
 On track  
 Watching closely – actions are being taken to keep on track  
 Not on track





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# **The Office of Investments & Office of the Treasurer**

**Annual Review – Fiscal Year 2014**

**August Board of Trustees Meeting – Finance Committee**

**Geoff Chatas & Mike Papadakis**



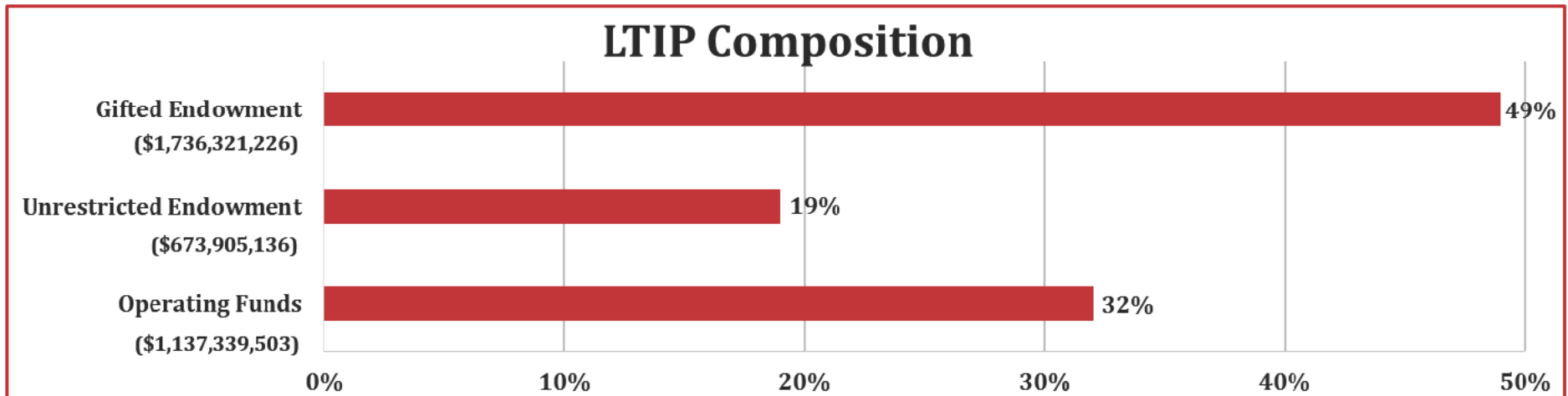
## Market Overview

- World equity index returns clustered around 24% for the 12 months ending in June 2014 with bond markets producing solid 4% returns
- The U. S. Economic environment showed some weakness during January through March of 2014 but recently demonstrated signs of strength in the most recent three months ending in June 2014
- The debate regarding the timing of when the Federal Reserve will end quantitative easing is coming to an end while the next discussion regarding when the first interest rate hike will occur is in full force
- Market volatility continued to drop across several asset classes over the last 12 months but there are a number of uncertainties coming to the forefront of investors minds
  - U.S. Federal Reserve and Bank of England rate increases
  - European Central Bank and Bank of Japan monetary easing
  - Chinese economic growth
  - Geopolitical events
- The University's portfolio generated a net return of 14.44% in Fiscal year 2014 vs. the Benchmark portfolio return of 12.06%. Results were driven by equity oriented strategies of all types (private, public and hedged) as well as credit and natural resource managers. Fixed income, relative value and infrastructure manager contributions were also positive but lower relative to other strategies.



## Long-Term Investment Pool (LTIP) – June 30, 2014

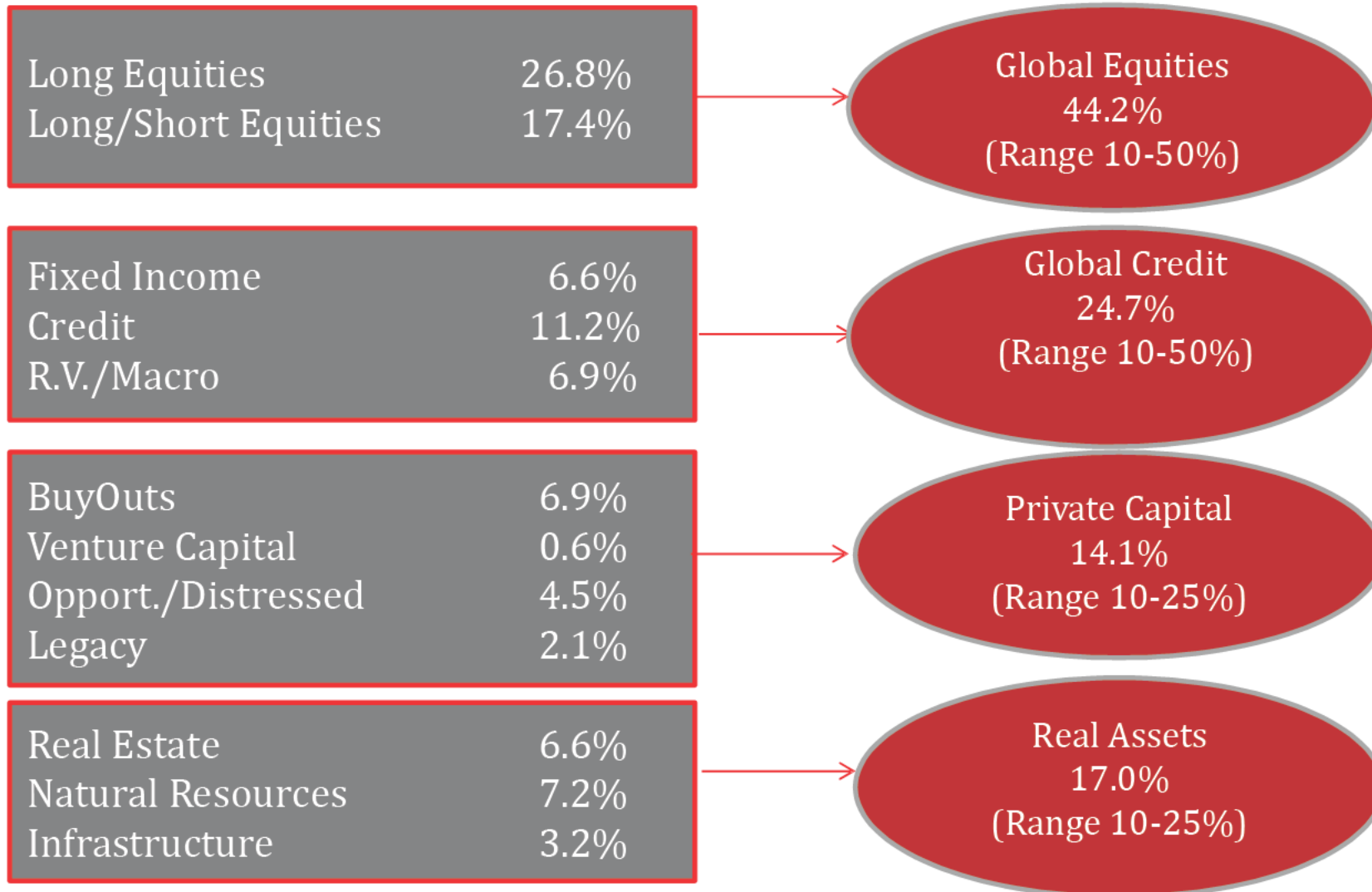
	FY 2014	July 2009 - June 2014 <sup>2</sup>
Beginning Market Value	\$3,149,169,176	\$1,651,561,030
Gifts	56,510,248	231,251,683
Other additions, net <sup>1</sup>	47,015,360	982,155,710
Distribution	(141,981,611)	(580,260,794)
Development & Accounting	(13,984,947)	(71,895,054)
Investment income, net	450,837,639	1,334,753,290
<b>Ending Market Value</b>	<b>\$3,547,565,865</b>	<b>\$3,547,565,865</b>



1. Other additions, net contains \$265 million Operating Fund addition in FY 2012 and \$55 million Operating Fund addition and \$483 million Parking Fund addition in FY 2013.
2. Office of Investments performance starts as of July 1, 2009.

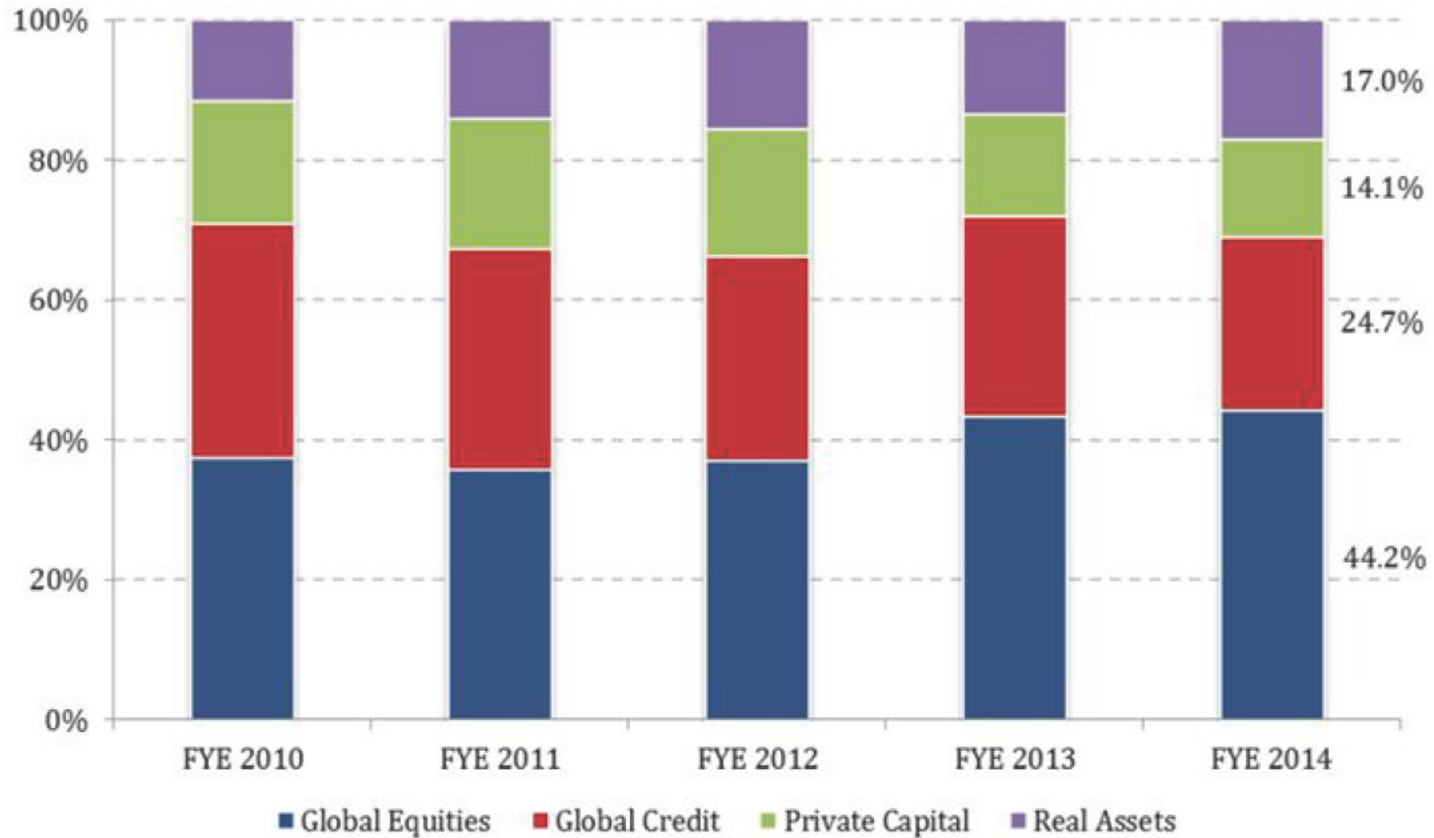


## Asset Allocation as of June 30, 2014





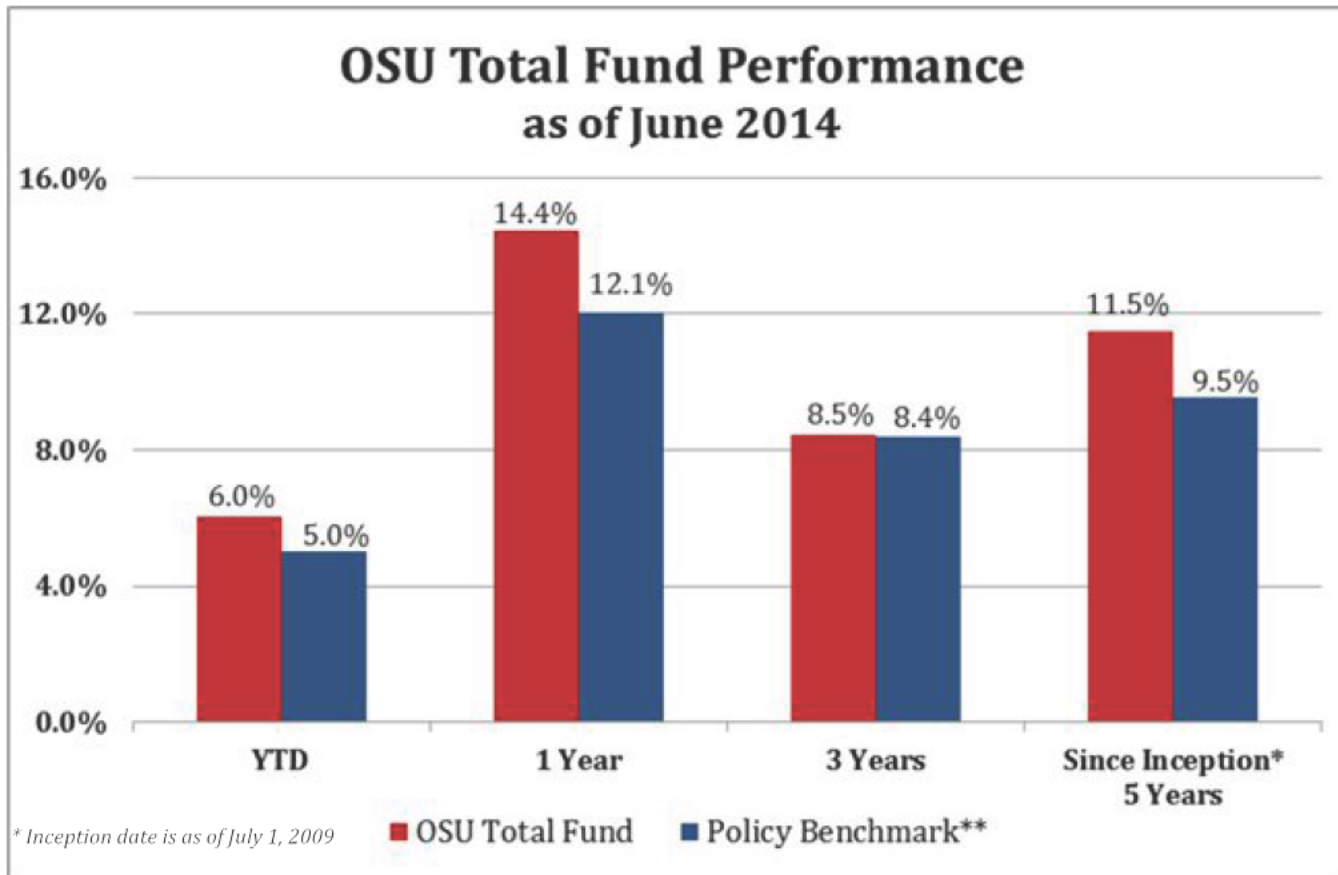
## LTIP Historical Asset Allocation\*



\* LTIP stands for the Long-Term Investment Pool which includes Operating funds and Endowment funds



## Total Portfolio Returns Since July 2009



\*\* Current Policy Benchmark - Global Equities BM: 50% ACWI + 50% (50% ACWI + 4%); Global Credit BM: 90-Day T-Bills + 4%; Private Capital BM: Cambridge Private Equity Medians; Real Assets BM: 75% (CPI + 4%) + 25% NCREIF

## Performance Attribution as of June 30, 2014

	<b>FY 2014 Returns</b>	<b>FY 2014 Benchmarks</b>	<b>3 Years Returns</b>	<b>3 Years Benchmarks</b>	<b>5 Years Returns</b>	<b>5 Years Benchmarks</b>
<b>Global Equities (44.2%)</b>	18.0%	19.6%	10.4%	10.4%	13.7%	13.1%
<b>Global Credit (24.7%)</b>	7.5%	4.1%	4.7%	4.1%	6.8%	4.1%
<b>Private Capital (14.1%)</b>	16.8%	18.9%	11.1%	13.8%	16.6%	16.7%
<b>Real Assets (17.0%)</b>	14.4%	7.3%	7.1%	7.2%	8.8%	6.7%
<b>Totals</b>	14.4%	12.1%	8.5%	8.4%	11.5%	9.5%

## Liquidity Measures for LTIP Portfolio\*

<b>30 Day Liquidity</b>	<b>@ June 30, 2014</b>
Annual Distribution to OSU	5.7X
Above + Est. Annual Cap Calls	2.5X
Above w/30% Decline in Value	1.8X
Annual Dist. + 100% of Unfunded Capital Calls	1.0X
30% Decline / Annual Dist. + 100% Capital Calls	0.7X
<b>365 Day Liquidity</b>	<b>@ June 30, 2014</b>
Annual Distribution to OSU	14.1X
Above + Est. Annual Cap Calls	6.3X
Above w/30% Decline in Value	4.4X
Annual Dist. + 100% of Unfunded Capital Calls	2.6X
30% Decline / Annual Dist. + 100% Capital Calls	1.8X

- Assumes No New Gift Inflows

- Assumes No Inflows from Illiquid Investments

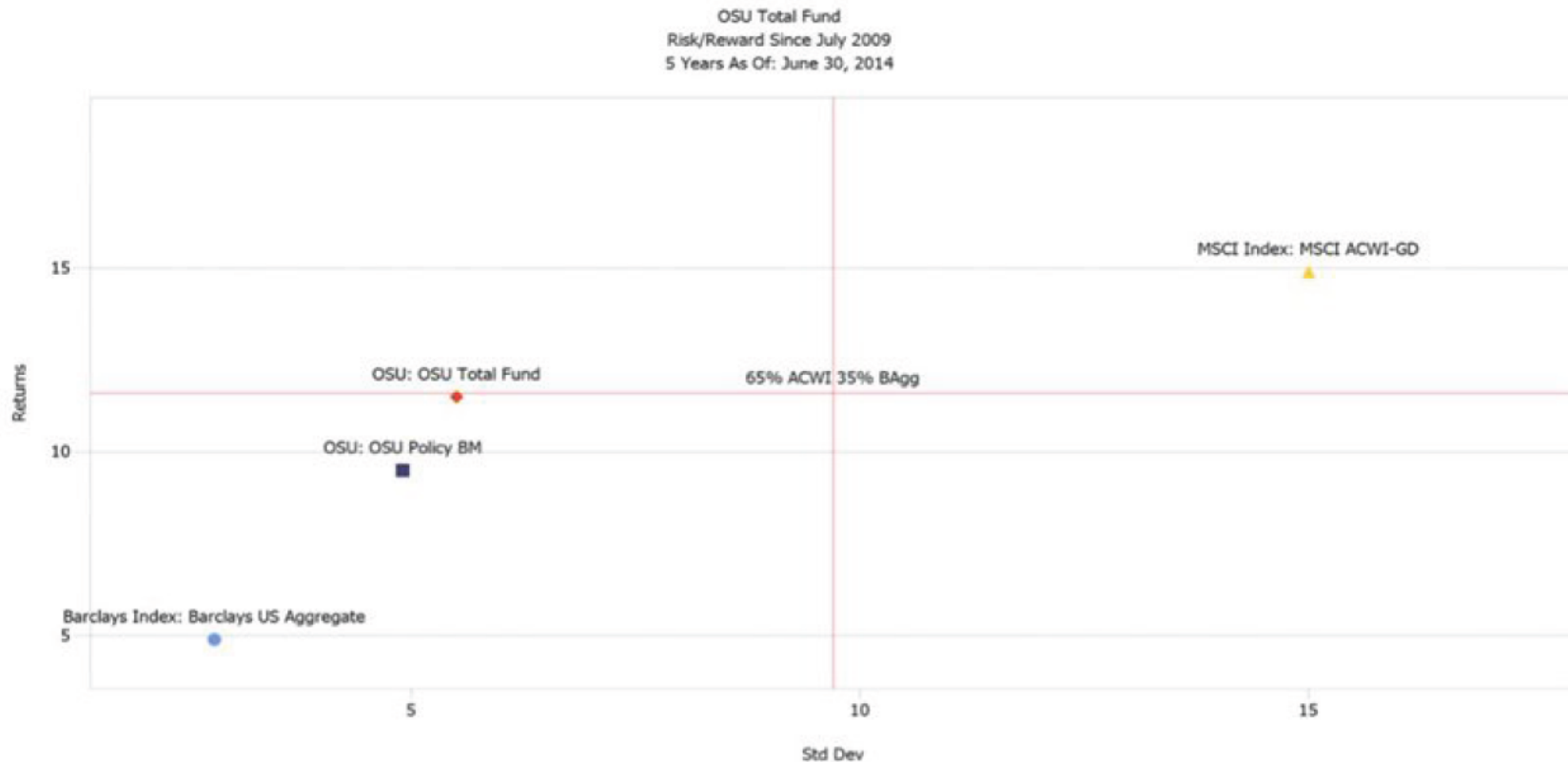
- University Distribution = \$160MM/Year; Capital Calls = \$200MM/Year Estimated; Total Unfunded Capital Calls = \$712MM

\* LTIP stands for the Long-Term Investment Pool which includes Operating funds and Endowment funds

8



# Total Portfolio Risk & Return Summary Since July 2009



As Of: June 30, 2014  
5 Years

	Return	Std De	Sharpe <sup>2</sup>	Beta <sup>1</sup>
◆ OSU Total Fund	11.5	5.5	2.1	0.3
■ OSU Policy BM	9.5	4.9	1.9	0.3
● Barclays US Aggregate	4.9	2.8	1.7	0.0
▲ MSCI ACWI-GD	14.9	15.0	1.0	1.0
+ 65% ACWI 35% BAgg	11.6	9.7	1.2	0.6

<sup>1</sup> MSCI ACWI-GD; <sup>2</sup> Citigroup 3-Month T-Bill



## **Priorities for FY 2015**

- Re-examine asset class exposures and consider adjustments.
- Continue to focus on highest conviction managers and compelling opportunities across asset classes and geographies.
- Rationalize hedged exposure without abandoning overall LTIP diversification.
- Remain patient and flexible in order to take advantage of opportunities and/or market corrections.
- Maintain disciplined focus on risk-adjusted performance.





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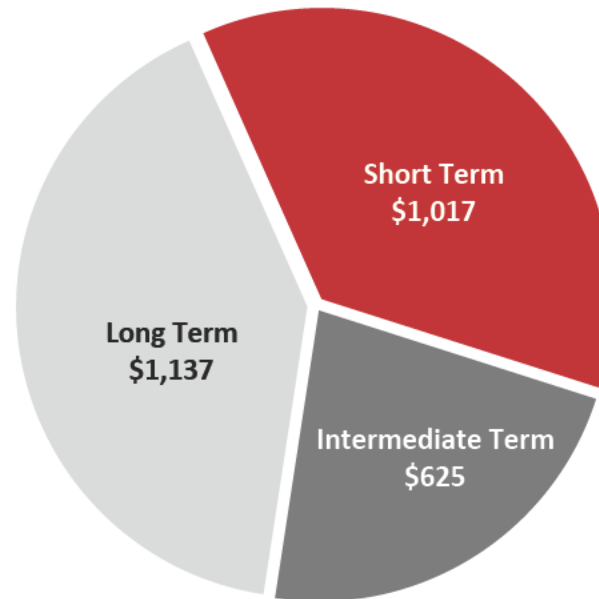
**OPERATING FUNDS  
INVESTMENT REVIEW**

**August 2014**



# University Operating Funds

**Total \$2,779 MM**



- Short-Term ≤ 1 year
- Intermediate Term 1 - 3 years
- Long-Term > 3 years

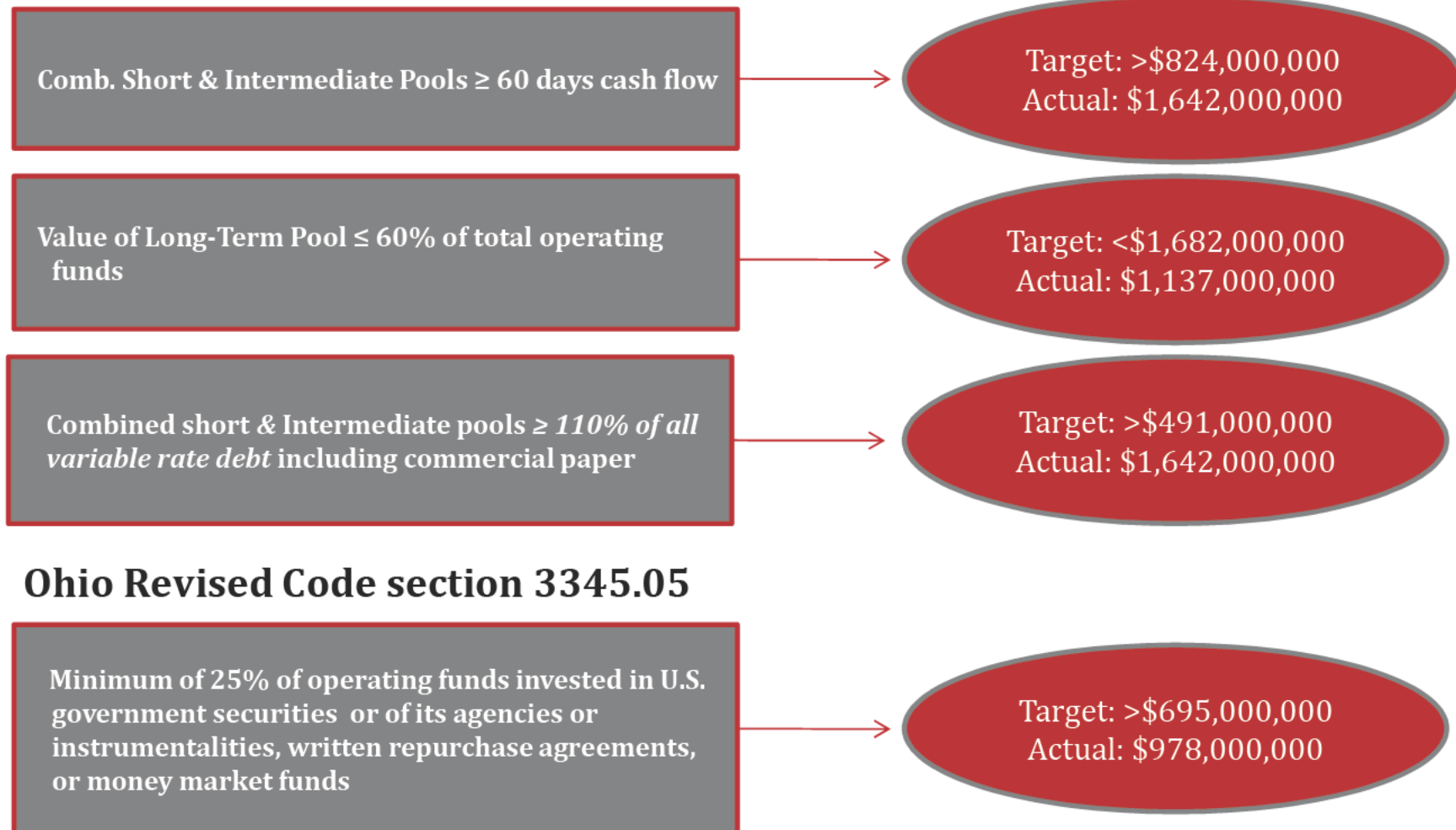
	6/30/2014	6/30/2013	1 Year	3 Year
Short Term Cash	\$713,796,717	\$967,220,338	0.20%	N/A
Short Term Investments	\$302,575,397	\$249,500,792	1.32%	N/A
Benchmark - 91-Day T Bills			0.06%	0.10%
Intermediate Term Investments	\$625,916,463	\$585,054,412	1.74%	1.33%
Benchmark - BofA ML 1-3 year Gov't Credit			1.25%	1.09%
Long Term	\$1,137,339,503	\$1,055,698,313	14.40%	8.50%
Benchmark			12.10%	8.40%
<b>Total</b>	<b>\$2,779,628,081</b>	<b>\$2,857,473,855</b>		



# Investment of Operating Funds – Policy Compliance

as of 6/30/2014

## Board of Trustees Investment Policy



# Update on Upper Arlington Ambulatory Care Center



**THE OHIO STATE UNIVERSITY**

WEXNER MEDICAL CENTER

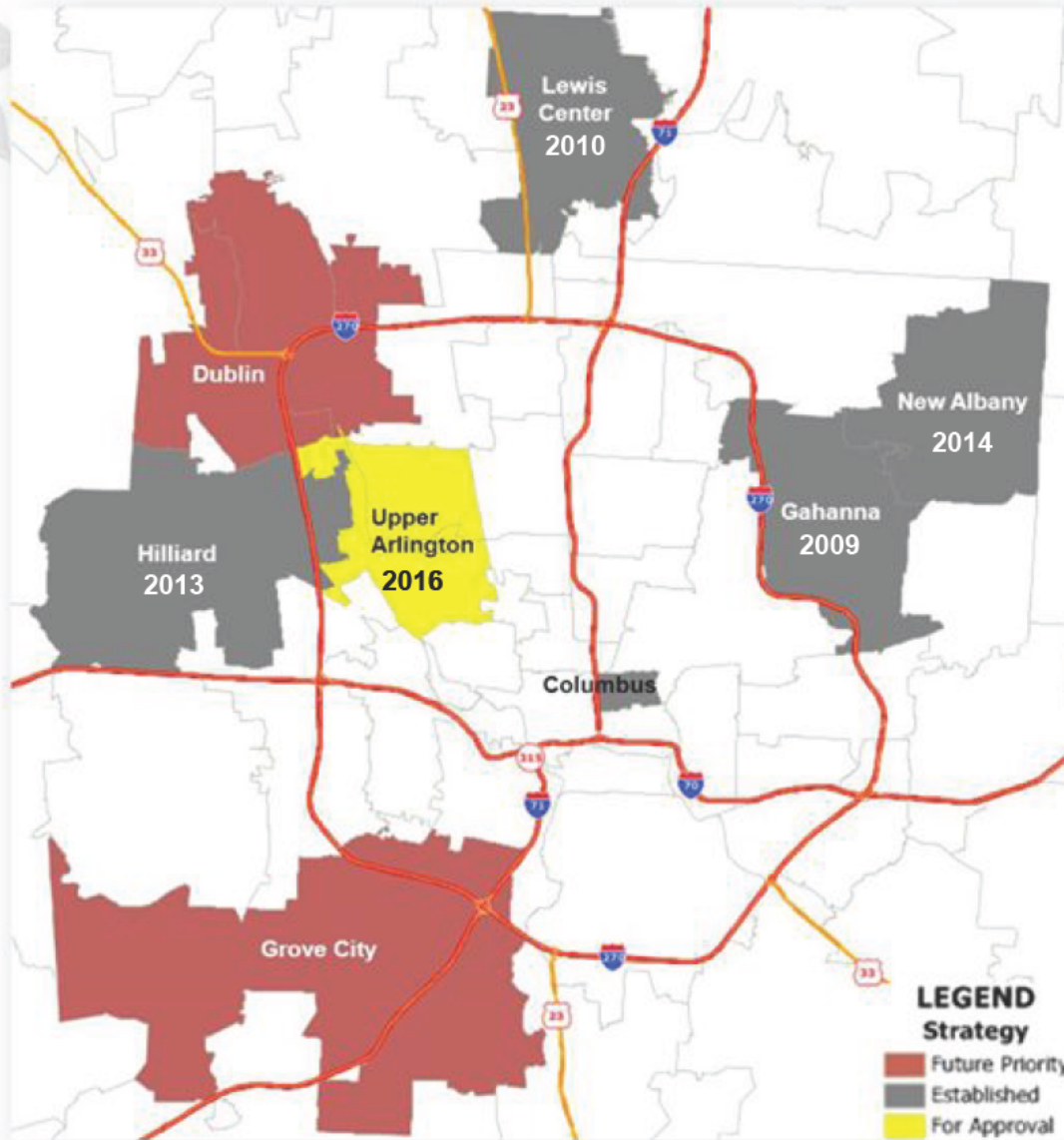
## Questions from June 4<sup>th</sup> OSU Wexner Medical Center Board Meeting

1. Why is an ambulatory presence important to the Medical Center?
2. What are the key attributes of the Upper Arlington proposal?
3. Why was Ohio State's Upper Arlington proposal selected over competitor proposals?
4. What are the financial projections and payback period for Upper Arlington?
5. How do the projections change if key drivers are varied?
6. How does the proposed Upper Arlington investment compare to our other ambulatory facilities?
7. What are the Medical Center's next ambulatory priorities?

## Why is an ambulatory presence important to the Medical Center?

- Provides better patient experience
  - ✓ Improved access
  - ✓ Improved quality
  - ✓ Lower costs
- Aligns with payer expectations
  - ✓ Geographic alignment with payer members
  - ✓ Lower cost
- Improves medical center operating performance
  - ✓ Avoid using higher cost space on main campus for ambulatory services
  - ✓ Target growth for priority clinical programs
  - ✓ Target growth in attractive markets
  - ✓ Align ambulatory management with consistent performance standards
- Reinforces teaching & research missions by providing high-quality facilities
- Improves competitive performance in local markets
- Increases brand identity and reputation, community partnerships

## Priority Communities and Major Ambulatory Presence



### Selection Criteria

- Population/demographics and growth
- Competition
- OSUWMC market capture rate
- OSU Health Plan presence

### Statistics

- 35% of OSU Health Plan members live in these zip codes
- 15% of our patients with commercial payors come from these zip codes



## What are the key attributes of the Upper Arlington proposal?

- A health care partnership with the City of UA, UA residents, UA schools, and UA employers
- 5-story, 100,000 square foot building to be developed by Continental on Zollinger Road
- 80,000 square feet to be initially occupied to allow for future growth
- Move building closer to curb to match original code and create one primary entry point
- Covered patient drop off
- Ensure adjacent and free parking that does not cross access roads – improve safe ingress and egress
- Multi-purpose conference/education and office space in building for use by city, schools, and residents
- Potential first floor retail space to draw in public and provide a building amenity



## Medical Services Provided at Upper Arlington

- **Primary Care**
  - *Family Medicine*
  - *General Internal Medicine*
  - *Behavioral Health*
- **Women's Health**
  - *OB/GYN*
  - *High Risk Obstetrics*
  - *Center for Women's Health*
- **Heart and Vascular**
  - *Cardiology*
  - *Vascular Medicine*
  - *Cardiac Rehab*
- **Internal Medicine Specialty Suite**
  - *Dermatology*
  - *Endocrinology*
  - *Rheumatology*
  - *GI (Digestive Health)*
  - *Allergy*
- **General Surgery Clinic**
- **Ancillary Services**
  - *Lab (blood draw)*
- **Imaging**
  - *X-Ray*
  - *Bone density*
  - *Mammography*
  - *Ultrasound*
  - *Heart imaging (echo, nuclear, doppler)*
- **Space for future growth**
  - *Dentistry?*
  - *Optometry?*

# Ambulatory Success

## Eye and Ear Institute

June 2009



- 138,000 SF (leased)
- Ophthalmology
- ENT
- Plastic Surgery
- Hand Center
- Urology
- Outpatient Surgery Center

## CarePoint Gahanna

December 2009



- 56,000 SF (owned)
- Cardiovascular Medicine
- Primary Care
- Imaging
- Neurology
- OBGYN
- Orthopedics/Sports
- Physical Therapy

## CarePoint Lewis Center

November 2010



- 30,000 SF (leased)
- Cardiovascular Medicine
- Spine Care
- Imaging
- Primary Care
- Pediatrics
- Orthopedics/Sports
- Physical Therapy

## CarePoint East

June 2011



- 120,000 SF (owned)
- Orthopedics
- Cardiac Rehab
- Spine Center
- Primary Care
- Internal Med Specialties
- Occupational Medicine
- Physical Therapy

### Planned Investment (up front capital):

\$7.6M

\$5.7M

\$5.0M

\$13.4M

### Planned Payback in Years:

3.0

3.9

5.2

3.7

### Actual Payback in Years:

3.4

2.1

3.2

4.1

### Average Daily Visits:

724

660

230

874

**FISCAL YEAR 2015 CAPITAL INVESTMENT PLAN**

Synopsis: Authorization of the Capital Investment Plan for the fiscal year ending June 30, 2015, is proposed.

WHEREAS the university has presented the recommended capital expenditures for the fiscal year ending June 30, 2015; and

WHEREAS the recommended capital expenditures are the result of the university's comprehensive annual capital planning process; and

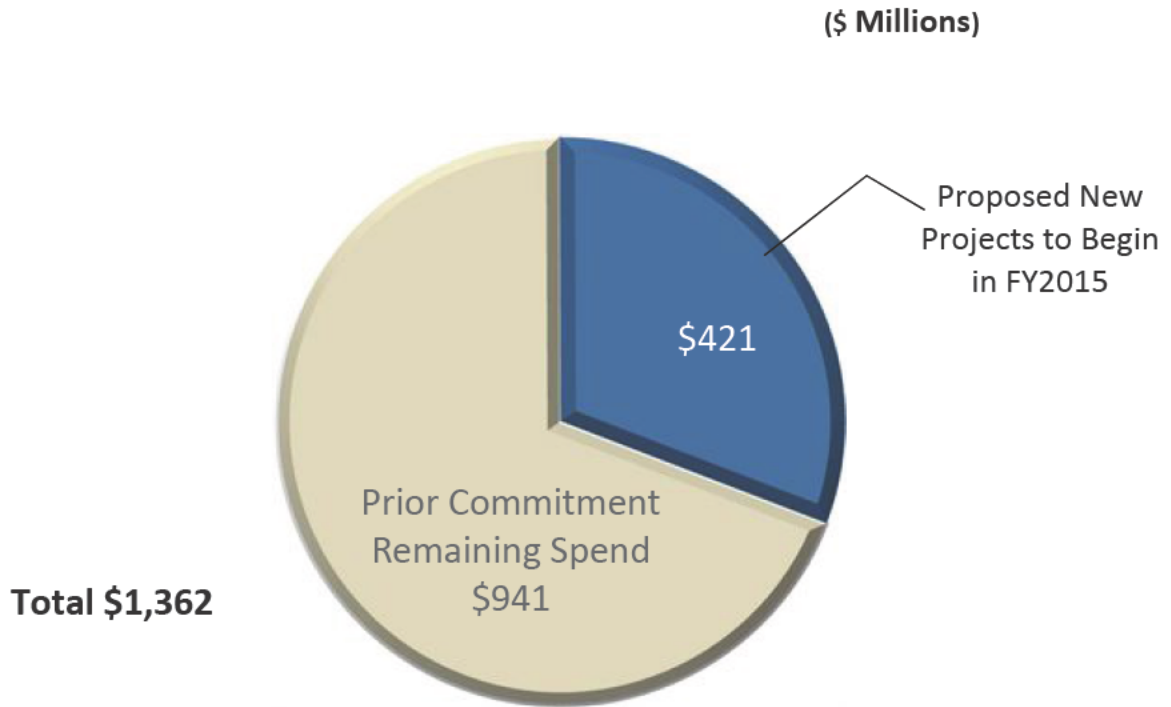
WHEREAS only those projects outlined in these recommendations will be approved for funding:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves that the Capital Investment Plan for the fiscal year ending June 30, 2015, as described in the accompanying documents, be approved; and

BE IT FURTHER RESOLVED, That any request for authorization to proceed with any project contained in these recommendations or for university funds for any such projects must be submitted individually by the university for approval by the Board of Trustees, as provided for by Board policy.

## FY2015-19 Capital Investment Plan



**Table 1 - Prior Commitment - Remaining Spend**

Line	Capital Priority	Projected Capital Expenditures					Total
		FY2015	FY2016	FY2017	FY2018	FY2019	
1	NRD Construction	106.6	154.4	66.2	0.0	0.0	327.2
2	Wexner Medical Center Expansion	205.5	9.3	0.0	0.0	0.0	214.8
3	CBEC Building	17.9	4.5	0.0	0.0	0.0	22.4
4	East Regional Chilled Water Plant	8.0	11.9	3.0	0.0	0.0	22.9
5	WMC - Jameson Crane Sports Med Institute	14.1	17.5	1.9	0.0	0.0	33.5
6	Roll-up of Infrastructure and RDM	5.0	15.0	5.0	0.0	0.0	25.0
7	Roll-up of Small Projects	196.9	89.2	7.6	1.2	0.1	295.0
	<b>Total</b>	<b>554.0</b>	<b>301.8</b>	<b>83.7</b>	<b>1.2</b>	<b>0.1</b>	<b>940.8</b>

## FY2015-19 Capital Investment Plan

**Table 2 - New Projects Beginning in FY2015**

Line	Capital Priority	Projected Capital Expenditures					Total
		FY2015	FY2016	FY2017	FY2018	FY2019	
1a	Small Cash Ready Projects (Roll-up, 38 projects)	4.6	20.2	8.7	0.1	0.0	33.6
1b	Spend Capacity Cushion FY2015	0.3	8.4	1.3	0.0	0.0	10.0
2a	WMC - Small Cash Ready Projects - Physical Env	22.4	9.6	6.1	0.0	0.0	38.1
2b	WMC - Small Cash Ready Projects - Equipment	19.9	13.0	0.0	0.0	0.0	32.9
3a	Regional Campus - Small Infrastructure and RDM	0.9	6.5	2.8	0.1	0.0	10.3
3b	Small Infrastructure and RDM	6.9	10.0	3.4	0.0	0.0	20.3
4	Discovery Themes - Oxley Hall Renovation	0.5	6.1	8.6	0.4	0.0	15.6
5	Discovery Themes - Pomerene Hall Reno. - Data Analy.	1.1	7.3	13.0	13.2	2.6	37.2
6	SL - Baker Commons for ODS - enables Data Analy	0.2	2.7	3.2	0.0	0.0	6.1
7	Vet Med Center Renovation Phase 1	11.2	2.6	0.0	0.0	0.0	13.8
8	Cannon Drive Relocation Phase 1	0.9	6.4	13.2	13.4	3.8	37.7
9	WMC - Clinical Expansion, W. Rhodes Modernization	6.4	14.3	10.5	0.0	0.0	31.2
10	WMC - Hamilton Hall Renovation	3.3	3.3	3.3	0.0	0.0	9.9
11	Project Development	5.0	5.0	5.0	5.0	5.0	25.0
12	A&S - School of Music, Weigel reno/Hughes design	1.4	9.8	22.5	22.8	3.5	60.0
13	Mount Hall Reno. - Off. Chief Information Officer	0.5	6.5	8.0	0.0	0.0	15.0
14	Marion Campus - New Science Building	0.5	3.7	5.3	4.8	0.7	15.0
15	Newark Campus - Adena Hall Renovations	0.2	1.7	2.1	0.0	0.0	4.0
16	Newark Campus - Residence Halls Phase 1	0.2	2.2	2.6	0.0	0.0	5.0
	<b>Total</b>	<b>86.4</b>	<b>139.3</b>	<b>119.6</b>	<b>59.8</b>	<b>15.6</b>	<b>420.7</b>

**Table 3 - Anticipated Funding Sources for New Projects Initiated FY2015**

Line	Funding Sources	Total by Source	Percent of Total
1	State Capital Funds - FY2015-16 - Regional Campuses	11.1	2.6%
2	State Capital Funds - FY2015-16 - Columbus Campus	54.3	12.9%
3	External Debt	0.0	0.0%
4	Fundraising	27.2	6.5%
5	WMC/College of Medicine Operating Funds	112.1	26.6%
6	Local Funds	133.3	31.7%
7	University Financing	33.6	8.0%
8	Leveraged Partnerships	49.1	11.7%
	<b>Total</b>	<b>420.7</b>	

**FISCAL YEAR 2015 BUDGET**

Synopsis: Approval of the Budget Plan for the fiscal year ending June 30, 2015, is proposed.

WHEREAS the State of Ohio Biennial Budget for State Fiscal Years 2014 and 2015, including funding levels for State institutions of higher education, has been signed into law; and

WHEREAS tuition and fee increases for the Columbus and regional campuses for the fiscal year ending June 30, 2015 were approved at the June 6, 2014 Board of Trustees meeting; and

WHEREAS the President now recommends approval of the Budget Plan for the fiscal year 2015 ending June 30, 2015:

NOW THEREFORE

BE IT RESOLVED, The Board of Trustees hereby approves that the university's Budget Plan for the fiscal year ending June 30, 2015, as described in the accompanying Fiscal Year 2015 Budget Plan Book, be approved, with authorization for the president to make expenditures within the projected income; and

BE IT FURTHER RESOLVED, That if the implementation of the new funding model State Subsidy for fiscal year 2015 impacts the anticipated funding levels or programs at The Ohio State University and regional campuses, the Board provides authorization for the president to make the necessary changes in the Fiscal Year 2015 Budget Plan and to report such changes to the Board of Trustees prior to the next meeting.

The Ohio State University  
Board of Trustees

August 29, 2014

**The Ohio State University Board of Trustees  
Finance Committee  
August 29, 2014**

**TOPIC:** Fiscal Year 2015 Budget Plan Approval

**CONTEXT:** The approval of the Fiscal Year 2015 Budget Plan for the fiscal year ending June 30, 2015 is the final step in establishing the budget for the university. The budget as presented is based on the tuition and fee levels approved at the June Board of Trustees meeting. At the same meeting, an interim budget for Fiscal Year 2015 was approved.

**SUMMARY:** Included are the following:

- Resolution for Approval of the Fiscal Year 2015 Budget Plan
- Fiscal Year 2015 Total Funds Budget book

**REQUESTED OF THE FINANCE COMMITTEE:** Approval of the Fiscal Year 2015 Budget Plan.

August 29, 2014 [FISCAL YEAR 2015]

## Fiscal Year 2015 Operating Budget



**The Ohio State University**  
Office of Business and Finance  
Financial Planning and Analysis



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## Executive Summary

The Ohio State University continues to move forward to achieve its vision to be the world's preeminent public comprehensive university, solving problems of world-wide significance and, to fulfill our mission to advance the well-being of the people of Ohio and the global community through the creation and dissemination of knowledge. In order to meet this vision and mission the university has continued to work towards augmentation of traditional revenue streams and streamlining expenses while seeking to expand the revenue base in new and unique ways in order to invest in areas core to the university vision and mission.

As fiscal year 2014 draws to a close, the university remains financially strong. Tuition revenue is stable as student applications and enrollment continue to grow. However, there are a number of challenges that we must manage. State subsidy revenue continues to decline in real dollars. We anticipate continued pressure on government expenditures for research and student financial aid. The anticipation of nominal growth from traditional government revenue sources, coupled with our intent to maintain student affordability, create an imperative to continue to explore alternatives to traditional financial strategies. The university must also consider leveraging core assets into incremental revenue while continuing to explore non-traditional revenue opportunities. A strong focus on both revenue enhancement and expense streamlining is required to ensure that resources are in place to fund our strategic initiatives while maintaining a strong balance sheet.

### Vision

The Ohio State University will be the world's preeminent public comprehensive university, solving problems of world-wide significance.

The OSU Health System continues to strengthen its financial position in advance of the opening of the new James Cancer Hospital and Critical Care Tower (CCCT) scheduled for December, 2014. The fiscal year 2015 Health System budget meets aggressive targets to deliver improvements in profit margin, cash on hand and debt service ratios. Numerous expense control and productivity initiatives have been implemented or will be implemented during the course of fiscal year 2015. These measures are critical in order to manage operating risk associated with transitioning into the new facility and the uncertainty surrounding the impact of federal insurance exchanges and Medicare rate reductions.

We continue to explore new revenue opportunities in addition to the leased parking funding, century bond funding, and current affinity contracts. We continue to focus on our financial investment strategies, streamlining activities and procurement strategies in order to maximize the funding available to advance our goals of Teaching and Learning, Research and Innovation, Outreach and Engagement, and Resource Stewardship.

In fiscal year 2013 we invested \$483 million into our long-term investment pool as a result of leasing our parking operations to a third party. From the investment yield, we expect to distribute \$20-25 million per year to be used to fund faculty initiatives and research, transportation and sustainability, scholarships and invest in our university Arts District.

### Mission

We exist to advance the well-being of the people of Ohio and the global community through the creation and dissemination of knowledge.

This document presents The Ohio State University's Fiscal Year 2015 Budget for approval. The Budget is presented on a consolidated basis with the university and Health System also presented as unique

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operating entities. This document also provides narratives on the overall budgeting process, and the key drivers of revenue and expenses budgeted for fiscal year 2015.

## STRATEGIC CONTEXT

The fiscal year 2015 budget is built upon the foundation of The Ohio State University strategic plan. The plan outlines four core goals, with a specific focus for investment across three discovery themes: Health and Wellness, Energy and Environment, Food and Production Safety.

### Core Goals

Four institution wide goals are fundamental to Ohio State's mission and future success and must be reflected in all that we accomplish:

- **Teaching and Learning:** to provide an unsurpassed, student-centered learning experience led by engaged, world-class faculty and enhanced by a globally diverse student body.
- **Research and Innovation:** to create distinctive and internationally recognized contributions to the advancement of fundamental knowledge and scholarship and to solutions of the world's most pressing problems.
- **Outreach and Engagement:** to establish mutually beneficial partnerships with the citizens and institutions of Ohio, the nation, and the world so that our communities are actively engaged in the exciting work of The Ohio State University.
- **Resource Stewardship:** to become the model for an affordable public university recognized for financial sustainability, unsurpassed management of human and physical resources, and operational efficiency and effectiveness.

#### Discovery Themes

**Health and Wellness:** will allow faculty from Ohio State's seven health sciences colleges and the Wexner Medical Center to work with partners across the university in nutrition, social work, health education, and public policy, to cite but a few examples. These experts will focus on such issues as disease prevention, community health, and health systems.

**Energy and Environment:** will create an unprecedented interdisciplinary collaboration of experts spanning the university and touching upon every specialization to fully address issues related to energy and environment. By working with experts beyond the university, Ohio State faculty will lead the way in developing scientific and policy responses to the global need for energy and the associated effects on the environment.

**Food Production and Security:** will draw on Ohio State's unique expertise in food, agricultural, and environmental sciences as well as the arts and sciences, health sciences, business, law, and beyond. Working with partners within and outside the university, these experts will focus on enhancing the quality of food and animal feed and ensuring an adequate.

### Discovery Themes at The Ohio State University

The university's move to eminence will be founded in the university's three discovery themes of **Health and Wellness**, **Food Production and Security**, and **Energy and Environment**. These themes are based on special, broad, and deep expertise across the university. Through these discovery themes, Ohio State will focus its resources and activities on finding durable solutions to issues of global as well as regional importance. The discovery themes are essential elements of Ohio State's strategic planning. The initial area of focus for all three of the Discovery Themes will be data analytics.

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Data analytics is a process of collecting, organizing, integrating and examining vast amounts of information in order to extract insight. With today's increasingly large, complex, and diverse data sets, problem-solving is more data driven than ever. In this environment, the ability to find, analyze, and interact with these data will be the difference-maker in accelerating the pace of change—from disease prognosis to smart materials; from environmental mapping to sustainable energy systems; from bioinformatics to precision agriculture. As part of this focus, the university has established a new interdisciplinary undergraduate major in data analytics. This major was designed by the Colleges of Arts and Sciences, Engineering, Medicine and Fisher College of Business. With this new degree offering, Ohio State becomes the first university in the country to offer an undergraduate degree in data analytics.

Faculty from every college and all six campuses of the university will be encouraged to actively contribute to these discovery themes. Meanwhile, as these colleagues concentrate their efforts on the issues the discovery themes are meant to address, they and others will continue to advance our understanding of history and philosophy, languages and cultures, and the arts as they pursue excellence in our core goals. Our programs in medicine, agriculture, veterinary sciences, engineering, business and many other fields of study are rich and strong because they are grounded by excellence in the arts, humanities and physical as well as social sciences.

## Strategic Finance: Planning for Success

In recent years, we have launched a number of successful initiatives to increase the resources available to support the core academic mission. Revenue generation initiatives have included the establishment of unique partnerships and collaborations, such as the affinity agreements with organizations such as Huntington Bank and Nationwide Insurance; innovative financing strategies such as the issuance of \$500 million in century bonds; asset monetization strategies such as the 50-year parking concession agreement; and strengthening the endowment through diversification and value orientation strategies.

Going forward, The university must increasingly focus on generating additional revenue from traditional and innovative sources, including continued exploration of asset monetization opportunities, enhanced funding, continued exploration of public/private partnerships, technology commercialization and endowment growth.

We will also continue to build upon successful cost containment strategies that have included strategic procurement initiatives such as reducing the number of suppliers in our database; leveraging the buying power to negotiate more aggressively; implementing systems designed to improve operational efficiencies; lean process reengineering; and supporting the university's sustainability efforts by moving to paperless systems.

## Fiscal Year 2015 University Budget: Key Themes

The Fiscal Year 2015 Budget continues our commitment to hire 500 new tenure or tenure-track faculty by 2023 who will be specializing in disciplines that support the Discovery Themes. Start-up funding is also budgeted to assure that the university can hire the best faculty for our programs. The fiscal year 2015 budget includes a \$20 million investment in Data Analytics focused around Discovery Themes.

Fiscal year 2015 will be the second year of the State of Ohio's new funding model for higher education. The recommendations were developed by the Commission on Higher Education under the leadership of former President Gee. This new model emphasizes degree completion as the main driver for funding and course completions as secondary. It will also reward the ability of the university to retain the best and brightest in Ohio after graduation. The state has increased its pool of funding allocated to state colleges and universities by 1.6% in fiscal year 2015. The university continues to assess the impacts of the funding model change within the context of growth in distance education and other non-traditional programs across the state.

August 29, 2014 [FISCAL YEAR 2015]

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The budget also focuses on additional compensation for faculty and staff, increasing the institutionally funded financial aid for undergraduate students, supporting colleges with additional revenue generated from tuition dollars, funding for increased benefit costs and priority requests for support operations, all while assuring that general funds are balanced.

The Fiscal Year 2015 Budget Plan outlines important aspects of the university's financial strategy in the year ahead. The budget plan, coupled with our Annual Financial Report, presents our current financial state and our future opportunities and challenges. It illustrates our financial path for achieving our vision of being the world's preeminent public comprehensive university.

August 29, 2014 [FISCAL YEAR 2015]

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## Fiscal Year 2015 Budget: Financial Statements

The fiscal year 2015 budget includes a consolidated financial statement in addition to discrete financial statements for each of the following segments:

- **The Ohio State University**
- **The Ohio State University Health System**
- **The Ohio State University Physicians Practice Plan**

Given the operational differences between segments, we will provide narratives around the key drivers for each segment.



August 29, 2014 [FISCAL YEAR 2015]

## Consolidated Financial Statements

\$ in Thousands	Fiscal 2014 Projected Actual	Fiscal 2015 Budget	\$ Change	% Change
<b>Operating Revenues</b>				
Tuition and Fees, net of scholarship allowance	\$ 830,864	\$ 845,307	\$ 14,443	1.7%
Grants & Contracts	673,874	673,897	22	0.0%
Sales & Services - Educational Departments	151,218	151,379	161	0.1%
Sales & Services - Auxiliaries, net of scholarship	236,577	250,924	14,347	6.1%
Sales & Services - Health System & OSUP	2,449,527	2,604,490	154,963	6.3%
Other Operating Revenues	46,594	46,594	0	0.0%
<b>Total Operating Revenues</b>	<b>\$ 4,388,655</b>	<b>\$ 4,572,591</b>	<b>\$ 183,936</b>	<b>4.2%</b>
<b>Operating Expenses</b>				
Salaries	\$ 2,295,369	\$ 2,401,271	\$ 105,902	4.6%
Benefits	679,624	723,169	43,545	6.4%
Fee Authorizations	155,338	163,314	7,976	5.1%
Student Aid	145,032	148,329	3,297	2.3%
Supplies & Other	1,428,635	1,494,768	66,134	4.6%
Depreciation	264,000	278,600	14,600	5.5%
<b>Total Operating Expenses</b>	<b>\$ 4,967,998</b>	<b>\$ 5,209,451</b>	<b>\$ 241,453</b>	<b>4.9%</b>
<b>Operating Gain (Loss)</b>	<b>\$ (579,343)</b>	<b>\$ (636,861)</b>	<b>\$ (57,518)</b>	<b>9.9%</b>
<b>Non-Operating Revenues (Expenses)</b>				
State Share of Instruction	\$ 355,287	\$ 352,651	\$ (1,357)	-0.4%
State Line Item Appropriations	86,807	86,644	(162)	-0.2%
Non-Exchange Grants	74,765	76,272	1,508	2.0%
Gifts (Current Use)	149,412	150,000	588	0.4%
Net Investment Income	352,916	278,976	(9,064)	-2.6%
Interest Expense on Plant Debt	(79,050)	(76,401)	2,649	-3.4%
Other Non-Operating Revenues (Expenses)	5,000	-	(5,000)	-100.0%
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ 945,137</b>	<b>\$ 868,143</b>	<b>\$ (76,994)</b>	<b>-8.1%</b>
<b>Net Transfers from OSU Health System</b>	<b>\$ -</b>	<b>\$ -</b>		
<b>Income Before Other Changes in Net Assets</b>	<b>\$ 365,794</b>	<b>\$ 231,282</b>	<b>\$ (134,512)</b>	<b>-36.8%</b>
<b>Other Changes in Net Assets</b>				
State Capital Appropriations	\$ 40,165	45,000	\$ 4,835	12.0%
Private Capital Gifts	8,530	15,000	6,470	75.9%
Additions to Permanent Endowments	46,338	51,000	4,662	10.1%
<b>Total Other Changes in Net Assets</b>	<b>\$ 95,033</b>	<b>\$ 111,000</b>	<b>\$ 15,967</b>	<b>16.8%</b>
<b>Change in Net Assets</b>	<b>\$ 460,827</b>	<b>\$ 342,282</b>	<b>\$ (118,545)</b>	<b>-25.7%</b>

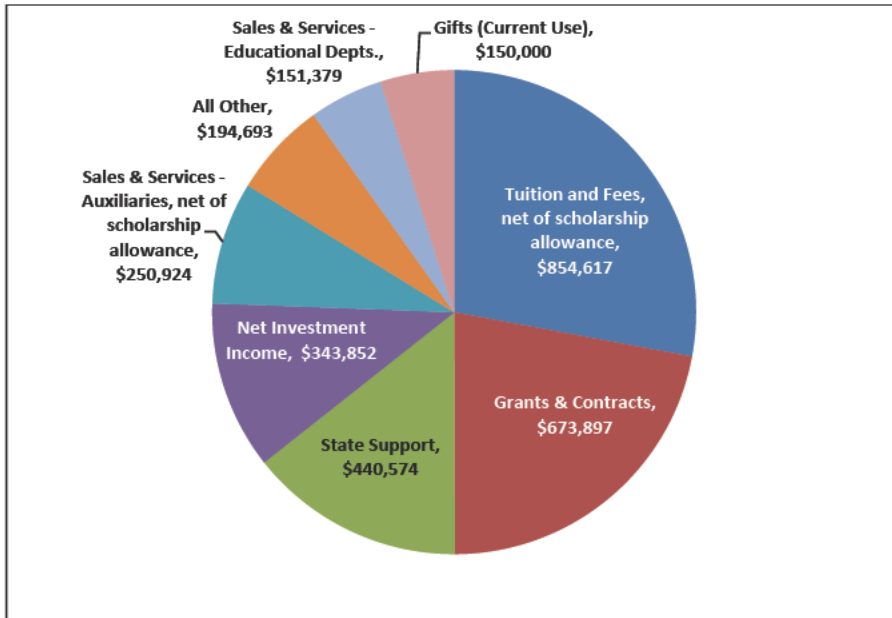
August 29, 2014 [FISCAL YEAR 2015]

## University Financial Statement (excluding Health System):

\$ in Thousands	Fiscal 2014		Fiscal 2015		\$ Change	% Change
	Projected	Actual	Budget			
<b>Operating Revenues</b>						
Tuition and Fees, net of scholarship allowance	\$	830,864	\$	845,307	\$ 14,443	1.7%
Grants & Contracts		673,874		673,897	22	0.0%
Sales & Services - Educational Departments		151,218		151,379	161	0.1%
Sales & Services - Auxiliaries, net of scholarship		236,577		250,924	14,347	6.1%
Other Operating Revenues		46,594		48,137	1,543	3.3%
<b>Total Operating Revenues</b>	<b>\$</b>	<b>1,939,128</b>	<b>\$</b>	<b>1,969,644</b>	<b>\$ 30,516</b>	<b>1.6%</b>
<b>Operating Expenses</b>						
Salaries	\$	1,318,907	\$	1,359,952	\$ 41,045	3.1%
Benefits		396,322		415,260	18,938	4.8%
Fee Authorizations		96,634		98,852	2,218	2.3%
Student Aid		145,032		146,344	1,312	0.9%
Supplies & Other		616,911		636,008	19,097	3.1%
Depreciation		188,200		194,800	6,600	3.5%
<b>Total Operating Expenses</b>	<b>\$</b>	<b>2,762,006</b>	<b>\$</b>	<b>2,851,216</b>	<b>\$ 89,210</b>	<b>3.2%</b>
<b>Operating Gain (Loss)</b>	<b>\$</b>	<b>(822,878)</b>	<b>\$</b>	<b>(881,573)</b>	<b>\$ (58,694)</b>	<b>7.1%</b>
<b>Non-Operating Revenues (Expenses)</b>						
State Share of Instruction	\$	355,287	\$	352,651	\$ (2,636)	-0.7%
State Line Item Appropriations		86,807		86,644	(162)	-0.2%
Non-Exchange Grants		74,765		76,272	1,508	2.0%
Gifts (Current Use)		149,412		150,000	588	0.4%
Net Investment Income		352,916		278,976	(73,940)	-21.0%
Interest Expense on Plant Debt		(79,050)		(76,401)	2,649	-3.4%
Other Non-Operating Revenues (Expenses)		5,000		-	(5,000)	-100.0%
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$</b>	<b>945,137</b>	<b>\$</b>	<b>868,143</b>	<b>\$ (76,994)</b>	<b>-8.1%</b>
<b>Net Transfers from OSU Health System</b>		82,155		70,284	(11,871)	-14.4%
<b>Income Before Other Changes in Net Assets</b>	<b>\$</b>	<b>204,414</b>	<b>\$</b>	<b>56,854</b>	<b>\$ (147,560)</b>	<b>-72.2%</b>
<b>Other Changes in Net Assets</b>						
State Capital Appropriations	\$	40,165		45,000	\$ 4,835	12.0%
Private Capital Gifts		8,530		15,000	6,470	75.9%
Additions to Permanent Endowments		46,338		51,000	4,662	10.1%
<b>Total Other Changes in Net Assets</b>	<b>\$</b>	<b>95,033</b>	<b>\$</b>	<b>111,000</b>	<b>\$ 15,967</b>	<b>16.8%</b>
<b>Change in Net Assets</b>	<b>\$</b>	<b>299,447</b>	<b>\$</b>	<b>167,854</b>	<b>\$ (131,593)</b>	<b>-43.9%</b>



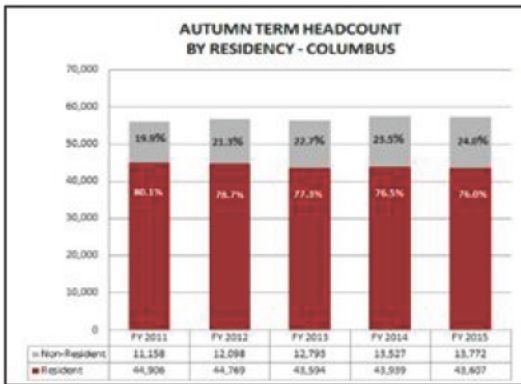
## University Revenue Sources



## Tuition and Fees

Gross tuition and fees, before scholarship allowance, are expected to increase by \$19 million, or 1.9%, to \$996 million. The increase is driven by both an increased mix of non-resident students and increased fees for fiscal year 2015. Undergraduate and graduate Masters/PhD instructional and mandatory fees will not increase in fiscal year 2015. Instructional fees for tagged masters and professional students are scheduled to increase 2.0%. For all student levels, the non-resident surcharge will increase 5.0% across most colleges.

The university is committed to maintaining tuition affordability. However, the limited increases are necessary to partially cover inflation and to provide continued investment in excellence within the core academic mission. Tuition and fees provide more than 70% of university revenue available to fund the core academic mission. The remaining 30% is largely provided through the State of Ohio instructional subsidy (SSI). SSI has continued to decline, when adjusted for inflation, in recent years.



**Enrollment** - The university continues to execute against the most recent Enrollment Plan, which was implemented in fiscal year 2012, to increase the quantity, quality and diversity of the student body. The Plan has been successful in meeting those objectives and in providing higher levels of new students to offset the temporary decline in existing students due to semester conversion in fiscal year 2013. Enrollment has since stabilized and enrollment for fall 2014 (fiscal year 2015) is expected to be essentially flat versus fiscal year 2014. With many students taking advantage of the free credit hour option in May term, summer revenue-generating enrollments and credit hours continue to lag behind pre-conversion levels.

August 29, 2014 [FISCAL YEAR 2015]

**STUDENT ENROLLMENT FOR AUTUMN TERM**  
AUTUMN FY 2011 - FY 2015

Headcounts	2011	2012	2013	2014	2015	1 YR	1 YR	5 YR
						Chg	% Chg	% Chg
Columbus	56,064	56,867	56,387	57,466	57,379	-87	-0.2%	2.3%
Lima	1,530	1,306	1,131	1,077	1,036	-41	-3.8%	-32.3%
Mansfield	1,405	1,388	1,265	1,204	1,204	0	0.0%	-14.3%
Marion	1,816	1,525	1,273	1,259	1,161	-98	-7.8%	-36.1%
Newark	2,562	2,677	2,390	2,315	2,325	10	0.4%	-9.3%
ATI	700	666	612	643	656	13	2.0%	-6.3%
<b>Grand Total</b>	<b>64,077</b>	<b>64,429</b>	<b>63,058</b>	<b>63,964</b>	<b>63,761</b>	<b>-203</b>	<b>-0.3%</b>	<b>-0.5%</b>

Regional campuses, which account for 10% of the university's enrollment, continue to be negatively impacted by several factors including the semester conversion, continued poor economic conditions in the communities they serve, the decreasing number of high school graduates and the competition from community and technical colleges. As a result, fiscal year 2015 enrollments are projected to decline an average of 1.8% over fiscal year 2014 levels.

**Undergraduate Fees** - Resident instructional fees will not increase in fiscal year 2015 at all of the Ohio State campuses. Also, the general and mandatory fees, including the recreation fee, student activity, student union facility fee, and COTA bus fee will again not change in fiscal year 2015.

**Graduate and Professional Fees** - Masters and PhD instructional fees will not increase in fiscal year 2015. Some graduate and professional students pay a higher or differential instructional fee based principally on market demand and market pricing. Revenue generated from these increases is earmarked to support the graduate and professional programs that generate the fee income. Most differential fees are expected to increase 2%, while some are budgeted to increase between 3% and 6% in fiscal year 2015.

**Non-Resident Surcharges** - Effective Autumn term fiscal year 2015, the non-resident surcharge will increase 5.0% for most undergraduate, graduate, and most professional programs at each campus. Exceptions to this include the Colleges of Law and Optometry, which will see no increase, four graduate business programs, an on-line FAES program and an on-line Engineering Program that charge a flat non-resident surcharge.

**Program, Technology, and Other Fees** - Several colleges and academic programs have established additional fees to support specific programs and initiatives. These include program fees designed to provide financial support for specific programs, technology fees, international student fees, and course fees and distance education fees.

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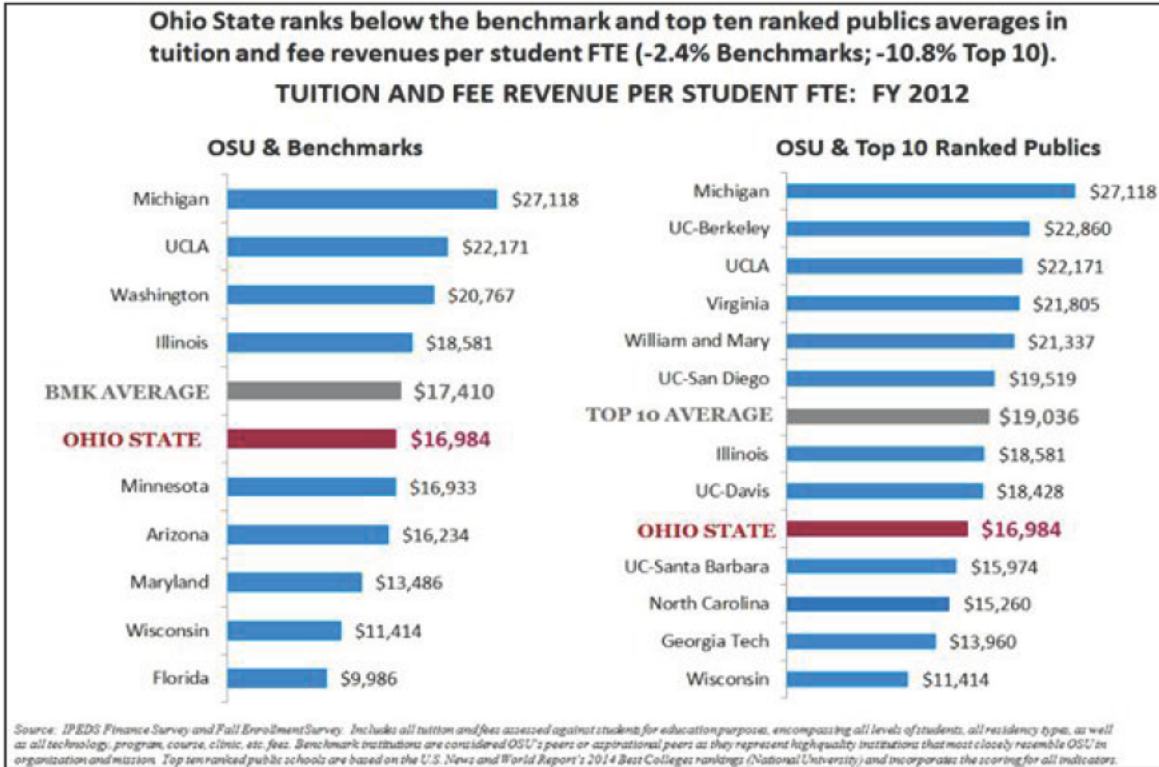
**Comparison with Selective Ohio Peers** - Among Ohio's public universities, Ohio State ranks highest in academic reputation, yet has the second lowest undergraduate student fees among Ohio's six public four-year universities with selective admissions. Given the continued commitment to keep tuition affordable by not raising resident undergraduate rates in the 2014-15 academic year, Ohio State will continue to have one of the lowest student fees among the selective public institutions. This makes Ohio State an excellent value for students and taxpayers.

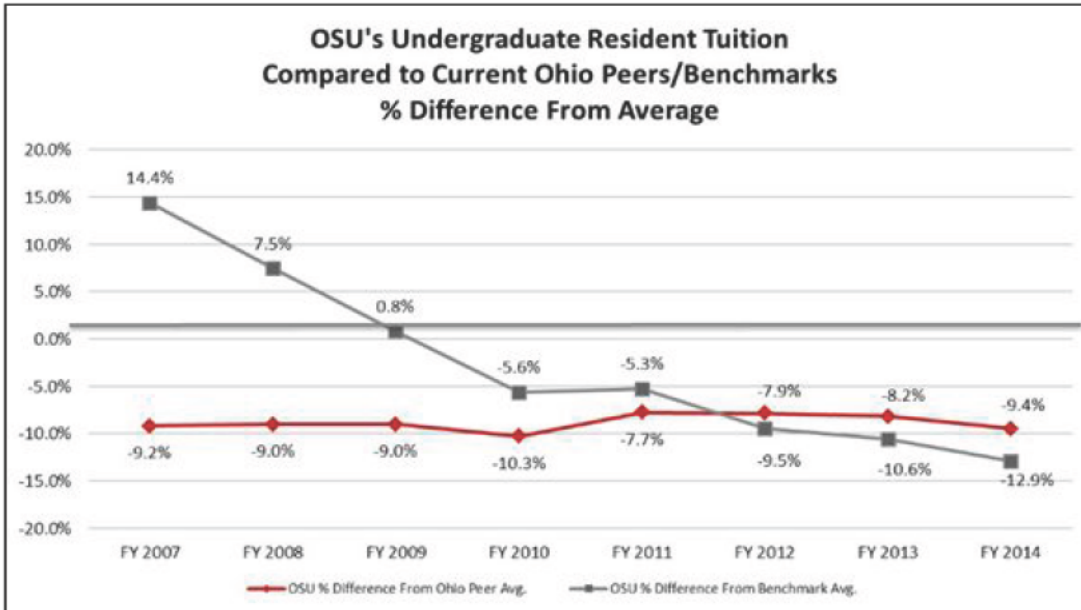
<b>UNDERGRADUATE RESIDENT FRESHMEN TUITION &amp; FEES - AY 2014 &amp; AY 2015 FULL-TIME RATES FOR OHIO SELECTIVE PEER INSTITUTIONS</b>				
Ohio Peer	US News Rank*	2014	2015 (Est.)	% Change
Miami	71	\$13,748	\$14,015	1.9%
Cincinnati	117	\$10,784	\$11,000	2.0%
Ohio University	101	\$10,446	\$10,602	1.5%
Bowling Green	166	\$10,590	\$10,590	0.0%
<b>Ohio State</b>	<b>33</b>	<b>\$10,037</b>	<b>\$10,037</b>	<b>0.0%</b>
Kent State	182	\$9,816	\$10,012	2.0%
Average		\$10,903	\$11,043	1.3%

Sources: Ohio Board of Regents Fall Survey of Student Charges (AY 2014); campus representatives and campus websites (AY 2015). FY 2014 Tuition and Fees are the published institution rate for resident new freshmen.  
\*UG Academic Reputation Rank (formerly known as the Peer Assessment Rank) is based on scores from the U.S. News and World Report's 2014 Best Colleges Rankings.

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**Comparison with Benchmarks and Top Public Schools** - In comparing Ohio State with our peer institutions on tuition and fees (latest data available is fiscal year 2012), revenues per student FTE were 2.4% below the average of OSU's benchmark institutions and 10.8% below the top 10 ranked public institutions' average.





Sources: AAUDE, IPEDS, & Ohio Board of Regents

Again, even among other highly ranked institutions across the nation, Ohio State continues to be an excellent value for students.

### State Share of Instruction (SSI)

The SSI allocation is the State of Ohio's primary funding support for enrollments and degree completions at its colleges and universities. SSI funds campuses on the basis of several criteria including successful course completions, indexed by financially and academically at-risk students, degree completions with added funding for degree completions by at-risk students, research activity, and a number of other criteria intended to advance the goals of the State.

In total, the State is appropriating approximately \$1.82 billion for SSI in fiscal year 2015, an increase of \$28.5 million or 2% over fiscal year 2014. In total the university will receive \$354 million in SSI funding for fiscal year 2015. This is roughly \$1.4 million below fiscal year 2014; driven by the reduction in State stop-loss funding for regional campuses.

In the fall of 2012, Governor Kasich asked former President Gee to chair a committee comprised of the presidents from Miami University, Ohio University, Wright State University, and Shawnee State University to recommend changes to the State Share of Instruction (SSI) formula to better align it with the goals of the state. The committee was tasked with finding ways to use the formula to support the following objectives:

- Increase participation rates
- Encourage the best and brightest to attend
- Improve graduation rates
- Make higher education more affordable
- Graduate students with the skills they need
- Encourage graduates to stay in Ohio

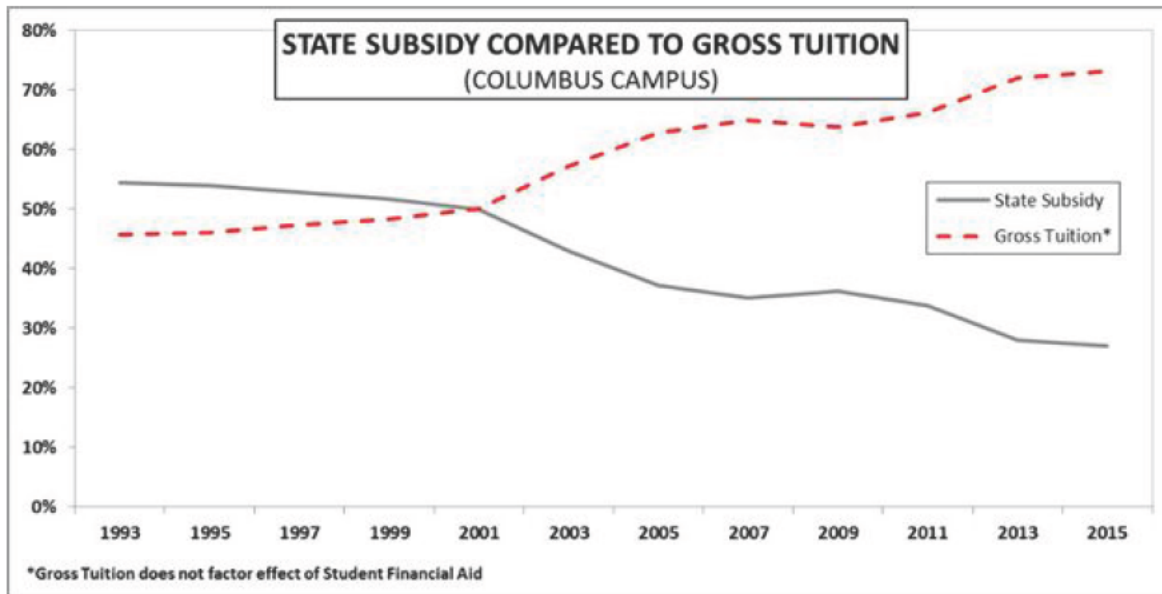


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In fiscal year 2014, the first year of implementation, the formula shifted to rewarding degree recipients, adopted a universal three year average as the basis of calculation for the distribution of the allocations, adopted STEM weights to degree completions, and removed the re-allocation of funds from campuses to those whose allocations had dropped below a certain threshold.

In fiscal year 2015 the formula will combine the regional campus allocations with the main campuses, award proportional degree credits for transfer students, award associate degree credits for all campuses, and implement degree credits for out of state graduates that remain in the state. In the next biennium the formula will remove all remaining earmarks currently in the formula.

The university is assessing the impact of the funding changes on its campuses and is engaged in discussion with the Interuniversity Council of Ohio and the Board of Regents on ways that the funding formula can better meet the needs of the State.



## State Line Item Support

In addition to SSI funding, the university also receives funding directed to specific purposes. In fiscal year 2015 the university expects to receive \$ 86.6 million in line item funding. This is roughly flat to our fiscal year 2014 projections.

In total SSI and line item support to the university are expected to be down \$1.5 million from fiscal year 2014. On an inflation-adjusted basis, State funding per resident student continues to trail historical levels.

## Capital Appropriations

The university also receives capital appropriations from the state to improve the physical infrastructure of the university. The state capital budget process occurs in the off years from the state budget process. The fiscal year 2015-16 capital process allocated approximately \$99.2 million to the university, of which approximately \$45 million is expected to be received in fiscal year 2015 and will be used to fund such projects as the renovations of Oxley and Pomerene Halls to support Discovery Theme recruitment, renovations at the regional campuses and other infrastructure projects.

## Grants and Contracts

For fiscal year 2015, revenue from grants and contracts is planned at \$674 million, essentially flat from the fiscal year 2014 forecast. Grants and contracts revenue is administered in two ways: recorded by individual units in segregated grants and contracts funds, or as sponsored projects administered by the Office of Sponsored Projects.

Of the \$674 million, \$487 million is administered by the Office of Sponsored Projects and \$187 million is administered directly by colleges and support units. Projects administered by the Office of Sponsored Projects typically have more stringent process and documentation requirements than projects that are directly administered through the colleges and support units.

## Sponsored Research Programs

The university secures funding for sponsored research programs from a variety of external sources. External grants are awarded by federal, state and local agencies along with private foundations and corporate sponsors. Revenue for sponsored research programs administered by the Office of Sponsored Projects is expected to decrease slightly by \$3 million, from \$490 million projected in fiscal year 2014 to a budget of \$487 million in fiscal year 2015. This is due primarily to decreased governmental funding and elimination of ARRA funds.

The sponsored research revenues discussed above include facilities and administrative (F&A) recoveries which are projected to be \$99 million, a \$2 million, or 1.5%, decrease from fiscal year 2014 levels. F&A costs are recovered from most sponsored programs to offset the cost of maintaining the physical and administrative infrastructure that supports the research enterprise at the university. Because some direct cost expenditures do not recover F&A, direct and indirect cost expenditures do not necessarily align when comparing expected revenue streams.

Agencies differ in how they award funds to the university. Some sponsors will provide all spending authority at the beginning of a multi-year award whereas others tend to fund in annual increments; therefore, awards and expenditures do not necessarily track together.

Not unexpectedly, awards from not-for-profit entities that provide grants from funds they raise from charitable donations (e.g. American Cancer Society) are also trending downward. In addition, State funding is also being redirected toward private enterprises and not toward research development at universities.

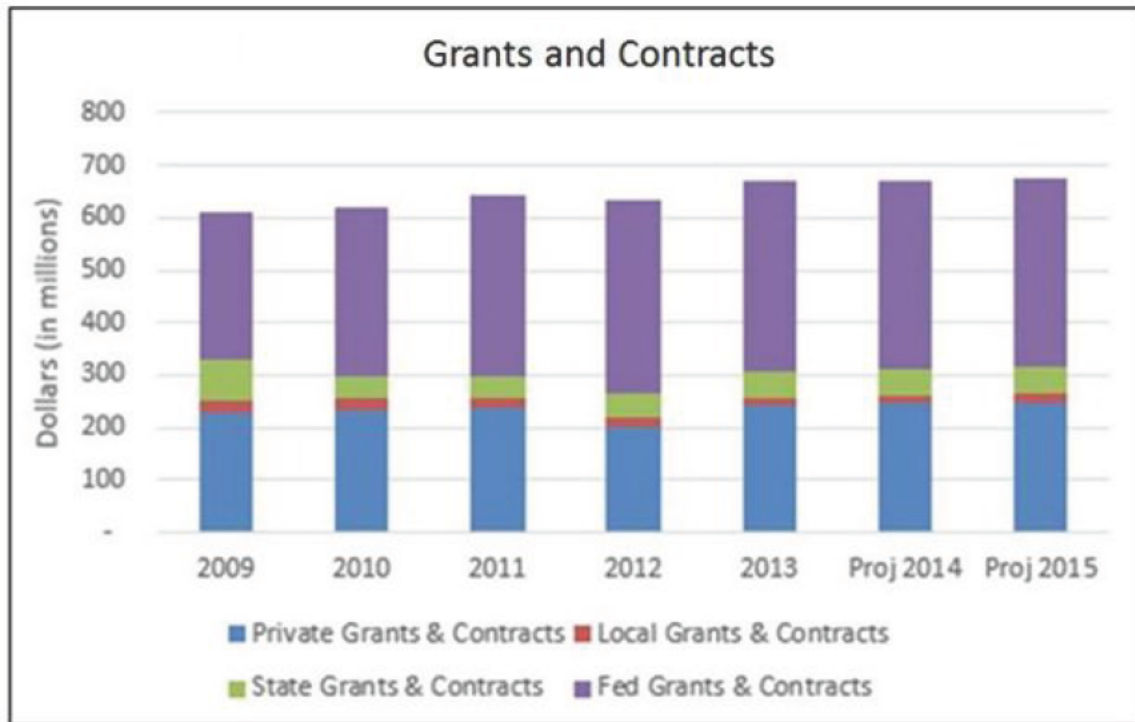
The university is working to mitigate ongoing downward trends using two primary strategies. First, we are actively focusing on increasing the competitiveness of researchers through activities internal to the university, including facilitating multidisciplinary research to take advantage of the breadth of expertise at the university; establishing new centers focused on current and emerging research challenges; creating a proposal development center; and establishing and maintaining cutting edge core facilities to support our growing community of research-intensive faculty. The second strategy involves building external relationships that will help grow the university's portfolio of federally-funded research, expand strategic partnerships with industry and promote and develop the Ohio Technology Consortium (OH-Tech).

## College / Support Unit Administered Grants and Contracts

Revenue for grants and contracts administered directly by individual colleges and support units is expected to increase slightly from \$184 million projected for fiscal year 2014 to \$187 million budgeted for fiscal year 2015.

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The following graph represents the trend for each component of Grants and Contracts since fiscal year 2009.



## Sales and Service Revenues

**Sales and Services of Educational Departments** - Sales and services of educational departments are expected to remain flat versus fiscal year 2014. This revenue consists largely of clinical revenue in colleges such as Optometry and Veterinary Medicine and non-college departments such as Recreational Sports and OARNET.

**Sales and Services of Auxiliary Enterprises** - Student Life and Athletics comprise the majority of sales and services of auxiliary enterprises. Operating Revenue from sales and services of auxiliary enterprises are expected to increase \$14 million, or 6.1%. Athletics revenue is budgeted to increase \$10 million driven largely by increased football revenue from ticket sales (\$3.6M), incremental Big Ten bowl revenue (\$2.4M) and guaranteed payment for the away game with Navy (\$1.8M).

Student Life increase in Sales and Services is primarily driven by room and board revenue from planned fee increases averaging 4.2% on most services in fiscal year 2015. The increase is necessary to cover increased debt payments associated with the new North Residential District and to cover basic inflation for supplies and services. University leadership has asked the Office of Student Life to reduce costs, beginning in fiscal year 2015, with a target to reduce on-going costs by \$1.8 million.



## UNIVERSITY BUDGET: EXPENSE

### Salaries and Benefits

**Salaries** - Salary expense is expected to increase by \$41 million or 3.1% over fiscal year 2014 projections. Faculty and staff salary guideline increases of up to 2.0% have been included in the budget for fiscal year 2015.

Salaries expense is planned to increase by \$28 million in colleges, including guidelines increases and a \$7.5 million investment in the Data Analytics Discovery Theme. The remaining \$13 million increase is attributable to support units, including guideline increases and investments in areas such as proposal development and compliance efforts in the Office of Research, OSU Online, Advancement and a full year of fully staffed Office of Integrity and Compliance.

In an effort to drive increased efficiency and ensure that funding is maximized to support the core academic mission, The university has indicated that it will only fund 50% of any net increase to salary and benefits within support units through the current budget allocation model. For instance, if a support unit proposes an aggregate 2.0% increase, the unit will have to fund 50% of that dollar value, effectively 1.0%. It is expected that the unit will deliver cost savings in order to offset the other 50%.

Consistent with prior years, the approved salary guidelines take into consideration the financial condition of the university as well as statistics of the current labor market. The university continues to employ its philosophy of setting faculty salaries at a level that will maintain or advance Ohio State's position nationally for the highest quality faculty, and to set staff salaries to be competitive with the local employment markets.

**Benefits** - Benefit costs are expected to increase by \$19 million or 4.8% over fiscal year 2014. Benefits are driven by the 2% salary guideline increase, which directly affects the retirement plan contribution expenses and a 7% average rate increase on other benefit plans combined. Benefits include the university's contribution to employee retirement plans, various medical, dental, vision, life and disability plans, employee and dependent tuition plans and university expense related to compulsory plans, such as workers' compensation and unemployment compensation.

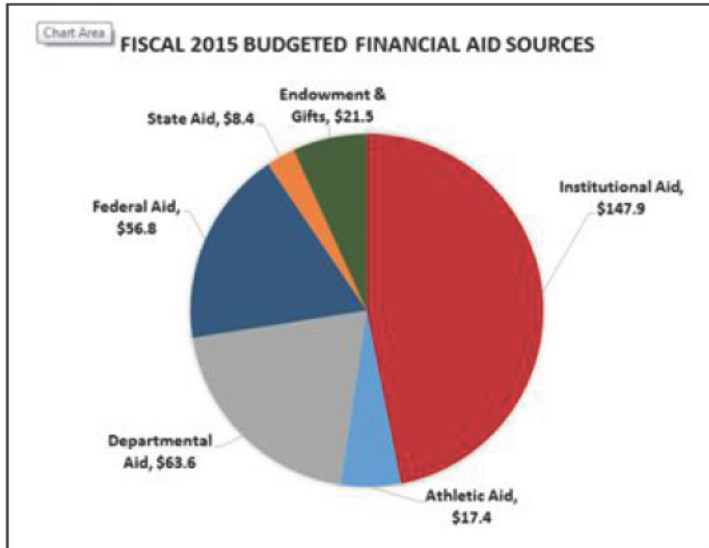
**Retirement Plans** - University employees are covered by one of three retirement systems. The university faculty is covered by the State Teachers Retirement System of Ohio (STRS Ohio). Substantially all other employees are covered by the Public Employees Retirement System of Ohio (OPERS). Employees may opt out of STRS Ohio and OPERS and participate in the Alternative Retirement Plan (ARP) if they meet certain eligibility requirements. Under each of the plans, the university contributes 14% of the employee's pay to the plan annually, while the employees contribute 10%. Vesting varies by plan.

**Medical Plan** - The university is self-insured for employee health insurance. Fiscal year 2015 medical plan costs are budgeted based on historical cost trend data, projected employee eligibility, and expected plan changes associated with governmental regulations. Given these factors, we are projecting a 7% increase for fiscal year 2015 across all medical plans. The university will continue to monitor the impact the new health care laws will have on the university as an employer as legislation and regulations evolve.

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## Student Financial Aid

Financial aid is a critical investment of resources that keeps the cost of education manageable for students. The Ohio State University engages both the federal and state governments in conversations to stress the importance of financial aid and reasonable loan programs for students. Interactions with donors also stress the importance of gifts that support financial aid.



The financial aid plan seeks to advance two specific goals for the university: to invest in the quality, quantity and diversity of students in order to continue to move Ohio State towards its goal of being in the top ten public universities in the country; and to invest in students to fulfill our role as the land grant university for the State of Ohio, whereby access to college is afforded to those students with limited resources. The university continues to work to support both goals and continues to develop the appropriate balance in moving the university towards eminence. Fundraising efforts are also underway through various initiatives including the Ohio Challenge in which all 88 Ohio counties are raising funds to recruit students from each county to attend Ohio State.

Ohio State expects to distribute a total of \$315 million of financial aid, excluding graduate fee authorizations, to students in fiscal year 2015. Sources for the aid include institutionally funded aid, federal and state programs, and gifts and endowments. The university financial statements present a portion of financial aid, in accordance with GASB accounting requirements, as an allowance against gross tuition and, in the case of Athletic scholarships, an allowance against Auxiliary sales. For fiscal year 2015, \$169 million of the \$315 million of financial aid has been presented as allowances.

Institutionally funded financial aid is expected to increase by \$9.4 million, or 6.8%, in fiscal year 2015 to a total of \$147.9 million. These increases are driven by further investments in financial aid to support the Enrollment Plan, funding for need-based financial aid, funding for the Eminence Financial Aid program for high-performing students, and for the inflationary costs of room and board.

Federal financial aid, which consists primarily of Pell and some Supplemental Educational Opportunity Grant (SEOG) grants, is expected to increase \$0.9 million, or 1.6%, to \$56.8 million in fiscal year 2015. State financial aid is expected to hold steady at approximately \$8.4 million in fiscal year 2015 and is driven by funding levels for programs such as the Ohio College Opportunity Grant (OCOG). Donor and other funds are also expected to remain flat in fiscal year 2014 at \$21.4 million.

Athletic scholarships are planned to remain roughly flat at \$17.4 million. The remaining \$63.6 million in financial aid is administered directly by colleges for graduate fellowships and departmental awards.

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## Fee Authorizations

Fee Authorizations are an additional component of student aid directed toward graduate student appointments. Total University Fee Authorization expense is expected to increase by \$2.2 million or 2.3% in fiscal year 2015. This is driven by a larger number of planned graduate appointments versus fiscal year 2014 and by the incremental cost to fund this aid for some resident and non-resident students.

## Supplies & Other Expenses

Supplies and Other Expenses are projected to increase \$19.1 million or 3.1% versus fiscal year 2014. However, fiscal year 2014 Other Expenses include a one-time \$10 million insurance payment for tornado damage at Wooster. Once fiscal year 2014 costs are adjusted for this one-time proceed, costs are planned to increase by \$9.1 million or 1.5%. The primary drivers are a \$7.8 million increase in utilities cost versus fiscal year 2014. Other increases include \$1.0 million to support development of OSU On-line programs, \$0.8 million for new programs in the College of Public Health and \$1.4 million to develop a marketing plan and implement new software in the Office of Enrollment Services.

**Utilities** - Columbus campus utilities expense is expected to increase by \$7.8 million, or 8.1%, in fiscal year 2015 to \$103 million. The increase is driven primarily by increases in debt service associated with utilities projects, such as the addition of more efficient cooling plants, and increases in purchased power costs. The university's internal budget model contains a mechanism to smooth changes in rate, both increases and decreases, charged to colleges and units in order to provide for less volatility in annual funding and facilitate planning.



The Wexner Medical Center and major auxiliaries such as Student Life and Athletics are not charged for utilities by the assignable square foot but are directly billed for specific utilities based on meter data. This direct billed revenue is deducted from the total utilities expenses in calculating the rate per assignable square foot paid by other units.

The university has contracted with Johnson Controls for a pilot project to install energy conservation measures in five energy-intensive buildings: Biomedical Research Tower, RPAC/McCorkle Aquatics Pavilion, Scott Lab, Physics Research Building, and the Veterinary Hospital. The total minimum guaranteed energy savings for these buildings will be \$1 million annually after the project is completed.

**Building Maintenance and Custodial Services** - Services provided include repairs resulting from normal wear and tear, including plumbing, central HVAC and electrical systems, elevator repair and maintenance, and maintenance of the building envelope, including windows, foundations, walls, and floors. Maintenance expenses are expected to increase by \$400,000, or 2.0%, in fiscal year 2015 to \$32.3 million. The increase is driven primarily by increased salaries and benefits for university maintenance staff.

Custodial expenses are expected to decrease by \$200,000, or 0.2%, in fiscal year 2015 to \$16.5 million. For fiscal year 2015, contract services will provide custodial services for approximately 56% of Columbus campus buildings.

**Maintenance and Renewal** - In an effort to keep pace with maintenance needs for newer buildings and prevent additions to the deferred maintenance backlog, the POM rates provide annual funding for a preventative maintenance pool and a second fund for a deferred maintenance endowment. Annual funding set aside for preventative maintenance pool will remain at \$4 million in fiscal year 2015.

The deferred maintenance endowment was established to provide funding for future maintenance on buildings constructed after 2000. \$6 million will be added during fiscal year 2015 to the quasi endowment established for this purpose. The addition in fiscal year 2015 will increase the principal balance to

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approximately \$43 million. Distributions of up to \$1.5 million from this fund will be expendable beginning in fiscal year 2015 for any in-scope deferred maintenance.

## University Overhead

Overhead is charged to non-general funds units to help fund centrally-provided services. In fiscal year 2015, \$73 million is expected to be allocated via internal charges to fund centrally-provided services, an increase of \$1 million from fiscal year 2014. Since overhead is an intra-university allocation, entries are eliminated in the financial statement consolidation process.

Specific expense categories comprising the overhead rates include Facilities Support, Administrative Support, and Specialized Support (Health Administration and Student Services). Different overhead rates are calculated based on participation in the different expense categories. The base rate includes all expense categories; other rates are calculated to include only those expenses applicable to those units. For example, the regional campus rate includes only the insurance, academic administration, and central support expense categories. For fiscal year 2015, the rates ranged from 2.8% for the Wexner Medical Center to 5.7% for most earnings operations.

For all units except the Wexner Medical Center, overhead is calculated based on the overhead percentage times net revenue. Net revenue is defined as revenue less direct pass through costs. The Wexner Medical Center's overhead is charged a dollar amount based on actual prior year expenses, in order to be compliant with federal Medicare reimbursement policies. The calculated overhead rates for fiscal year 2015 are stable compared with fiscal year 2014 rates, reflecting moderate growth in both revenues and allocated overhead costs.

## Advancement

The university launched the public phase of its \$2.5 billion *But for Ohio State* campaign in October 2012. The fundraising campaign invites those who believe in Ohio State to invest in our students, our faculty, and our potential. By supporting Ohio's land-grant institution, alumni, friends, parents and partners can help us secure educational opportunities for futures generations of students and meet the enormous challenges we face as a society. Campaign proceeds will be used to fund scholarships to attract the most promising students, elevate faculty, create modern learning environments, promote multidisciplinary research, and drive high-impact innovation.



In fiscal year 2015, the university expects to raise aggregate fundraising dollars of \$390 million, including pledges and certain private contracts, by engaging a variety of constituents, including students, faculty and staff, alumni, friends, corporate partners and private foundations. The Advancement strategic plan focuses on aligning fundraising with communications and alumni/constituent engagement to use innovative funding approaches with Ohio State's partners across all facets of the university.

The Advancement related line items of the fiscal year 2015 financials exclude pledges of \$58 million where we do not expect to receive cash in fiscal year 2015. In addition, \$106 million of the \$390 million of expected fundraising is recognized in grants and contracts within the fiscal year 2015 budget.

## Financial Services and Investments

The Office of Financial Services manages cash, short and intermediate term investments and other funds totaling over \$2.0 billion. They also oversee a debt portfolio of \$2.5 billion. In performing these functions,



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the office serves as internal bank to the university taking deposits, issuing debt, investing operating funds and approving loans. The internal bank is a framework for coordinating these activities and providing a consolidated view of the associated assets, liabilities, revenues and expenses.

The Office of Investments manages the Long Term Investment Pool (LTIP), which totals over \$3.4 billion and includes gifted endowment funds, designated funds and a significant portion of operating funds. Through a partnership with external managers, the Office of Investments has adopted an asset allocation model for the LTIP that groups assets into four broad categories. This model enables the investment team to build a portfolio of specialized investment teams around the world to implement our strategic allocation and to be responsive to changing market conditions.

**Investment Income** - Investment income on cash, short and intermediate term investments is budgeted at \$12.0 million, a \$1.0 million increase over our fiscal year 2014 forecast. The fiscal year 2015 budget reflects the continued low interest rate environment.

The LTIP is budgeted to return \$278 million, at an 8.0% return, in fiscal year 2015. The LTIP has produced a 10.6% return, or \$333 million in the first 10 months of fiscal year 2014, net of investment expenses. This compares to an 11.6% return or \$319 million for the full fiscal year 2013.

**Debt** - The proceeds of past debt issuance have been utilized to fund major construction projects including the Wexner Medical Center expansion and dormitory refurbishments, as well as significant campus infrastructure improvements .

The debt is comprised of a mix of tax exempt and taxable bonds. Over 82% of the outstanding debt balance is comprised of fixed rate obligations ranging between 1.2% and 4.85%. The remainder is variable rate agreements. The variable rates, most of which are subject to change every seven days, averaged 0.05% through the first ten months of fiscal year 2014 and have a 15 year average of 1.5%. Under the terms of the variable rate agreements, the rates cannot exceed 8% or 12%, depending on the issue.

In fiscal year 2015, we plan to issue approximately \$300 million of new debt to complete the funding of the Wexner Medical Center expansion. The university expects to incur approximately \$95 million of interest expense on plant debt in fiscal year 2015, an increase of \$10 million over fiscal year 2014 projected levels. Approximately \$19 million will be capitalized resulting in a net expense of \$76 million for fiscal year 2015.

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## Health System

<i>\$ in Thousands</i>	Fiscal 2014 Projected	Fiscal 2015 Budget	\$ Change	% Change
<b>Operating Revenues</b>				
Inpatient Services Revenue	\$ 3,772,520	\$ 3,814,830	\$ 42,310	1.1%
Outpatient Services Revenue	3,124,178	3,206,653	82,475	2.6%
Deductions from Patient Revenue	(4,824,240)	(4,849,093)	(24,853)	0.5%
Other Operating Revenue	65,811	84,807	18,996	28.9%
<b>Total Operating Revenues</b>	<b>\$ 2,138,269</b>	<b>\$ 2,257,198</b>	<b>\$ 118,929</b>	<b>6%</b>
<b>Operating Expenses</b>				
Salaries	\$ 717,436	\$ 766,293	\$ 48,857	6.8%
Benefits	222,543	243,397	20,854	9.4%
Professional Fees	103,733	106,453	2,720	2.6%
Supplies	264,325	269,585	5,260	2.0%
Drugs & Pharmaceuticals	155,070	180,568	25,498	16.4%
Services	275,116	277,807	2,691	1.0%
Residents	47,995	48,833	838	1.7%
University Overhead	48,358	49,808	1,450	3.0%
Depreciation & Amortization	77,739	104,107	26,368	33.9%
Interest	9,448	26,647	17,199	182.0%
<b>Total Operating Expenses</b>	<b>\$ 1,921,762</b>	<b>\$ 2,073,498</b>	<b>\$ 151,736</b>	<b>7.9%</b>
<b>Operating Gain (Loss)</b>	<b>\$ 216,507</b>	<b>\$ 183,699</b>	<b>\$ (32,807)</b>	<b>-15.2%</b>
Net Non-Operating Revenue	1,017	1,607	590	58.0%
<b>Excess of Revenue over Expenses</b>	<b>\$ 217,524</b>	<b>\$ 185,306</b>	<b>\$ (32,217)</b>	<b>-14.8%</b>
Medical Center Investments	(118,174)	(100,000)	18,174	-15.4%
<b>Change in Net Assets</b>	<b>\$ 99,350</b>	<b>\$ 85,306</b>	<b>\$ (14,043)</b>	<b>-14.1%</b>

The 2015 OSU Wexner Medical Center Health System (Health System) operating budget generates margins and cash flows sufficient to meet or exceed the Health System's three strategic financial targets. The first goal is to earn an EBIDA margin of at least 12%. The fiscal year 2015 budget generates a 14% EBIDA margin. The second goal is to increase the number of days of cash on hand by three days. The fiscal year 2015 budget results in a three day increase from \$339 million to \$374 million. The final target is to achieve a debt service coverage ratio of 4:1. The budget results in a 4.3:1 debt service coverage ratio.

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## Cancer and Critical Care Tower Opening



The opening of the new James Cancer Hospital and Critical Care Tower (CCCT) scheduled in December 2014 represents one of the final phases of the \$1.1 billion dollar Medical Center Expansion project. This twenty one story, one million square foot facility will open 348 new beds, will contain 14 operating rooms, expanded radiation therapy units, and over 100 ambulatory exam rooms. The CCCT has been designed to provide state of the art care to patients, support teaching and research activities close to the bedside and provide a comfortable and nurturing environment for families.

The opening of the CCCT poses financial challenges in 2015 that will be alleviated in 2016 as the Health System anticipates return to normal day to day operations. The opening of the CCCT frees beds currently used in the existing James facility and in Doan Hall. When James patients move to the new facility, a backfill plan is in place that will make more beds available for University Hospital, while also reconfiguring space to house the Brain and Spine Hospital, privatizing some existing dual occupancy rooms and decompressing faculty office space.

The impact of the opening on both University Hospital (UH) and The James are significant and will be discussed below. The expense of opening the building will begin early in the fiscal year, likely depressing traditional margin levels in the first six months. Upon opening, The James is projected to fill beds quickly and is expected to reach planned operating levels in the fourth quarter. Critical care cancer patients currently treated by University Hospital will transfer to the new tower, lowering revenues and some expenses to UH. UH backfill is expected to occur over a slightly longer period. Due to historic bed constraints across the health system, physician referral patterns to the Medical Center may take time to build.

## Revenue Drivers



Overall revenue is budgeted to increase approximately 5.5% compared with the current year rate of 5.8%. Activity increases account for approximately 3.2% and rates account for 2.3% of fiscal year 2015 growth. Outpatient activity growth is expected to be consistent over the fiscal year, while the majority of inpatient growth will occur when beds become available in the second half of the fiscal year.

Medicaid Expansion has been favorable for the Health System as patients previously covered under charity programs now have coverage. Medicaid rates have been cut to offset the large increase in enrollment, but the

2015 budget anticipates positive outcome from this increased volume. Overall charity care write offs will drop significantly if this trend continues. The impact of federal insurance exchanges continues to remain unclear. There is significant risk that new enrollment is heavily skewed toward high deductible plans, which will drive all hospitals' bad debt costs to unprecedented levels. Overall, management believes that exchanges will not have a significant impact on the Health System in 2015.

Medicare rates will decrease slightly in certain service areas. The 2% federal sequestration reduction on Medicare payments is expected to remain in effect. Some federal cuts legislated under ACA have been deferred, although the Health System experienced a sizable cut in state funds intended to support safety net hospitals. Managed care arrangements are negotiated through the end of 2015 and in some cases

into 2016. The payment increases for managed care contracts provides most of the 2.3% rate growth noted above. There are no planned price increases in this budget.

## Expense Drivers

Expenses before interest and depreciation will grow by 5.9% compared to the current year growth of 5.7%. The fiscal year 2015 budget includes estimated one time expenditures of \$17 million for the CCCT opening. Excluding those costs, expenses will grow at approximately 4.8%, of which 3.2% will be activity driven and 1.6% rate driven. Increases under the ONA contract provide a 3% salary growth for nursing. Salary increases averaging 2% overall will be given to employees earning less than \$250,000. Excluding pharmaceutical costs and increases for a new retail pharmacy, non-salary costs will decrease after accounting for volume increases.

Extensive expense reduction is anticipated in the 2015 budget. Some interventions are fully implemented such as improved coding, new staffing models in the hospitals, centralized imaging to increase throughput and improve patient satisfaction, and reducing pharmacy costs. We continue to focus on growth initiatives in the areas of cancer, outreach/hospital affiliations, ambulatory expansion, neurosciences and primary care in order to protect the value of our franchise. Many additional interventions are in implementation or will be launched soon including increasing physician productivity requirements, reducing the cost of unfunded research faculty, evaluating organizational span of control and layers of management, embracing and implementing a "true" shared services model for clinical and administrative shared services, and aggressively overhauling our supply chain activities.

## EBIDA and Profitability

With the opening of the CCCT, depreciation and interest expense will increase from \$87 million to over \$131 million and debt service will exceed \$90 million. The increase in depreciation and interest expense reduces the 2015 operating margin. Knowing that the opening of the building would have material impact on operating margin, the Health System has historically utilized EBIDA (Earnings before Interest, Depreciation, and Amortization) as a metric to provide comparability across fiscal years. The Health System set an aggressive target to grow 2015 EBIDA by 3% while it faces the challenges of bringing the new building on line. Although margin decreases from \$216.5 million in 2014 to \$183.7 million in 2015, EBIDA increases from \$304 million to \$314 million, indicative that the clinical engine will continue to produce cash for the university.

## Cash Management

Although EBIDA is expected to grow 3%, that will not be sufficient to service the increased debt, grow cash by three days and fund other working capital needs. Therefore, funds available for program and capital investment are being reduced. The Health System will lower its support for clinical and academic activities by \$20 million in 2015 and will maintain its capital budget at \$68 million, the same as 2014 levels. These reductions will be offset by improved productivity. As 2015 unfolds, cash growth will be monitored closely; should estimates of revenue and expenses result in unfavorable cash flow, further reductions in operations or investments will be considered.

2015 will be one of the most challenging and potentially unpredictable budgets in recent years. Uncertainty in the hospital industry and the midyear opening of a \$1.1 billion facility combine to create a difficult forecasting process. However, this budget is predicated on our fundamental financial strength, our ability to control costs, and the strength that the OSU Wexner Medical Center brand carries locally and state wide. Although it is aggressive, it is certainly achievable.



August 29, 2014 [FISCAL YEAR 2015]

## OSU Physicians, Inc.

<i>\$ in Thousands</i>	Fiscal 2014 Projected	Fiscal 2015 Budget	\$ Change	% Change
<b>Operating Revenues</b>				
Net Patient Revenue	\$ 264,232	\$ 301,106	\$ 36,874	14.0%
Other Operating Revenue	47,026	46,186	(840)	-1.8%
<b>Total Operating Revenues</b>	<b>\$ 311,258</b>	<b>\$ 347,292</b>	<b>\$ 36,034</b>	<b>11.6%</b>
<b>Operating Expenses</b>				
Staff Salaries and Benefits	\$ 73,095	\$ 76,419	\$ 3,324	4.5%
Supplies and Pharmaceuticals	25,531	28,227	2,696	10.6%
Purchased Services, Management Fees, Other	31,973	36,357	4,384	13.7%
Occupancy and Utilities	8,063	8,849	786	9.7%
Depreciation	4,438	4,662	224	5.0%
Interest	513	452	(61)	-11.9%
General Administrative Overhead	8,090	10,313	2,223	27.5%
<b>Total Operating Expenses</b>	<b>\$ 151,703</b>	<b>\$ 165,279</b>	<b>\$ 13,576</b>	<b>8.9%</b>
Provider Expenses	198,695	214,286	15,591	7.8%
<b>Excess of Revenue over Expenses after Provider Expenses</b>	<b>\$ (39,140)</b>	<b>\$ (32,273)</b>	<b>\$ 6,867</b>	<b>-17.5%</b>
Net Non-Operating Revenue	3,779	2,557	(1,222)	-32.3%
Medical Center Investments	36,019	29,716	(6,303)	-17.5%
<b>Change in Net Assets</b>	<b>\$ 658</b>	<b>\$ -</b>	<b>\$ (658)</b>	<b>-100.0%</b>

OSU Physicians, Inc. is a multi-specialty faculty practice bringing outpatient care to Central Ohio communities with physicians focusing on personalized healthcare, patient satisfaction, research and education.

The fiscal year 2015 budget for OSU Physicians, Inc. includes an increase in operating revenue of \$36 million, or 11.6%, based on an expected 13% increase in volume, as measured by work relative value units (WRVUS), a system for measuring physician productivity. Provider related expenses are budgeted to increase \$15.6 million, or 7.8%, due to 62 new physicians that either recently started in fiscal year 2014 or will start in fiscal year 2015.

August 29, 2014 [FISCAL YEAR 2015]

## University Budget Process

### THE BUDGET PROCESS AT THE OHIO STATE UNIVERSITY

For the Fiscal Year 2015 Budget Plan, the university continued to implement a revised budgeting process that encompasses all funds of the university. This approach affords a holistic view of all operations of the university in an easily understood format that will enable the university to highlight the evolution of funding sources. This will allow leadership to make informed strategic decisions in a timely manner.

This all funds, total operating budget will provide the base framework for evaluating the activities of all academic and support units within the university, allowing proactive responses to changing economic issues as they arise.

#### Budget System

The university uses a budget system that is comprised of two components: a modified Responsibility Center Management (RCM) model and the strategic investment of central funds. This structure allows for decentralized decision making and control of financial resources at the colleges and support units. The modified RCM budget model assigns substantial control over resource decisions to individual colleges and support units. The underlying premise of the university's decentralized budget model is entrusting academic and support unit leaders with significant control over financial resources, leading to more informed decision making and better results and outcomes for the university as a whole. Through this decentralized model, colleges in particular are incentivized to increase resources by teaching more credit hours and increasing research activity.

The OSU Health System and OSU Physicians, Inc. prepare their budgets based upon projected activity and associated costs. External factors, such as government regulations and reimbursements rates, as well as contractual agreements with health care payers also play an integral part in developing the health system's budget.

#### Fund Accounting

The university's budget is developed and managed according to the principles of fund accounting. We manage over 19,000 active expendable funds and over 4,800 endowment principal funds through a robust accounting system. Revenue is segregated into a variety of fund types, the use of which is governed by the restrictions of the specific fund. Some fund types are unrestricted, including general funds and some earnings funds. Others have restrictions derived from the source of the revenue, including grants and contracts received from government agencies, foundations, and other outside sponsors. Individual funds are set up to ensure strict adherence to the terms of the grant or contract that governs these funds.

Endowments are another type of restricted fund, where separate funds are set up to preserve the corpus or principal of the gifts. As those funds earn investment returns, annual income distributions are made out of the endowment fund and into a current fund for spending in accordance with the donors' restrictions. The segregation of each gift allows the university to ensure the funds are spent appropriately and to enable reporting to donors on the activities that their funds support.

Although emphasis was placed on including all university funds in the fiscal year 2015 budget process, general funds continue to remain a key component of the budget. General funds can generally be used for any university purpose whereas restricted funds are more specifically targeted. These funds play a major role in the budget, as they cover many expenses in the colleges and support units for which it is

**“As the university's sources of funding continue to evolve, it has become evident that a consolidated view of all sources of funding received and monies spent is necessary to make informed decisions in a timely manner.”**

difficult to raise money. The main sources of general funds are tuition and other student fees, state support of instruction, indirect cost recovery, and overhead charged to earnings units.

## Allocation of Funds

Each college and support unit receives a portion of general funds in support of both academic and administrative functions. The process for allocating the funds is administered through the Office of Financial Planning & Analysis under the guidance of the Chief Financial Officer and Provost. General funds are allocated to colleges and support units on a marginal basis under an established set of criteria. In other words, increases (or decreases) in the pool of general funds available each budget year are allocated back to colleges and support units as increases (or decreases) to their base general funds budgets.

Marginal changes in revenue are allocated to colleges based on three primary funding formulas. The first funding formula for colleges utilizes a model to distribute undergraduate marginal tuition and state support. Sixty percent of the funding is allocated based on total credit hours taught, while forty percent is allocated based on the cost of instruction. This budget allocation method takes into account the fact that some courses have a higher cost for delivery and are, thus, allocated a greater share of the funding. The other two primary funding formulas allocate graduate tuition and state support based on credit hours in fee-paying categories (tuition) and type of course taught based on cost of instruction (state support). As a college teaches more of the share of total credit hours, it receives a larger share of the incremental funding. Conversely, if a college's share of the hours taught declines, the college's allotted share of incremental funding will correspondingly decline. Colleges will receive their share of revenue on indirect research cost recovery, based upon the college's share of research revenue. Fee revenue from learning technology, course and program fees are provided directly to colleges based upon course.

Support units are funded through a combination of central tax, specific activity-based assessments charged to colleges and an overhead rate charged to auxiliary and earnings units. The central tax, assessments and overhead charges are designed to provide the funds necessary to maintain support services such as payroll services, central human resource services, and student life services. Support units are generally ineligible for marginal revenue changes because the funding formulas rely on credit hours taught; instead, support units must request additional funding during the annual budget process to support new services or mandates.

Auxiliaries and earnings units are expected to operate at a break even or better margin and generally do not receive general fund support. One exception is the Office of Student Life which does receive general fund support via special Student Activity, Ohio Union and Recreational Facility fees that were enacted to specifically advance the student experience.

Regional campuses develop their own individual campus budgets primarily based on the student tuition and fees received from the regional campus students, the State Share of Instruction they expect to collect and costs directly incurred to operate those campuses.

University-wide initiatives and special requests by colleges and support units are funded through the formal budget process or through central reserves established to fund campus-wide projects that benefit the entire population or advance the mission of the university.

**MODIFICATION OF ASSET CLASSES AND ALLOCATIONS AND  
BENCHMARKS FOR THE LONG-TERM INVESTMENT POOL**

Synopsis: Modifying the university's Investment Policy #5.90 (approved August 30, 2013) to update asset classes and allocations for the university's Long-Term Investment Pool, and adopting modified benchmarks for the university's Long-Term Investment Pool, is proposed.

WHEREAS The Ohio State University Board of Trustees previously adopted the Investment Policy #5.90 in August 2013 to govern various aspects of the management of the university's investment portfolios; and

WHEREAS there is a desire to modify such Investment Policy to update the asset classes and allocations for the Long-Term Investment Pool; and

WHEREAS the chief investment officer has recommended to the senior vice president for business and finance certain modifications to the Investment Policy to update the asset classes and allocations for the Long-Term Investment Pool; and

WHEREAS the senior vice president for business and finance has reviewed the proposed modifications to the Investment Policy to update the asset classes and allocations for the Long-Term Investment Pool, has determined that it is appropriate and in the best interest of the university that such modifications be adopted, and has recommended such modifications to the Finance Committee; and

WHEREAS the Finance Committee has approved such modifications to the Investment Policy to update the asset classes and allocations for the Long-Term Investment Pool; and

WHEREAS the Finance Committee hereby recommends such modifications to the Investment Policy to update the asset classes and allocations for the Long-Term Investment Pool to The Ohio State University Board of Trustees; and

WHEREAS the chief investment officer has recommended to the senior vice president for business and finance modifications to the existing benchmarks for the Long-Term Investment Pool to evaluate the investment performance of the Long-Term Investment Pool and a new benchmark, the Sharpe ratio, for the Long-Term Investment Pool to evaluate the risk-adjusted investment performance of the Long-Term Investment Pool; and

WHEREAS the senior vice president for business and finance has reviewed such modifications to the existing benchmarks and the new benchmark, has determined that such modifications and the new benchmark are appropriate and in the best interest of the university, and has recommended such modifications and the new benchmark to the Finance Committee; and

WHEREAS the Finance Committee has approved such modifications to the existing benchmarks and the new benchmark; and

WHEREAS the Finance Committee hereby recommends such modifications to the existing benchmarks and the new benchmark for the Long-Term Investment Pool to The Ohio State University Board of Trustees; and

**MODIFICATION OF ASSET CLASSES AND ALLOCATIONS AND  
BENCHMARKS FOR THE LONG-TERM INVESTMENT POOL (cont'd)**

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves that the attached Investment Policy with updated asset classes and allocations for the Long-Term Investment Pool be ratified as having been in effect from July 1, 2014; and

BE IT FURTHER RESOLVED, That the modified benchmarks for the Long-Term Investment Pool set forth below for the purposes of evaluating the investment performance of the Long-Term Investment Pool be ratified as having been in effect from July 1, 2014 and shall remain in effect until further modified as provided for in the university's Investment Policy:

<u>Asset Class</u>	<u>Range</u>	<u>Benchmark</u>	<u>LTIP Benchmark Weighting</u>
Global Equities	40-80%	MSCI All Country World Index (ACWI)	60%
Global Credit	10-50%	Barclays U.S. Aggregate Bond Index	30%
Real Assets	5-20%	U.S. Consumer Price Index (CPI) +5%	10%

BE IT FURTHER RESOLVED, That the use of the Sharpe ratio as the benchmark to evaluate the total risk-adjusted performance of the Long-Term Investment Pool be ratified as having been in effect from July 1, 2014 and shall remain in effect until further modified as provided for in the university's Investment Policy.

The Ohio State University  
Board of Trustees

August 29, 2014

## BACKGROUND

**TOPICS:** Modification of the asset classes utilized within the Long-Term Investment Pool (LTIP) and the university's Investment Policy. Also, modification of the benchmarks utilized to gauge overall investment performance within the LTIP.

**CONTEXT:** The university's Investment Policy was last amended in August 2013. At that time the long-term and short-term policies were combined into a single university Investment Policy to allow for ease of management and oversight of the various investment pools. Within the Investment Policy, specific to the LTIP is guidance on overall asset allocation and specifically asset classes and allowed ranges of investment within each asset class. Separate from the university's Investment Policy are the benchmarks which are utilized to gauge overall investment performance of the LTIP.

**SUMMARY:** Over the last 12 months, the university's finance and investment teams have been reviewing the asset classes and investment allocations along with the benchmarks for the LTIP. The team has come to the conclusion that a simplified model of asset allocation and benchmarking would serve the university's interests better as it reflects current market conditions and would allow for improved oversight and measurement of performance in today's financial markets.

The existing four asset classes (Global Equities, Global Credit, Private Capital & Real Assets) will be reduced to three (Global Equities, Global Credit and Real Assets). The assets in the eliminated category (Private Capital) will be reallocated to their respective investment area (Equities, Credit & Real Assets) to achieve this modification. Each of the three asset classes also has a range of allowed investment (Global Equities: 40-80%, Global Credit: 10-50%, Real Assets: 5-20%) as a percentage of the total LTIP and the relative midpoints of each range (Global Equities: 60%, Global Credit: 30%, Real Assets: 10%) will serve as the portfolio standard weighting for purposes of performance benchmarking. The allowed ranges of allocation will give the investment team the flexibility to adjust to changing market conditions and to ensure proper return and risk analyses are conducted.

The simplification of asset classes from four to three will also allow the university to simplify and enhance the LTIP benchmarks. The Global Equities and Global Credit benchmarks will be based on established financial indices (Global Equities - MSCI ALL Country World Index & Global Credit - Barclays U.S. Aggregate Bond Index). The real asset benchmark will be the U.S. Consumer Price Index (CPI) + 5%. In addition, the university will add a secondary benchmark to evaluate the total risk-adjusted performance of the LTIP. The Sharpe ratio which measures the excess return (or risk premium) per unit of deviation in an investment asset will be utilized to compare the risk taken in the portfolio to that of the benchmark and to better assess the relative performance.

**REQUESTED OF THE FINANCE COMMITTEE:** Approval of the resolution.

## **BACKGROUND**

### **OBJECTIVE**

The objective of this Investment Policy is to establish the overall goals, management responsibilities, investment strategies and discipline for the investment portfolios of The Ohio State University (the "University"). This Investment Policy is intended to permit sufficient flexibility to capture investment opportunities, yet provide parameters that ensure prudence and care in the execution of the investment program. This Investment Policy is issued for the guidance of fiduciaries, including the Board of Trustees, Finance Committee members, staff, investment managers, investment consultants and custodians for oversight of the University's investment portfolios. It also states the standards and disciplines adopted so that the Board of Trustees and its Finance Committee can effectively evaluate the performance and operations of the investment portfolios. This Investment Policy is divided into two sections: Long-Term Investment Pool and Operating and Agency Funds Portfolios.

### **I. LONG-TERM INVESTMENT POOL PORTFOLIO**

#### **A. GOALS**

The Long-Term Investment Pool (the LTIP) was established to provide financial support for the long-term use and benefit of the University in support of its mission. The goal is to manage LTIP assets with prudence and discipline to achieve that purpose. The LTIP will be invested using a total return objective to meet its goals. Funds in the LTIP will be invested in a manner that over the long term will preserve and maintain the real purchasing power of the principal while allowing for an annual distribution as described below.

#### **B. COMPONENTS OF THE LONG-TERM INVESTMENT POOL**

The LTIP consists of endowments, quasi-endowments, term endowments and those funds held for the benefit of others.

Endowment funds are funds received from donors or other sources with a restriction that the original principal is not expendable, and distributed income is to be used as prescribed.

Quasi-endowment funds are funds in which the principal can be spent at the discretion of the University's Board of Trustees. Quasi-endowment funds may include funds derived from sources described in Ohio Revised Code Section 3345.05, including tuition. Quasi-endowment funds also may include operating funds of the University available for long-term investment, as described below in Sections E(3) (Asset Allocation and Rebalancing) and G (Operating Fund Limitations) under Operating and Agency Funds Portfolio.

Term endowment funds are funds for which there is a stipulation that the principal may be expended after a stated period of time or upon the occurrence of a certain event.

#### **C. FIDUCIARY STANDARDS**

The Board of Trustees, Finance Committee members, staff, investment managers, consultants and custodians are fiduciaries. Accordingly, these individuals are required to:

- Act solely in the interest of the University, for the purposes of providing income and maintaining the real purchasing power of the principal.
- Act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.



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- Diversify the investments of the LTIP in order to minimize overall risk, and to provide investment returns to achieve the LTIP's stated goals.

#### D. DUTIES AND RESPONSIBILITIES

1. **Board of Trustees.** The University Board of Trustees has overall responsibility for this LTIP Investment Policy and approval of Finance Committee members. The Board of Trustees votes on items brought forth by the Finance Committee.
2. **Finance Committee of the Board of Trustees.** The Finance Committee has strategic oversight responsibility for the investment program and operations of the LTIP. The Committee shall work with the Senior Vice President for Business and Finance and the Chief Investment Officer to ensure the LTIP is well managed, in accordance with this LTIP Investment Policy. The Finance Committee shall meet at least quarterly.
3. **Senior Vice President for Business and Finance.** The Senior Vice President for Business and Finance has oversight responsibility for the LTIP's investment operations and reporting. The Senior Vice President for Business and Finance shall review operations and reporting within the Office of Investments to ensure compliance with established policies and procedures.
4. **Chief Investment Officer.** The Chief Investment Officer is responsible for managing the LTIP's investment operations and reporting. The Chief Investment Officer shall review and recommend policies and procedures that are consistent with the investment objectives of the LTIP. The Chief Investment Officer shall report to the Senior Vice President for Business and Finance and the Finance Committee, at least quarterly.
5. **Investment Managers.** The University utilizes external investment managers approved by the Chief Investment Officer and Senior Vice President for Business and Finance to provide portfolio management services. The investment managers may be given discretion, consistent with specified objectives and guidelines, to manage LTIP assets. Investment managers operate under a formal contract with the University that delineates responsibilities, risk parameters, administration requirements and compensation. The Investment Management contracts may be terminated by the Chief Investment Officer and/or the Senior Vice President for Business and Finance.
6. **Consultants.** The University may utilize the services of one or more investment consultants to assist the Chief Investment Officer in the areas of: policy development, asset allocation, investment structure analysis, investment manager selection, performance review and other specialized investment topics. Consultants operate under a formal contract with the University that delineates responsibilities, risk parameters and performance expectations, administration requirements and compensation. Consulting contracts may be entered into and terminated by the Chief Investment Officer and/or the Senior Vice President for Business and Finance.
7. **Custodians.** The University retains one or more custodian banks or trust institutions to custody and report on the assets of the LTIP. Custodial contracts may be entered into and terminated by the Chief Investment Officer and/or the Senior Vice President for Business and Finance.

#### E. DISTRIBUTION POLICY

Each component fund of the LTIP has a separate distribution account. Distributions will be credited to a fund's distribution account at the beginning of each fiscal year according to a formula approved by the Board of Trustees as follows:



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1. The aggregate distribution amount is calculated on a seven-year moving average of the market value of the LTIP, except as set forth in Section H below.
2. The distribution rate is 4.25%.

Distributions may be reinvested into principal; however, any reinvested distribution cannot be redistributed or withdrawn at another time except as stated above.

**F. ASSET ALLOCATION AND GUIDELINES**

1. **Time Horizon.** The LTIP's investment horizon is perpetual; therefore interim performance fluctuations should be viewed with this perspective. Similarly, the underlying capital market assumptions of the University's asset allocation plan for the LTIP are based on this long-term perspective.
2. **Risk Tolerance.** The Board of Trustees, the Finance Committee, and staff recognize the challenge of achieving the LTIP's investment objectives in light of the uncertainties and complexities of investment markets. They also recognize that prudent levels of investment risk are necessary to achieve the stated investment goals.
3. **Asset Allocation and Rebalancing.** Asset allocation is thought to be the largest contributor to overall LTIP return performance and risk characteristics. The Finance Committee and the Board of Trustees will periodically evaluate the LTIP's asset class strategies and opportunities, and establish a long-term asset allocation plan. After a thorough study of the available asset class opportunities, return objectives and risk tolerance, the Board of Trustees and Finance Committee approved the following asset classes and allocations for the LTIP:

<u>Asset Class</u>	<u>Range</u>
Global <del>Equity</del> Equities	<del>10-50</del> 40-80%
Global Credit	10-50%
<del>Private Capital</del>	<del>10-25</del> %
Real Assets	<del>10-5-25</del> 20%

Futures, options, forward contracts, and swap agreements may be utilized in a manner that is consistent with the policies and objectives contained within this LTIP Investment Policy. Such instruments should be used to hedge risk in the LTIP portfolio or to implement investment strategies more efficiently and at a lower cost than would be possible in the cash market. Such instruments should not be used for purely speculative purposes.

4. **Investment Manager Guidelines.** The investment guidelines incorporated into each manager's contract documents the risk parameters of the manager's investment approach. The guidelines also specify the typical characteristics of the portfolio. These characteristics are used to monitor a manager's investment style adherence to insure that the manager is continuously fulfilling its investment role in the LTIP.
5. **Benchmarks.** The Board of Trustees is responsible for approving performance benchmarks to evaluate the performance of the LTIP portfolio. The Chief Investment Officer will review the benchmarks annually and recommend changes, if any, to the Senior Vice President for Business and Finance. Based on such recommendations by the Chief Investment Officer, the Senior Vice President for Business and Finance may recommend to the Finance Committee changes to the benchmarks. If the Finance Committee approves such recommendations, then the Finance Committee will bring the recommendations forward for a vote by the Board of Trustees.

#### **G. INVESTMENT MONITORING PROCESS**

The LTIP's investment managers and consultants will be monitored for consistency of investment philosophy, return relative to objectives, and investment risk. The Office of Investments will monitor the overall LTIP results and investment portfolios, but results will be evaluated on a long-term basis. The following manager issues will be considered potential causes for termination by the Chief Investment Officer: (1) failure to comply with the applicable investment style, guidelines, performance objectives, and fees, (2) a material change in ownership or personnel, or (3) a violation or potential violation of the terms of the investment manager agreement or other applicable laws and regulations.

#### **H. ACCOUNT VALUATION**

LTIP funds invested in the LTIP are allocated a number of units. At the end of each month LTIP investments are valued and a unit value calculated based on the aggregate number of units assigned to each LTIP fund. The unit value calculation also takes into account earnings, investment expenses and fees. New LTIP funds and additions/withdrawals from established funds are processed at the end of each month. Additions will be allocated units only with the addition of cash. Non-marketable gifts will be liquidated first, and units allocated based on cash proceeds. Withdrawals may be made only from invadable funds upon the written request of the applicable Dean or Vice President.

Notwithstanding the foregoing, the President, the Provost and the Senior Vice President for Business and Finance of the University, in consultation with the Chair of the Finance Committee of the Board of Trustees, may direct that certain LTIP funds that are transferred to the LTIP from Operating Funds as further described in Section II(E)(3)(b), up to a maximum amount of \$100 million, be invested at their discretion in compliance with this Policy, other than the Asset Allocation and Rebalancing and benchmarks provisions and as expressly set forth in this paragraph. Such LTIP funds will not be allocated units in the LTIP and any investments made using such funds will not be included in the unit value calculation referred to above. Such LTIP funds will constitute a separate component fund of the LTIP and will receive distributions in the amount of and only to the extent of distributions on the underlying investments made using such funds. Investment expenses and fees will be assessed on such funds to the extent applicable.

#### **I. EXERCISE OF SHAREHOLDER RIGHTS**

The University recognizes that publicly traded securities and other assets of the LTIP may include certain ancillary rights, such as the right to vote on shareholder resolutions at companies' shareholders' meetings, and the right to assert claims in securities class action lawsuits or other litigation. The University requires of itself and its external managers the prudent management of these LTIP assets for the exclusive purpose of enhancing the value of the LTIP. The Chief Investment Officer has the authority to delegate proxy voting to external managers to maximize fund value, reserving the right to direct the voting on specific issues as needed. The Chief Investment Officer will make best efforts to implement this policy in a socially and environmentally responsible manner.

#### **J. REVIEW AND MODIFICATION OF INVESTMENT POLICY STATEMENT**

This LTIP Investment Policy is in effect until modified by the Board of Trustees. While material changes are expected infrequently, the Chief Investment Officer will review the LTIP Investment Policy at least annually for continued appropriateness and recommend any changes to the Senior Vice President for Business and Finance. Based on such recommendations by the Chief Investment Officer, the Senior Vice President for Business and Finance may recommend such changes to the Finance Committee. If the Finance Committee approves such recommendations, then the Finance Committee will bring the recommendations forward for a vote by the Board of Trustees.

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#### **K. EXCEPTIONS**

Modifications and exceptions to this LTIP Investment Policy shall be authorized by resolution of the Board of Trustees or as provided herein. The terms and conditions of this LTIP Investment Policy as to endowment funds may be waived to accept and administer donated funds or property with donor restrictions and approved by the Board of Trustees.

In order to meet its fiduciary responsibility to its academic programs and its donors, the University seeks to maximize its investment returns within appropriate levels of risk under guidelines established by the Board of Trustees as granted by the Ohio Revised Code. As a public institution, the University also recognizes a duty to support larger societal objectives as well.

Divestment for non-economic reasons should be recommended through the governance process, i.e. student government, University Senate or an appropriate committee. The recommendation would go to the Senior Vice President for Business and Finance. The Senior Vice President for Business and Finance should ask the Chief Investment Officer to review the potential impact on the LTIP of any divestment. If the cumulative impact to the LTIP of divestment for non-economic reasons is less than \$5,000,000 over a two-year period, the Senior Vice President for Business and Finance may then bring the recommendation forward to the President's Cabinet for final approval. If the cumulative impact to the LTIP is greater than \$5,000,000, the Senior Vice President for Business and Finance may then bring the recommendation forward to the President's Cabinet for approval, but if approved, a policy change must be brought forward for a vote by the Finance Committee of the Board of Trustees.

#### **L. CONFLICTS OF INTEREST**

It is critical that there be no conflicts of interest or perceptions of conflicts of interest when making investment decisions related to the management of the LTIP. Therefore, if a member of the Board of Trustees, Finance Committee or the OSU Foundation Board is connected to an investment firm, the University will not invest in any funds managed by that firm. In addition, no employee of the Office of Investments will invest his/her personal monies in funds in which the LTIP is invested.

### **II. OPERATING AND AGENCY FUNDS PORTFOLIO**

#### **A. GOALS**

The Operating and Agency Funds (the "Operating Funds") will be invested in diversified portfolios with the intention of obtaining a reasonable yield, balanced with a component invested for appreciation, while adhering to a prudent level of risk, and retaining sufficient liquidity to meet cash flow requirements of the University. Certain of the agency portfolios may have additional goals and policies specific to their use. These goals and policies will be in writing and approved by the Senior Vice President for Business and Finance.

#### **B. COMPONENTS OF THE OPERATING AND AGENCY FUNDS**

The Funds consist of the Short-Term Operating Fund, gift annuity and trust funds, student loan funds, and other non-LTIP funds which are under the control and supervision of the Vice President and Treasurer. The Short-Term Operating Fund consists of two pools: the Short-Term Pool and the Intermediate-Term Pool, as described below.

#### **C. FIDUCIARY STANDARDS**

The Board of Trustees, Finance Committee members, staff, investment managers, consultants and custodians are fiduciaries. Accordingly, these individuals are required to:

- Act solely in the interest of the University, for the purposes of providing income and preserving principal.
- Act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.
- Diversify the investments of the Operating Funds in order to minimize overall risk, and to provide investment returns to achieve the Operating Funds' stated goals.

**D. DUTIES AND RESPONSIBILITIES**

1. **Board of Trustees.** The University Board of Trustees has overall responsibility for this Operating and Agency Funds Investment Policy and approval of Finance Committee members. The Board of Trustees votes on items brought forth by the Finance Committee.
2. **Finance Committee of the Board of Trustees.** The Finance Committee has strategic oversight responsibility for the investment program and operations of the Funds. The Committee shall work with the Senior Vice President for Business and Finance and the Vice President and Treasurer to ensure the Operating Funds are managed, in accordance with this Operating and Agency Funds Investment Policy. The Finance Committee shall meet at least quarterly.
3. **Senior Vice President for Business and Finance.** The Senior Vice President for Business and Finance has oversight responsibility for the Operating Funds' investment operations and reporting. The Senior Vice President for Business and Finance shall review operations and reporting within the Office of the Treasurer to ensure compliance with established policies and procedures.
4. **Vice President and Treasurer.** The Vice President and Treasurer is responsible for managing the Operating Funds' investment operations and reporting. The Vice President and Treasurer shall review and recommend policies and procedures that are consistent with the investment objectives of the Funds. The Vice President and Treasurer shall report to the Senior Vice President for Business and Finance and the Finance Committee at least quarterly.
5. **Investment Managers.** The University utilizes external investment managers approved by the Vice President and Treasurer and the Senior Vice President for Business and Finance to provide portfolio management services. The investment managers may be given discretion, consistent with specified objectives and guidelines, to manage assets of the Operating Funds. Investment managers operate under a formal contract with the University that delineates responsibilities, risk parameters administrative requirements and compensation. The Investment Management contracts may be terminated by the Vice President and Treasurer and/or the Senior Vice President for Business and Finance.
6. **Consultants.** The University may utilize the services of one or more investment consultants to assist the Vice President and Treasurer in the areas of: policy development, asset allocation, investment structure analysis, investment manager selection, risk parameters, performance review and other specialized investment topics. Consultants operate under a formal contract with the University that delineates responsibilities, and performance expectations, administration requirements and compensation. Consulting contracts may be entered into and terminated by the Vice President and Treasurer and/or the Senior Vice President for Business and Finance.
7. **Custodians.** The University retains one or more custodian banks or trust institutions to custody and report on the assets of the Funds. Custodial contracts may be entered into and terminated by the Vice President and Treasurer and/or the Senior Vice President for Business and Finance.

**E. ASSET ALLOCATION AND GUIDELINES**

1. **Time Horizon.** The University's Short-Term Operating Fund is divided into two pools: Short-Term Pool, which represents at least thirty (30) days of total University expenditures, and has an investment horizon of less than one (1) year; and the Intermediate-Term Pool, which represents the remainder of the Short-Term Operating Fund and has an investment horizon of one (1) to five (5) years.
2. **Risk Tolerance.** The Board of Trustees, the Finance Committee, and staff recognize the challenge of achieving the Operating Funds' investment objectives in light of the uncertainties and complexities of investment markets. They also recognize that prudent levels of investment risk are necessary to achieve the stated investment goals.
3. **Asset Allocation and Rebalancing.** Asset allocation is thought to be the largest contributor to overall return performance and risk characteristics of the Operating Funds. The Short-Term Operating Fund serves as the working cash balance to provide necessary liquidity for the University's operations. The Board of Trustees and Finance Committee will periodically evaluate the allocation between the LTIP and the Short-Term Operating Fund for appropriateness.

Market fluctuations, cash flows and liquidity issues will cause the actual asset allocations to fluctuate. The Vice President and Treasurer will rebalance the portfolio to policy as follows:

- a. **Short- and Intermediate-Term Pools.** The Short-Term Pool shall cover at least thirty (30) days of University cash flow. At least 25% of the Short-Term Operating Fund should be in the Short-Term Pool, as a reserve, in accordance with Section G below. The amount of the Short-Term Operating Fund must be enough to cover at least sixty (60) days cash flow and must be greater than or equal to 110% of all variable rate debt including commercial paper.
  - b. **LTIP.** After the amount of each of the Short- and Intermediate-Term Pools is determined, monies may be transferred to the LTIP. Operating Funds available for transfer to the LTIP should be net of bond construction funds. No more than 60% of Operating Funds may be transferred to the LTIP.
  - c. **General.** The allocation amounts will be reviewed periodically by the Vice President and Treasurer but at least semi-annually. The number used to calculate days of University cash flow will be based on the Board of Trustees approved University budget.
  - d. **Other Funds.** Operating Funds other than the Short-Term Operating Fund will be managed according to this Operating and Agency Funds Investment Policy with asset allocations approved by the Vice President and Treasurer.
4. **Investment Manager Guidelines.** The investment guidelines incorporated into each manager's contract documents the risk parameters of the manager's investment approach. The guidelines also specify the typical characteristics of the portfolio. These characteristics are used to monitor a manager's investment style adherence to insure that the manager is continuously fulfilling its investment role in the Operating Funds.
  5. **Benchmarks.** The Board of Trustees is responsible for approving performance benchmarks to evaluate the performance of the Operating Funds portfolio. The Vice President and Treasurer will review the benchmarks annually and recommend changes, if any, to the Senior Vice President for Business and Finance. Based on such recommendations by the Vice President and Treasurer, the Senior Vice President for Business and Finance may recommend to the Finance Committee changes to the

benchmarks. If the Finance Committee approves such recommendations, then the Finance Committee will bring the recommendations forward for a vote by the Board of Trustees.

#### **F. INVESTMENT MONITORING PROCESS**

The Operating Funds' investment managers will be monitored for consistency of investment philosophy, return relative to objectives, and investment risk. The Vice President and Treasurer and the Senior Vice President for Business and Finance will monitor the overall results and investment portfolios of the Operating Funds, but results will be evaluated on a long-term basis. The following manager issues will be considered potential causes for termination: (1) failure to comply with the applicable investment style, guidelines, performance objectives, and fees, (2) a material change in ownership or personnel, or (3) a violation or potential violation of the terms of the investment manager agreement or other applicable laws and regulations.

#### **G. OPERATING FUND LIMITATIONS**

Ohio Revised Code Section 3345.05(c)(i) requires that investment of at least twenty-five percent (25%) of the average amount of the Operating Funds portfolio over the course of the previous fiscal year be invested in securities of the United States government or of its agencies or instrumentalities, the treasurer of state's pooled investment program, obligations of this state or any political subdivision of this state, certificates of deposit of any national bank located in this state, written repurchase agreements with any eligible Ohio financial institution that is a member of the federal reserve system or federal home loan bank, money market funds, or bankers acceptances maturing in two hundred seventy (270) days or less which are eligible for purchase by the federal reserve system, as a reserve. Eligible funds above the funds that meet the foregoing condition may be pooled with other University funds, including the LTIP, and invested in accordance with Ohio Revised Code Section 1715.52.

#### **H. EXERCISE OF SHAREHOLDERS RIGHTS**

The University recognizes that publicly traded securities and other assets of the Fund may include certain ancillary rights, such as the right to vote on shareholder resolutions at companies' shareholders' meetings, and the right to assert claims in securities class action lawsuits or other litigation. The University requires of itself and its external managers the prudent management of these assets for the exclusive purpose of enhancing the value of the Operating Funds. The Vice President and Treasurer has the authority to delegate proxy voting to external managers to maximize fund value, reserving the right to direct the voting on specific issues as needed. The Vice President and Treasurer will make best efforts to implement this policy in a socially and environmentally responsible manner.

#### **I. REVIEW AND MODIFICATION OF INVESTMENT POLICY STATEMENT**

This Operating and Agency Funds Investment Policy is in effect until modified by the Board of Trustees. While material changes are expected infrequently, the Vice President and Treasurer will review this Operating and Agency Funds Investment Policy at least annually for continued appropriateness and recommend any changes to the Senior Vice President for Business and Finance. Based on such recommendations by the Vice President and Treasurer, the Senior Vice President for Business and Finance may recommend such changes to the Finance Committee. If the Finance Committee approves such recommendations, then the Finance Committee will bring the recommendations forward for a vote by the Board of Trustees.

#### **J. EXCEPTIONS**

Modifications and exceptions to this Operating and Agency Funds Investment Policy shall be authorized by resolution of the Board of Trustees or as provided herein. The terms and conditions of this Operating and Agency Funds Investment Policy may be waived to accept and administer donated funds or property with donor restrictions and approved by the Board of Trustees.

The Ohio State University  
Board of Trustees

August 29, 2014

**K. CONFLICTS OF INTEREST**

It is critical that there be no conflicts of interest or perceptions of conflicts of interest when making investment decisions related to the management of the Operating Funds. Therefore, if a member of the Board of Trustees, Finance Committee, or the OSU Foundation Board is connected to an investment firm, the University will not invest in any funds managed by that firm. In addition, no employee of the Office of the Treasurer involved with investments will invest his/her personal monies in funds in which the Operating Funds are invested.

**APPROVAL TO ENTER INTO PROFESSIONAL SERVICES  
AND CONSTRUCTION CONTRACTS**

**APPROVAL TO ENTER INTO PROFESSIONAL SERVICES CONTRACTS**

- Cannon Drive Relocation – Phase 1
- Fire System Replacements
- Golf Course – Irrigation System and Pump House
- Marion – Science and Engineering Building
- Mount Hall Renovation
- Newark – Adena Hall Renovation
- Pomerene and Oxley Halls Renovation

**APPROVAL TO ENTER INTO CONSTRUCTION CONTRACTS**

- Fire System Replacements
- Golf Course – Irrigation System and Pump House
- Newark – Adena Hall Renovation

Synopsis: Approval to enter into professional services and construction contracts, as detailed in the attached materials, is proposed.

WHEREAS in accordance with the attached materials, the university desires to enter into professional services contracts for the following projects; and

	Design Approval Requested	Total Project Cost	
Cannon Drive Relocation – Phase 1	\$1.9M	\$37.7M	Local funds Leveraged Partnerships
Fire System Replacements	\$0.7M	\$5.3M	State appropriations
Golf Course – Irrigation System and Pump House	\$0.5M	\$4.3M	Auxiliary funds
Marion – Science and Engineering Building	\$1.4M	\$15.0M	Local funds Development funds
Mount Hall Renovation	\$1.9M	\$15.0M	Local funds
Newark – Adena Hall Renovation	\$0.6M	\$4.0M	State appropriations
Pomerene and Oxley Halls Renovation	\$7.1M	\$58.9M	State appropriations Auxiliary funds

WHEREAS in accordance with the attached materials, the university desires to enter into construction contracts for the following projects:

	Const. Approval Requested	Total Project Cost	
Fire System Replacements	\$4.6M	\$5.3M	State appropriations
Golf Course – Irrigation System and Pump House	\$3.8M	\$4.3M	Auxiliary funds
Newark – Adena Hall Renovation	\$3.4M	\$4.0M	State appropriations



The Ohio State University  
Board of Trustees

August 29, 2014

**APPROVAL TO ENTER INTO PROFESSIONAL SERVICES  
AND CONSTRUCTION CONTRACTS (cont'd)**

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves that the president and/or senior vice president for administration and planning be authorized to enter into professional services and construction contracts for the project listed above in accordance with established university and State of Ohio procedures, with all actions to be reported to the Board at the appropriate time.

Project Data Sheet for Board of Trustees Approval

**Cannon Drive Relocation – Phase 1**

OSU-120059 (CNI# 12000047)

Project Location: N/A

- **approval requested and amount**  
 professional services (OSU share) \$1.9M
- **project budget**  
 estimated construction w/contingency \$33.9M  
 professional services \$3.8M  


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 total project budget \$37.7M

- **funding sources**  
 local funds; leveraged partnerships

- **project schedule**  
 BoT professional services approval 08/14  
 Design 09/14 – 12/15  
 Construction (estimated) 01/16 – 12/17



- **planning framework**
  - this project is in partnership with the City of Columbus to relocate Cannon Drive
  - pre-design work was completed to identify phasing and costs
  - the university and the City entered into a Memorandum of Understanding for the pre-design/schematic work in June 2011
  - the university and the City entered into a Memorandum of Understanding for project design in July 2014
- **project scope**
  - the project will relocate Cannon Drive from King Avenue to Herrick Drive which will provide 12 acres of developable land for the Medical Center
  - the project includes Olentangy River flood protection for the Medical Center
- **approval requested**
  - approval is requested to approve funding 50% of the professional services costs

- 
- **project team**  
 University project manager: Tom Ekegren  
 AE/design architect:

## Project Data Sheet for Board of Trustees Approval

### Fire System Replacements

OSU-150010 (CNI# 14000395)

Project Location: Columbus Campus

- **approval requested and amount**  
professional services/construction \$5.3M

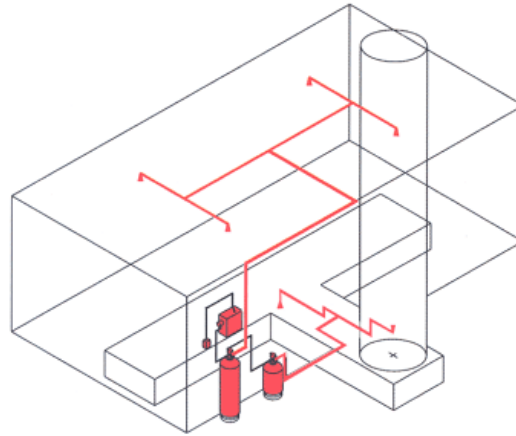
- **project budget**  
construction w/contingency \$4.6M  
professional services \$0.7M  

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total project budget \$5.3M

- **funding sources**  
state appropriations

- **project schedule**  
BoT professional services approval 08/14  
design/bidding 01/15 – 02/16  
construction 03/16 – 09/18



- **planning framework**
  - this project is included in the FY 2015 Capital Improvement Plan as one of several bundled infrastructure projects which were identified for state funding
- **project scope**
  - the project will evaluate and replace outdated fire alarm systems in several main campus buildings
  - planned buildings include Enarson Classroom Building, Agricultural Administration Building, Atwell Hall, Campbell Hall, Cockins Hall, Mathematics Building, Sisson Hall, University Hall, and Evans Laboratory
- **approval requested**
  - approval is requested to enter into professional services and construction contracts

- 
- **project team**  
University project manager: Charlie Conner  
AE/design architect:  
Design-Build firm:

Project Data Sheet for Board of Trustees Approval

**Golf Course – Irrigation System and Pump House**

OSU-140264 (CNI# 12000794)

Project Location: OSU Golf Course

750 GSF

- **approval requested and amount**  
 professional services/construction      \$4.3M
- **project budget**  
 construction w/contingency      \$3.8M  
 professional services      \$0.5M  


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 total project budget      \$4.3M
- **funding sources**  
 auxiliary funds
- **project schedule**  
 BoT professional services approval      08/14  
 design/bidding      01/15 – 05/15  
 construction      08/15 – 03/16



- **planning framework**
  - infrastructure requirement
- **project scope**
  - the project will update the current irrigation system with new mechanical and electrical improvements to the existing pump house
  - the project also includes placement of additional irrigation heads and supply lines and improvements to the intake from the existing lake
- **approval requested**
  - approval is requested to enter into professional services and construction contracts

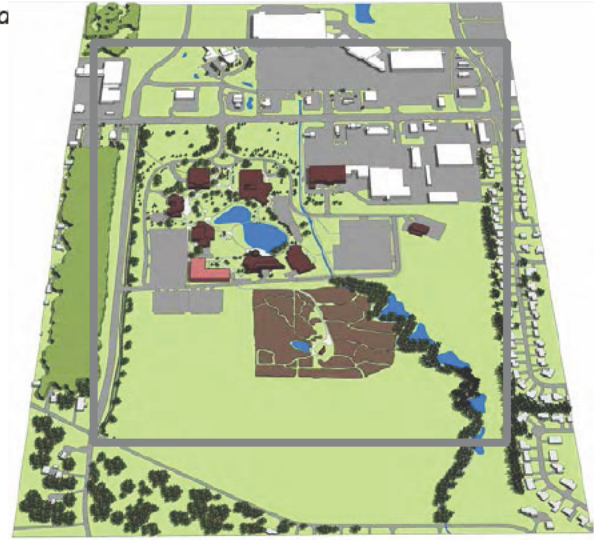
- 
- **project team**  
 University project manager: Gary Collier  
 AE/design architect:  
 General Contract:

Project Data Sheet for Board of Trustees Approval

**Marion – Science and Engineering Building**

OSU-150058 (CNI# 12000099)

Project Location: Marion Campus Science and Engineering Building



- **approval requested and amount**  
 professional services \$1.4M
- **project budget**  
 construction w/contingency \$13.6M  
 professional services \$1.4M  


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 total project budget \$15.0M

- **funding sources**  
 local funds (\$12M); development funds (\$3M)

- **project schedule**  
 BoT professional services approval 08/14  
 design/bidding 01/15 – 02/16  
 construction 03/16 – 03/17

- **planning framework**
  - the Marion Campus completed its Framework Plan in June 2013. The Science and Engineering building was identified as part of the First Strategic Phase to address immediate needs and leverage current opportunities
  - this project is included in the FY 2015 Capital Improvement Plan

- **project scope**
  - the project will construct a new science and engineering building on the Marion campus for the departments of biology, chemistry, physics, and earth sciences
  - the building will include teaching labs, research spaces, classrooms, a computer lab, a greenhouse, offices, meeting/conference spaces, study/gathering spaces, and support spaces
  - the project may also construct a 170-space parking lot

- **approval requested**
  - approval is requested to enter into professional services contracts

- 
- **project team**  
 University project manager: Nikolina Sevis  
 AE/design architect:  
 CM at Risk:

Project Data Sheet for Board of Trustees Approval

**Mount Hall Renovation**

OSU-150059 (CNI# 14000052)

Project Location: Mount Hall

72,186 GSF

- **approval requested and amount**
  - professional services \$1.9M
- **project budget**
  - construction w/contingency \$11.4M
  - professional services \$1.9M
  - other (equipment) \$1.7M
  - total project budget \$15.0M
- **funding sources**
  - local funds
- **project schedule**
  - BoT design approval 08/14
  - design/bidding 01/15 – 02/16
  - construction 03/16 – 03/17



- **planning framework**
  - the objective of the project is to consolidate the OCIO staff in one location
- **project scope**
  - the project will include a total renovation of Mount Hall to house the Office of the Chief Information Officer and the Office of Distance Education
  - spaces will include offices, meetings spaces, collaborative spaces, and support spaces
  - the project will also include enabling project work to move existing tenants out of Mount Hall and into another location that may require renovation
- **approval requested**
  - approval is requested to enter into professional services contracts

- 
- **project team**
    - University project manager: Ruth Miller
    - AE/design architect:
    - CM at Risk:

Project Data Sheet for Board of Trustees Approval

**Newark – Adena Hall Renovation**

OSU-150022 (CNI# 14000042)

Project Location: Adena Hall

47,781 GSF

- **approval requested and amount**  
 professional services/construction      \$4.0M
- **project budget**  
 construction w/contingency      \$3.4M  
 professional services      \$0.6M  


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 total project budget      \$4.0M
- **funding sources**  
 state appropriations – OSU Newark (\$2M),  
 COTC (\$2M)
- **project schedule**  
 BoT professional services approval      08/14  
 design/bidding      01/15 – 12/16  
 construction      01/16 – 10/16



- **planning framework**
  - the Newark Campus completed its Framework Plan in June 2012. The renovation of Adena Hall for wellness and fitness was part of their first strategic phase to address immediate campus needs
  - this project will renovate spaces vacated by facilities departments that are relocating to the new Maintenance Facility that will be constructed on campus. This will allow the expansion of recreation/fitness spaces currently in Adena Hall.
- **project scope**
  - the project will convert the vacated maintenance operations space into a health & wellness area and expanded recreation area; install fire suppression throughout the building; replace the windows; upgrade the interior finishes; relight the gymnasium; upgrade the building entry; and install an emergency generator to support life-safety, emergency lighting and circulation pumps
- **approval requested**
  - approval is requested to enter into professional services and construction contracts

- 
- **project team**  
 University project manager:      Nikolina Sevis  
 AE/design architect:  
 CM at Risk:



Project Data Sheet for Board of Trustees Approval

**Pomerene and Oxley Halls Renovation**

OSU-150008 (CNI# 12000075, 13000292, 14000391)

Project Location: Oxley Hall  
 Pomerene Hall  
 Baker Hall (East & West)

30,765 GSF  
 73,301 GSF  
 224,499 GSF

- **approval requested and amount**  
 professional services \$7.1M
- **project budget**  
 construction w/contingency \$48.0M  
 professional services \$7.1M  
 other costs (equipment) \$3.8M  


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 total project budget \$58.9M
- **funding sources**  
 state appropriations (\$52.8M), auxiliary funds (\$6.1M)
- **project schedule**  
 BoT professional services approval 08/14  
 design/bidding 02/15 – 05/16  
 construction 06/16 – 01/18



- **planning framework**
  - this is a state funded project to renovate space to house Data Analytics programs; validated by a planning study in summer 2014
- **project scope**
  - the project will include a total renovation of Pomerene and Oxley Halls for a newly formed interdisciplinary major, Data Analytics
  - the program will include classroom/instructional spaces, computer labs, staff and faculty offices, meeting and conference areas, support spaces and supporting site utilities for the buildings
  - the project will also include the enabling project to renovate Baker Commons for the Office of Disability Services to move out of Pomerene
- **approval requested**
  - approval is requested to enter into professional services contracts

- 
- **project team**  
 University project manager: Ruth Miller  
 AE/design architect:  
 CM at Risk:



**APPROVAL TO ENTER INTO A JOINT USE AGREEMENT**

**BETWEEN THE OHIO STATE UNIVERSITY,  
THE REEB AVENUE CENTER AND THE CITY OF COLUMBUS, OHIO**

Synopsis: Approval to enter into a Joint Use Agreement with the Reeb Avenue Center, an Ohio nonprofit agency, and the City of Columbus, Ohio to document the value and permit the release of funds appropriated in the State Capital Bill for improvements to the former Reeb Elementary School, is proposed.

WHEREAS the Reeb School Renewal was allocated \$2,000,000 in the 2015 State Capital Bill; and

WHEREAS the Reeb Avenue Center, in partnership with the City of Columbus, will utilize funds to restore the historic Reeb Elementary School to house a number of nonprofit agencies all of which will holistically address the needs of residents in Columbus and Franklin County, Ohio; and

WHEREAS the Reeb Avenue Center restoration will promote the university's mission to address issues and problems of global dimension that are affecting the quality of the human condition; and

WHEREAS before the state capital appropriation may be released to the Reeb Avenue Center and the City of Columbus, the Ohio Board of Regents requires that a Joint Use Agreement between the university, the Reeb Avenue Center and the City of Columbus be signed to document the value of the appropriation to OSU and to ensure the benefits to the university will continue for a minimum period of twenty years; and

WHEREAS the Reeb Avenue Center commits to providing educational and research opportunities to students and faculty of The Ohio State University providing them with first-hand experience in addressing the public health, educational and social welfare needs of Columbus area families for the term of the agreement:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves that the president and/or senior vice president for administration and planning be authorized to take any action required to effect the Joint Use Agreement containing terms and conditions deemed to be in the best interest of the university.

## BACKGROUND

In 2014 the Ohio General Assembly appropriated state capital funds in the amount of \$2,000,000 to Ohio State for capital improvements to the former Reeb Elementary School. The Reeb Avenue Center, an Ohio nonprofit agency, in collaboration with the City of Columbus, Ohio will use funds appropriated in the State of Ohio Capital Bill to restore the historic Reeb Elementary School located in Columbus, Ohio to house a number of nonprofit agencies serving the needs of Columbus, Ohio residents. The pass-through of this capital appropriation will promote the university's mission to address issues and problems of global dimension that are affecting the quality of the human condition. Programs conducted with the aid of these capital funds will advance university efforts to address issues such as health, education and social welfare and in-turn will provide an immeasurable value to families served by the agencies to be housed in this improved facility.

Before the state capital appropriation of \$2,000,000 may be released to the Reeb Avenue Center and the City of Columbus, the Ohio Board of Regents requires that a Joint Use Agreement (JUA) between the university, the Reeb Avenue Center and the City of Columbus be signed to document the value of the appropriation to OSU and to ensure the benefits to the university will continue for a minimum period of twenty years. In summary, the proposed JUA for this appropriation includes the following provisions:

1. The Reeb Avenue Center and the City of Columbus commits to the university that the monies for the project shall be used for capital improvements to the former Reeb Avenue Elementary School facility located in Columbus, Ohio.
2. The Reeb Avenue Center commits to providing educational and research opportunities to students and faculty of The Ohio State University providing them with first-hand experience in addressing the public health, educational and social welfare needs of Columbus area families.
3. The term of this JUA shall commence as of the date of its approval by the Ohio Board of Regents and shall expire twenty (20) years thereafter. In the event that the JUA is terminated prior to the end of the term, the Reeb Avenue Center and the City of Columbus are obligated to reimburse the State of Ohio the proportionate amount of the appropriation representing the years of use remaining under this JUA.
4. Except for the funds used to cover the university's reasonable administrative costs related to the project, the funds provided under this JUA shall be used by the Reeb Avenue Center and the City of Columbus only for capital improvements or purchases and shall not be used for operating expenses.

Board of Trustees approval is required before the JUA may be completed and sent to the Ohio Board of Regents and the Ohio Controlling Board for approval and release of funds.

**SALE OF REAL PROPERTY**

**UNIMPROVED LAND IN FRANKLIN COUNTY, OHIO, FOR HIGHWAY PURPOSES**

Synopsis: Approval to sell 0.1 acres of unimproved property owned by the Board of Trustees of The Ohio State University located in Franklin County, Ohio along State Route 33, is proposed.

WHEREAS the affected property is located at the intersection of Shier Rings Road and Wilcox Road in Dublin, Ohio; and

WHEREAS the Ohio Department of Transportation (ODOT) has requested the Board of Trustees transfer in fee 0.1 acres of property to ODOT to support the State Route 33 widening project; and

WHEREAS an appraisal of the property was completed by ODOT in March 2014 and indicated a market value of the 0.1 acres at \$17,675; and

WHEREAS ODOT will cover all expenses related to the transfer of said property; and

WHEREAS appropriate university offices have determined that sale of the 0.1 acres is in the best interest of the university and recommend this action:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves that the president and/or senior vice president for business and finance be authorized to take any action required to effect the sale of the property for a purchase price of no less than 90% of the current appraised value and to negotiate a purchase contract containing terms and conditions deemed to be in the best interest of the university.

The Ohio State University  
Board of Trustees

August 29, 2014

## **BACKGROUND**

The Ohio Department of Transportation (ODOT) has requested the Board of Trustees transfer in fee 0.1 acres of property in Franklin County located along State Route 33 to ODOT to support the State Route 33 widening project.

### **LOCATION AND DESCRIPTION**

The affected property is located at the intersection of Shier Rings Road and Wilcox Road in Dublin, Ohio and is comprised of +/- 21 acres. The northern property boundary lies along State Route 33. The property is currently zoned Technology Flex. The majority of the property is wooded, but approximately four acres are tillable. The tillable acreage will be unaffected by the requested transaction.

### **APPRAISAL**

An appraisal of the property was completed by ODOT in March 2014 and indicated a market value of the 0.1 acres at \$17,675. ODOT's appraisal uses a base value of \$175,000/acre.

### **PROPERTY HISTORY**

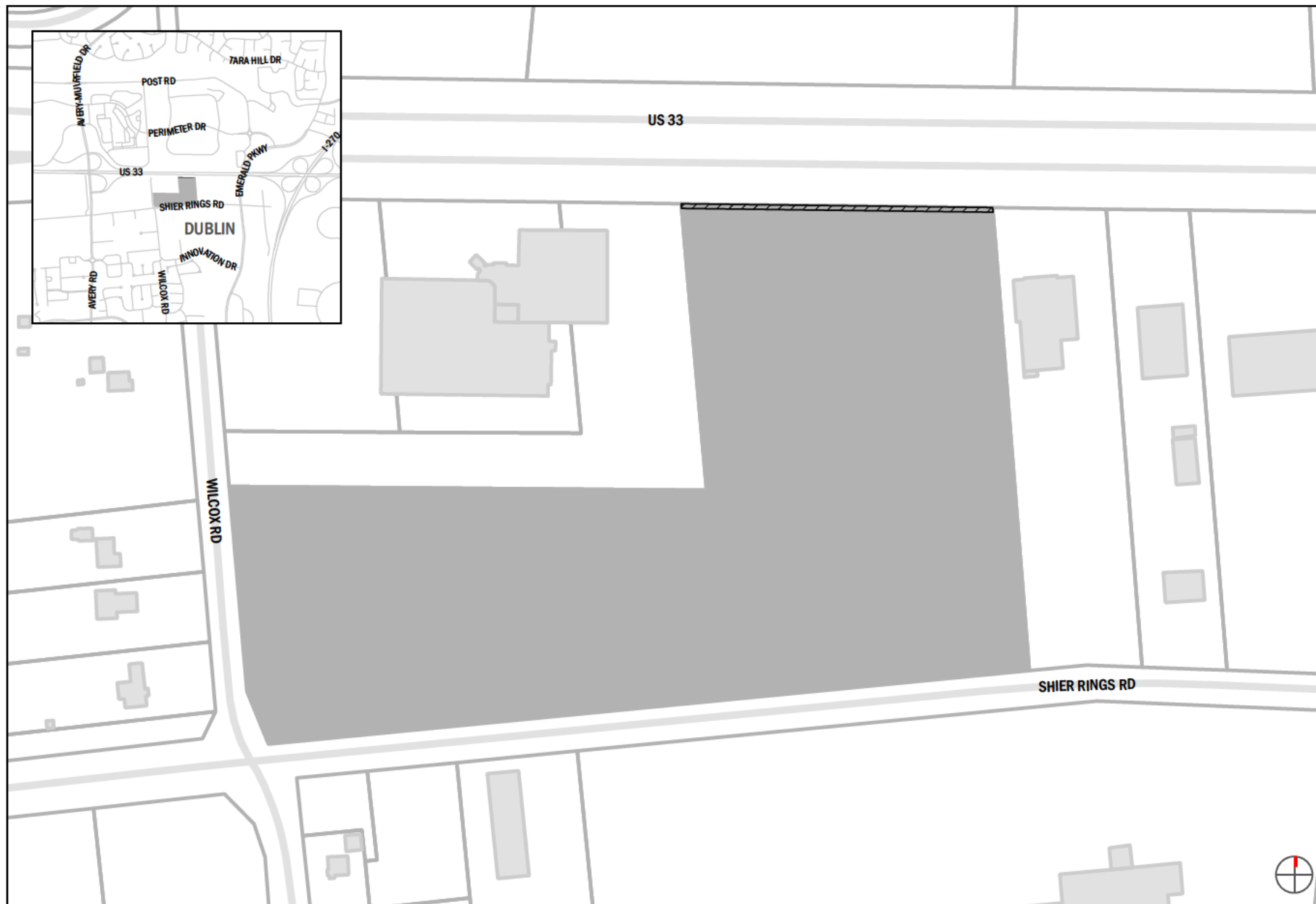
The property was originally gifted to the university in 1978 by The City National Bank and Trust Company of Columbus. The gift came with no restrictions on the use by the Board of Trustees of The Ohio State University.



### **SALE OF PROPERTY**

Physical Planning and Real Estate recommends that the .1 acres be sold under terms and conditions that are deemed to be in the best interest of the university. ODOT will cover all expenses related to the transfer. Provided that the parties proceed with a sale of the property to ODOT, no appropriation proceeding will be required.

### **AUTHORIZATION AND APPROVAL**

The appropriate offices at the university have determined that sale of the 0.1 acres is in the best interest of the university. Authorization is requested to transfer the 0.1 acres in fee to ODOT under terms and conditions acceptable to the university.



 SALE PROPERTY  
 BOARD OF TRUSTEES PROPERTY

**PROPOSED SALE BETWEEN THE OHIO STATE UNIVERSITY  
AND THE OHIO DEPARTMENT OF TRANSPORTATION  
SHIER RINGS ROAD, DUBLIN, OHIO**

Prepared By: The Ohio State University  
Office of Physical Planning and Real Estate  
Issue Date: July 11, 2014  
Board of Trustees Meeting



**WEXNER MEDICAL CENTER BOARD**

- Leslie H. Wexner
- Janet B. Reid
- W.G. Jurgensen
- Cheryl L. Krueger
- Abigail S. Wexner
- Corbett A. Price
- David B. Fischer
- Stephen D. Steinour
- John F. Wolfe
- Jeffrey Wadsworth (ex officio, voting)
- Michael V. Drake (ex officio, voting)
- Steven G. Gabbe (ex officio, voting)
- Geoffrey S. Chatas (ex officio, voting)
- Edmund F. Funai (ex officio, non-voting)
- E. Christopher Ellison (ex officio, non-voting)
- Michael A. Caligiuri (ex officio, non-voting)

Location: Longaberger Alumni House  
Sanders Grand Lounge

Time: 9:00-10:00am

Approval of Wexner Medical Center Board Meeting Minutes – Mr. Wexner

**ITEMS FOR ACTION**

- Accreditation Requirements – Dr. Gabbe 9:00-9:10am
  1. University Hospital Plan for Patient Care Services: Fiscal Year 2015
  2. Arthur G. James Cancer Hospital Plan for Patient Care Services: Fiscal Year 2015
  3. Burn Center Verification
  4. University Hospitals Clinical Quality Management, Patient Safety and Service Plan
  5. Arthur G. James Cancer Hospital Clinical Quality Management, Patient Safety and Service Plan

- Resolution
  6. Fiscal Year 2015 Budget – Mr. Chatas, Mr. Geier 9:10-9:30am

**ITEMS FOR DISCUSSION**

- Review of Wexner Medical Center Initiatives Scorecard – Dr. Gabbe* 9:30-9:40am
- Wexner Medical Center Expansion Update – Mr. Kasey* 9:40-9:50am
- Update on Upper Arlington Ambulatory Care Center – Mr. Chatas, Dr. Gabbe* 9:50-10:00am

August Board Meeting - Wexner Medical Center Board

June 4, 2014 meeting, Wexner Medical Center Board

Mr. Gasser called the meeting of the Wexner Medical Center Board to order on Wednesday, June 4, 2014 at 1:31 pm.

Present: Michael J. Gasser, Janet B. Reid, William G. Jurgensen, Cheryl L. Krueger, Corbet A. Price, David B. Fischer, Stephen D. Steinour, John F. Wolfe, Steven G. Gabbe, Geoffrey S. Chatas, Edmund F. Funai, E. Christopher Ellison, and Michael A. Caligiuri. Late arrival: Leslie A. Wexner, Chairman, and Abigail S. Wexner.

Mr. Gasser:

Good afternoon everyone. Mr. Wexner's running a little late, I'm going to start the meeting off today. I would like to convene the meeting of the Wexner Medical Center Board and ask Ms. Link to note the attendance.

Ms. Link:

A quorum is present.

Mr. Gasser:

Thank you. So that we are able to conduct the business of this meeting in an orderly fashion, I would ask that the ringers of all cell phones and other communication devices be turned off at this time, and I would also ask that all members of the audience observe rules of proper decorum to conducting the business at hand.

The minutes of the April meeting of the Wexner Medical Center Board were distributed to all members of the board. If there are no editions of corrections, the minutes are approved as distributed.

Are there any corrections or modifications? We will consider them approved.

Geoff Chatas, would you like to give us a financial update?

Mr. Chatas:

I am going to ask Mr. Geier to walk through the April year-to-date financials.

Mr. Geier:

The financial update is also in the board book. This is the financial performance for the consolidated health system for the 10 months of the fiscal year ending April 30. The May preliminary numbers indicate a very strong month, which historically is for our hospital system. Many of the same trends reported on in the past have continued. I think we will see some variances for the month of May.

Inpatient admissions were up over last year and off budget a little bit. The bulk of that is in University Hospital and James Hospital. University Hospital East is having a very strong year relative to activity and profitability. Surgical volume, we talked about this earlier, when we put the budgets together we had four or five surgeons that left; some just took different jobs, some left the state, and one was ill who is a very high volume surgeon. There has been a lot of recruiting to bring that surgical volume back. I doubt if we will end up closing this variance for the year but I think our surgical volume will continue to pick up with some of the new recruits that replaced the people who have left.

Most of the variance in the hospitals is inpatient visits. Outpatient visits have been very strong within the surgical center and Gowdy Field. This is across the board, at all of the hospitals, at all of our CarePoints. Really, for the first time, we've seen growth in outpatient psychiatric care. This is something that we wanted to see. One of our problems was we didn't really have very robust outpatient care for psychiatric patients. Patients come in to the emergency department, get stabilized, discharged, and

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then end up right back in the emergency department. That's a relatively small base but it's growing and it's an area we want to continue to grow.

Operating revenues were slightly over budget. Some of the volume activity is driven by our outpatient visits and tend to have a better pair mix than inpatient. We are seeing the benefits of Medicaid expansion, particularly at University Hospital East, and to a lesser extent then University Hospital. At University Hospital East, we have a self-pay mix of about 15%, which has dropped to 5%. We have been actively working within the community to get people signed up on insurance and educated as far as Medicaid expansion. Expenses are well within line. The team is doing a good job. We are experiencing some of the ramp up to the new hospital but that really won't begin to show up until next year's fiscal budget. Gain from operations is over budget, as you can see, about \$10 million: \$7 million from University Hospital and \$3 million from University Hospital East.

Besides that, all the other units are on budget, or right at budget. Dropping down to the three financial ratios are operating even to margin, our days cash and our debt service coverage, those are all on budget. I see no reason to not hit target for the year. Barring anything unforeseen, which I don't see particularly in the May numbers, we should end the year on budget or a little bit better than budget in most of the categories.

Mr. Gasser:

Thank you, Pete. Are there any questions?

Dr. Gabbe, do you want to talk about the Medical Center Initiatives Scorecard?

Dr. Gabbe:

Thank you. I want to begin with just a few updates for the Medical Center Board. In your notebook you will see a document *Commitment to Collaboration*. This is from the Central Ohio Hospital Council. As you know, the Central Ohio Hospital Council is the CEOs of our four health systems in Columbus. This document gives you an opportunity to review the collaborative efforts of our health systems to improve the healthcare in our community. You can see the work we have done around preterm birth and infant mortality, around quality and safety, blood banking, our interactions with vendors, and our efforts to enhance supplier diversity in the community. A very important document that we work on with the Department of Public Health and Franklin County is the Health Map. We are very proud that what we do here in Columbus is so different than other cities in that we work collaboratively to improve the healthcare of our community.

I wanted to be sure that all the members of the board are aware of the announcement of the Oncology Research Information Exchange Network (ORIEN), that Dr. Caligiuri and Mr. Walker have worked on for quite some time. This is an alliance with Moffitt Cancer Center in Tampa, which will create total cancer care. This will enable patients to contribute deidentified data and tissue samples so that researchers and clinicians can work to find cures faster. They already have 100,000 consented patients in this biorepository network.

We also learned last week that [graduateprograms.com](http://graduateprograms.com), which is site that receives feedback from current and recent graduate students, had rated our Neuroscience Graduate program, led by Randy Nelson who chairs our neuroscience department in the College of Medicine, number one in the country; the number one neuroscience graduate program in the country over Harvard and Princeton. Also, our College of Medicine, for the first time, was ranked in the top 10. This is feedback from our students and our graduates, which we think that is important. The Medical Center was also named by Becker's Hospital Review as one of the 100 greatest hospitals in the country. We are very pleased that for the fourth time, Leap Frog group gave us an A for our patient safety programs.

Looking at the Medical Center Initiative Scorecard, I won't go over the data that Pete has already shared with you. We will be talking about the Medical Center expansion, that's number two under



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strategic growth. You will see the yellow bar that our target year to date is 86% and we are at 84.7%. That metric is the services that have been billed for by Turner construction and doesn't really reflect how much of the building has been done. As Jay will tell you the building is on time. Jay, do you want to comment on that?

Mr. Kasey:

That metric was the most quantifiable way to determine the completion of the building. We know that Turner is a little behind in the invoices from their vendors. It is tracking a percentage point behind but the schedule is on target for the completions of each floor.

Dr. Gabbe:

Thank you, Jay.

If we look under the long range financial plan, number seven, is the development dollars. You can see that is a yellow bar. We have raised \$63 million dollars to date against a target of \$100 million dollars. Of that, \$63.1 million, \$42 million has been raised by James Cancer Hospital and \$7.3 million by the Medical Center. You see that our total for the year, and this includes private grants, is \$131.9 million. Talking with Patty Hill-Callahan and her team, we anticipate that we are going to finish the year at about \$127 million, which is where we were last year.

We think that is a pretty good year when you realize that last year we had several eight figure gifts and this year we haven't had any. So we've had a lot more gifts they just haven't been as big. In fact, just in the last few weeks, we received a one million dollar gift from Libby Ross to fund educational advancement leadership training and career development for nurses at the Ross Heart Hospital. We received a million dollar gift from Art Shepard to establish a professorship in his wife's honor, the Dotty Dohan Shepard Professorship in Cardiovascular Medicine. That's pretty remarkable when you learn that Mr. Shepard is a 102 years old and attended the event to celebrate this gift and is sharp as a tack.

If you look under academic and research excellence, our total research awards are yellow. We have been doing well this year. Many of the awards we have received recently are not reflected in this total. Overall, when we compare ourselves to last year's totals, our total research awards are up 18%, our NIH awards are up 11.3%, and our department of medicine is now ranked 23<sup>rd</sup> in the country for NIH funding.

If you look down below at patient care, quality, and satisfaction, you'll see our readmissions are yellow. Our goal for the year is a 30 day readmission rate of 11.2% and we are 12.2%. We think some of this improvement has been due to our homecare program, targeting those patients who are at the greatest risk for readmission and emergency room visits. That has been yielding positive results. We were recently named by the University Health Systems Consortium as one of the most improved hospitals in the country for our readmission rate. You see our inpatient observed to expected mortality at 0.65. That is one of the best in the country and we are very proud of that.

We have two red bars under patient satisfaction for both inpatient and outpatient services. The H-caps, which is the Health Consumer Assessment of Health Providers and Systems metric for inpatient, is the percent of people who give you a nine or a 10 for the very simple question of "How would you rate your hospital stay?", rated from zero to ten. The outpatient satisfaction score question is "Would you recommend this provider's office to your family and friends?" You can see that we got 73% of nines and tens for inpatient and nearly 91% for outpatient. We are doing a lot to improve the inpatient scores including nurse leader rounding, bedside shift reports where the doctors and nurses are at the bedside, transitioning care, and discharge phone calls.

In the outpatient area, we have developed a first-impressions training program for our registration teams. We now have an ambulatory patient experience subcommittee. The area that has been the biggest challenge for us is focusing on how patients get their test results in a way that they want to get

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their test results. For April, we had the highest H-caps inpatient scores we have ever had. We had 80.7% of patients give us a nine or ten. That puts us in the 93<sup>rd</sup> percentile nationwide. Virtually, every one of our hospitals had the highest H-caps they have ever had. I think some of the things we have been working on are beginning to pay off. I know Mr. Jurgensen tells us anything less than 100% isn't satisfactory, that is our ultimate goal but this last month we did see some positive progress. Thank you.

Mr. Gasser:

Any questions for Steve? Jay, you want to talk to us about the expansion project update?

Mr. Kasey:

Yes, thank you. I want to give a brief update in this meeting and take you into the first slide which gives you a detail by each of the categories that we manage the project under, each of the large project components of the budget that has been realized to us by the board, which is now 100%, and the contract commitments and what we have spent to date. Most of the commitments yet to be made are on the tower. It is the last project element to be delivered and the largest. Most of those are in IT and furniture which have still not been fully committed, although some of those contracts are going out. We remain on budget for this and we remain confident that our contingencies and our budget surpluses in different categories will hold.

Also, we are expected by both the university and the state to report on the amount of minority participation by contractors of minority-ownership. They are called "Edge Contractors." We are currently carrying about 29% of our contracts with Edge providers and Edge vendors. This is a remarkable percentage and one that we set at 20% for this project. The state's goals are normally 7% for their contracts. We should be very proud of this. Almost 87% of our contracts have been for the largest portion of the project that is under construction reform legislation and are being led with Ohio-based firms or firms that have a large prominent office in Ohio.

The pictures I have included are there for your perusal, but I will stop at the emergency department picture and tell you that this one slide is important in that this is the first floor that was to be scheduled for delivery. It was scheduled to be delivered here this week, on Monday. It actually was delivered a week early. We then schedule about 30 days for us to go in a fit out the IT, final cleaning, provide education for our staff who need to go through and see and make sure they understand how to manage in that space. We expect this doubling of our emergency department to open the weekend after the 4<sup>th</sup> of July, I think that would be the 6th or 7th. This is a very good sign that we delivered the first one on time. We have about 22 more deliveries in this package which should be completed, with the final delivery of the entire building, on September 25th. I'll stop there and ask if there are questions.

Mr. Gasser:

Thank you, Jay. Any questions for Jay? Thank you for the report. I look forward to having it completed.

At this time we would like to recess into executive session to discuss business sensitive trade secret matters required to be kept confidential under federal and state statutes and to discuss the acquisition of real property.

Upon motion of Mr. Wolf, seconded by Mr. Steinour, the Wexner Medical Center Board members adopted the foregoing motion by unanimous roll call vote, cast by board members Mr. Wexner, Mr. Gasser, Dr. Reid, Mr. Jurgensen, Ms. Krueger, Mr. Price, Mr. Fischer, Mr. Steinour, Mrs. Wexner, Mr. Wolfe, Dr. Gabbe, and Mr. Chatas.

Mr. Gasser:

We are recessed. Thank you.

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Mr. Gasser reconvened the meeting of the Wexner Medical Center Board to order on Wednesday, June 4, 2014 at 2:41 pm.

Mr. Gasser:

I would like to reconvene the meeting of the Wexner Medical Center Board. Dr. Gabbe, you will present the *Amendments to the Bylaws and Rules and Regulations of the Medical Staff* of the Arthur G. James Cancer Hospital and Richard J. Solove Research Institute.

Dr. Gabbe:

You have the overall resolution and in brief, the resolution is calling for a change in the Bylaws for waiving of the ECFMG requirement for internationally trained physicians who are exceptional clinicians and clinician scientists. It calls for a clarification of the reporting relationship of the chief quality officer. It calls for the creation of the associate physician in chief and medical director of surgical services positions. It notes that the individuals who hold medical director positions cannot become the chief of staff unless they agree to give up those appointments. It also describes the requirements for history and physical examinations for patients who will be treated in an ambulatory setting and defers that history and physical examination for patients who are going to be receiving psychology, psychiatric, or substance abuse ambulatory treatment if they have had a physical done within the last six months, or at their initial visit, or within 30 days after that initial visit, so that they can get the acute care that they need from a psychologist or a psychiatrist.

Mr. Gasser:

Thank you Dr. Gabbe.

Geoff, do you want to present the Kingsdale Ambulatory Care Project?

Mr. Chatas:

Today we are asking the board to approve a resolution that will allow us to negotiate agreements related to a lease for up to 100,000 square foot facility in Upper Arlington to provide ambulatory care to patients in Upper Arlington and feeder into our other hospitals. We are going to ask to revise this.

Mr. Gasser:

Yes, you have a resolution and go ahead and present it. We will make some modifications.

Mr. Chatas:

We are asking for this group's recommendation to approve to the board to give us the authority to enter into a lease for that facility.

Mr. Gasser:

I think there are some modifications to your resolution that I would propose. The proposal would be that you would negotiate a series of agreements, pending final recommendation by the Wexner Medical Center Board and final approval of the Board of Trustees. That would give us opportunity to look at some more data as you present it to us. In concept, I would recommend to this board that we agree to that, but would have one more time to look at the data but to go ahead and do that.

Fellow board members, are you comfortable with this? May I have a motion to approve the *Amendments to the Bylaws and Rules and Regulations of the Medical Staff* of the Arthur G. James

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Cancer Hospital and Richard J. Solove Research Institute resolution and the lease resolution with the amendments?

Upon motion of Mr. Price, seconded by Ms. Krueger, the Wexner Medical Center Board members adopted the foregoing motion by unanimous voice vote.

Mr. Gasser:

At this time we would like to recess into executive session to consider business sensitive trade secret matters required to be kept confidential by Federal and State statutes, and to discuss personnel matters regarding the appointment, employment, compensation, and dismissal of public officials.

Upon motion of Dr. Reid, seconded by Mr. Wexner, the Wexner Medical Center Board members adopted the foregoing motion by unanimous roll call vote, cast by board members Mr. Wexner, Mr. Gasser, Dr. Reid, Mr. Jurgensen, Ms. Krueger, Mr. Price, Mr. Fischer, Mr. Steinour, Mrs. Wexner, Mr. Wolfe, Dr. Gabbe, and Mr. Chatas.

Mr. Gasser:

Thank you, we are adjourned.

Attest:

Leslie H. Wexner  
Chairman

Heather A. Link  
Associate Secretary

**PLAN FOR PATIENT CARE SERVICES**

**University Hospitals**

Synopsis: Approval of the annual review of the plan of care and scope of services for The Ohio State University Hospital, Richard M. Ross Heart Hospital, Harding Hospital, and University Hospital East, is proposed.

WHEREAS the mission of the Wexner Medical Center is to improve people's lives through the provision of high quality patient care; and

WHEREAS the University Hospitals plan for inpatient and outpatient care describes the integration of clinical departments and personnel who provide care and services to patients at The Ohio State University Hospital, Richard M. Ross Heart Hospital, Harding Hospital, and University Hospital East; and

WHEREAS the plan of care and scope of services for The Ohio State University Hospital, Richard M. Ross Heart Hospital, Harding Hospital, and University Hospital East were approved by the Quality and Professional Affairs Committee of the Wexner Medical Center Board on July 16, 2014 and are being recommended to the Wexner Medical Center Board for approval:

NOW THEREFORE

BE IT RESOLVED, That the Wexner Medical Center Board approves the plan of care and scope of services for The Ohio State University Hospital, Richard M. Ross Heart Hospital, Harding Hospital, and University Hospital East as outlined in the attached Plan for Patient Care Services.



Revised: Dec 2012; Jan 2014  
MSAC Approved: March 12, 2014  
QPAC Approved: July 16, 2014

**TITLE: THE OHIO STATE UNIVERSITY HOSPITAL, RICHARD M. ROSS HEART HOSPITAL, HARDING HOSPITAL, AND UNIVERSITY HOSPITAL EAST PLAN FOR PATIENT CARE SERVICES**

The Ohio State University Hospital, Richard M. Ross Heart Hospital, Harding Hospital, and University Hospital East (hereafter referred to as the Hospitals) plan for patient care services describes the integration of departments and personnel who provide care and services to patients based on the Hospitals' mission, vision, shared values and goals. The plan encompasses both inpatient and outpatient services of the Hospitals.

**OSU WEXNER MEDICAL CENTER MISSION, VISION AND VALUES**

**MISSION:** To improve people's lives through innovation in research, education, and patient care.

**VISION:** Working as a team, we will shape the future of medicine by creating, disseminating, applying new knowledge, and by personalizing health care to meet the needs of each individual.

**VALUES:** Excellence, Collaborating as One University, Integrity and Personal Accountability, Openness and Trust, Diversity in People and Ideas, Change and Innovation, Simplicity in Our Work, Empathy and Compassion, and Leadership.

The Hospitals embrace the mission, vision and values of The Ohio State Wexner Medical Center; in addition – our vision statement, developed by our staff members, physicians and administration team members, complements and reflects our unique role in The Ohio State's Wexner Medical Center.

**PHILOSOPHY OF PATIENT CARE SERVICES**

In collaboration with the community, the Hospitals will provide innovative, personalized, and patient-focused tertiary care service through:

- a) A mission statement that outlines the synergistic relationship between patient care, research, and education;
- b) Long-range strategic planning with hospital leadership to determine the services to be provided; including, but not limited to essential services as well as special emphasis on signature services (Heart, Cancer, Critical Care, Imaging, Neuroscience, and Transplantation services);
- c) Establishing annual goals and objectives that are consistent with the hospital mission, which are based on a collaborative assessment of needs;
- d) Planning and design conducted by hospital leadership, which involves the potential communities to be served;
- e) Provision of services that are appropriate to the scope and level required by the patients to be served based on assessment of need;
- f) Ongoing evaluation of services provided through formalized processes; e.g., performance assessment and improvement activities, budgeting and staffing plans;
- g) Integration of services through the following mechanisms: continuous quality improvement teams; clinical interdisciplinary quality programs; performance assessment and improvement activities; communications through management team meetings, administrative staff meetings, special forums, and leadership and employee education/development;
- h) Maintaining competent patient care leadership and staff by providing education designed to meet identified needs;

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- i) Respect for each patient's rights and decisions as an essential component in the planning and provision of care; and,
- j) Staff member behaviors reflect a philosophical foundation based on the values of Ohio State's Wexner Medical Center.

## THE HOSPITAL LEADERSHIP

The Hospital leadership is defined as the governing board, administrative staff, physicians and nurses in appointed or elected leadership positions. The Hospital leadership is responsible for providing a framework for planning health care services provided by the organization based on the hospital's mission and for developing and implementing an effective planning process that allows for defining timely and clear goals.

The planning process includes a collaborative assessment of our customer and community needs, defining a long range strategic plan, developing operational plans, establishing annual operating budgets and monitoring compliance, establishing annual capital budgets, monitoring and establishing resource allocation and policies, and ongoing evaluation of the plans' implementation and success. The planning process addresses both patient care functions (patient rights, patient assessment, patient care, patient and family education, coordination of care, and discharge planning) and organizational support functions (information management, human resource management, infection control, quality and safety, the environment of care, and the improvement of organizational performance).

The Hospital leadership works collaboratively with all operational and clinical managers and leaders to ensure integration in the planning, evaluation and communication processes within and between departments to enhance patient care services and support. This occurs informally on a daily basis and formally via interdisciplinary leadership meetings. The leadership involves department heads in evaluating, planning and recommending annual budget expenses and capital objectives, based on the expected resource needs of their departments. Department leaders are held accountable for managing and justifying their budgets and resource utilization. This includes, but is not limited to identifying, investigating and budgeting for new technologies and resources which are expected to improve the delivery of patient care and services.

Other leadership responsibilities include:

- a) Communication of the organization's mission, goals, objectives and strategic plans across the organization;
- b) Ensuring appropriate and competent direction, management and leadership of all services and/or departments;
- c) Collaborating with community leaders and organizations to ensure services are designed to be appropriate for the scope and level of care required by the patients and communities served;
- d) Supporting the patient's continuum of care by integrating systems and services to improve efficiencies and care from the patient's viewpoint;
- e) Ensuring staffing resources are available to appropriately and effectively meet the needs of the patients served and to provide a comparable level of care to patients in all areas where patient care is provided;
- f) Ensuring the provision of a uniform standard of patient care throughout the organization;
- g) Providing appropriate job enrichment, employee development and continuing education opportunities which serve to promote retention of staff and to foster excellence in care delivery and support services;
- h) Establishing standards of care that all patients can expect and which can be monitored through the hospital's performance assessment and improvement plan;

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- i) Approving the organizational plan to prioritize areas for improvement, developing mechanisms to provide appropriate follow up actions and/or reprioritizing in response to untoward and unexpected events;
- j) Implementing an effective and continuous program to improve patient safety;
- k) Appointing appropriate committees, task forces, and other forums to ensure interdepartmental collaboration on issues of mutual concerns and requiring interdisciplinary input; and,
- l) Supporting patient rights and ethical considerations.

## ROLE OF THE CHIEF NURSING OFFICER

The Chief Nursing Officer of each hospital is a member of their Executive Leadership Team and is under the direction of the CEO / Executive Director of their respective hospital and the Chief Nurse Executive of the Health System. The Chief Nursing Officer has the requisite authority and responsibility for directing the activities related to the provision of nursing care in those departments defined as providing nursing care to patients.

The Chief Nursing Officer ensures the following functions are addressed:

- a) Evaluating patient care programs, policies, and procedures describing how patients' nursing care needs are assessed, evaluated and met throughout the organization;
- b) Developing and implementing the Plan for the Provision of Patient Care;
- c) Participating with leaders from the governing body, management, medical staff and clinical areas in organizational decision-making, strategic planning and in planning and conducting performance improvement activities throughout the organization;
- d) Implementing an effective, ongoing program to assess, measure and improve the quality of nursing care delivered to patients; developing, approving, and implementing standards of nursing practice, standards of patient care, and patient care policies and procedures that include current research/ literature findings that are evidence based;
- e) Participating with organizational leaders to ensure that resources are allocated to provide a sufficient number of qualified nursing staff to provide patient care;
- f) Ensuring that nursing services are available to patients on a continuous, timely basis; and
- g) Reviewing and/or revising the Plan for the Provision of Patient Care Services on an annual basis.

## DEFINITION OF PATIENT SERVICES, PATIENT CARE AND PATIENT SUPPORT

**Patient Services** are limited to those departments that have direct contact with patients. Patient services occur through organized and systematic throughput processes designed to ensure the delivery of appropriate, safe, effective and timely care and treatment. The patient throughput process includes those activities designed to coordinate patient care before admission, during the admission process, in the hospital, before discharge and at discharge. This process includes:

- **Access in:** emergency process, admission decision, transfer or admission process, registration and information gathering, placement;
- **Treatment and evaluation:** full scope of services; and,
- **Access out:** discharge decision, patient/family teaching and counseling, arrangements for continuing care and discharge.

**Patient Care** encompasses the recognition of disease and health, patient teaching, patient advocacy, spirituality and research. The full scope of patient care is provided by professionals who are charged with the additional functions of patient assessment and planning patient care based on findings from the assessment. Providing patient services and the delivery of patient care requires specialized knowledge,

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judgment, and skill derived from the principles of biological, chemical, physical, behavioral, psychosocial and medical sciences. As such, patient care and services are planned, coordinated, provided, delegated, and supervised by professional health care providers who recognize the unique physical, emotional and spiritual (body, mind and spirit) needs of each person. Under the auspices of the Hospitals, medical staff, registered nurses and allied health care professionals function collaboratively as part of an interdisciplinary, personalized patient-focused care team to achieve positive patient outcomes.

Competency for patient caregivers is determined in orientation and at least annually through performance evaluations and other department specific assessment processes. Physicians direct all medical aspects of patient care as delineated through the clinical privileging process and in accordance with the Medical Staff By-Laws. Registered nurses support the medical aspect of care by directing, coordinating, and providing nursing care consistent with statutory requirements and according to the organization's approved Nursing Standards of Practice and hospital-wide Policies and Procedures. Allied health care professionals provide patient care and services in keeping with their licensure requirements and in collaboration with physicians and registered nurses. Unlicensed staff may provide aspects of patient care or services at the direction of and under the supervision of licensed professionals.

**Nursing Care** (nursing practice) is defined as competently providing all aspects of the nursing process in accordance with Chapter 4723 of the Ohio Revised Code (ORC), which is the law regulating the Practice of Nursing in Ohio. The law gives the Ohio Board of Nursing the authority to establish and enforce the requirements for licensure of nurses in Ohio. This law, also, defines the practice of both registered nurses and licensed practical nurses. All of the activities listed in the definitions, including the supervision of nursing care, constitute the practice of nursing and therefore require the nurse to have a current valid license to practice nursing in Ohio.

**Patient Support** is provided by a variety of individuals and departments which might not have direct contact with patients, but which support the integration and continuity of care provided throughout the continuum of care by the hands-on care providers.

## SCOPE OF SERVICES / STAFFING PLANS

Each patient care service department has a defined scope of service approved by the hospital's administration and medical staff, as appropriate. The scope of service includes:

- the types and age ranges of patients served;
- methods used to assess and meet patient care needs (includes services most frequently provided such as procedures, services, etc.);
- the scope and complexity of patient care needs (such as most frequent diagnosis);
- support services provided directly or through referral contact;
- the extent to which the level of care or service meets patient need (hours of operation if other than 24 hours a day/7 days a week and method used for ensuring hours of operation meet the needs of the patients to be served with regard to availability and timeliness);
- the availability of necessary staff (staffing plans) and,
- recognized standards or practice guidelines, when available (the complex or high level technical skills that might be expected of the care providers).

Additional operational details and staffing plans may also be found in department policies, procedures and operational/performance improvement plans.

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Staffing plans for patient care service departments are developed based on the level and scope of care provided, the frequency of the care to be provided, and a determination of the level of staff that can most appropriately (competently, and confidently) provide the type of care needed. Nursing units are staffed to accommodate a projected average daily patient census. Unit management (including nurse manager and/or charge nurse) reviews patient demands to plan for adequate staffing. Staffing can be increased or decreased to meet patient needs. When the number of patients is high or the need is great, float staff assist in providing care. When staff availability is projected to be low due to leaves of absence, the unit manager and director may request temporary agency nurses. Ohio State's Wexner Medical Center follows the Staffing Guidelines set by the American Nurses Association. In addition, we utilize staffing recommendations from various specialty nursing organizations, including: ENA, ANCC, AACN, AORN, ASPN, and others.

The Administrator, in conjunction with the budget and performance measurement process, reviews all patient care areas staffing and monitors ongoing regulatory requirements. Each department staffing plan is formally reviewed during the budget cycle and takes into consideration workload measures, utilization review, employee turnover, performance assessment, improvement activities, and changes in customer needs/expectations. A variety of workload measurement tools may be utilized to help assess the effectiveness of staffing plans.

## STANDARDS OF CARE

Personalized health care at Ohio State is "the integrated practice of medicine and patient support based upon an individual's unique biology, behavior, and environment". It is envisioned as health care that will utilize gene-based information to understand each person's individual requirements for the maintenance of their health, prevention of disease, and therapy tailored to their genetic uniqueness. Ideally, it also includes incorporating knowledge of their environment, health-related behaviors, culture and values. Thus, personalized health care promises to be predictive and preventive.

Patients of the Hospitals can expect that:

- 1) Staff will do the correct procedures, treatments, interventions, and care following the policies, procedures, and protocols that have been established. Efficacy and appropriateness of procedures, treatment, interventions and care provided will be demonstrated based on patient assessments/reassessments, standard practice, and with respect for patient's rights and confidentiality.
- 2) Staff will provide a uniform standard of care and services throughout the organization.
- 3) Staff will design, implement and evaluate systems and services for care delivery (assessments, procedures, treatments, interventions) which are consistent with a personalized health care focus and which will be delivered:
  - a. With compassion, courtesy, respect and dignity for each individual without bias;
  - b. In a manner that best meets the individualized needs of the patient;
  - c. Coordinated through interdisciplinary collaboration, to ensure continuity and seamless delivery of care to the greatest extent possible; and,
  - d. In a manner that maximizes the efficient use of financial and human resources, streamlines processes, decentralizes services, enhances communication, supports technological advancements and maintains patient safety.

### Patient Assessment:

Individual patient care requirements are determined by assessments (and reassessments) performed by qualified health professionals. Each service within the organization providing patient care has defined the

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scope of assessment provided. This assessment (and reassessment) of patient care needs continues throughout the patient's contact with the hospital.

**Coordination of Care:**

Patients are identified who require discharge planning to facilitate continuity of medical care and/or other care to meet identified needs. Discharge planning is timely, is addressed at minimum during initial assessment as well as during discharge planning processes and can be initiated by any member of the interdisciplinary team. Patient Care Resource Managers or Case Managers coordinate patient care between multiple delivery sites and multiple caregivers; collaborate with physicians and other members of the care team to assure appropriate treatment plan and discharge care.

**STANDARDS of COMPETENT PERFORMANCE/STAFF EDUCATION**

All employees receive an orientation consistent with the scope of responsibilities defined by their job description and the patient population to whom they are assigned to provide care. Ongoing education (such as in-services) is provided within each department. In addition, the Educational Development and Resource Department provides annual mandatory education and provides appropriate staff education associated with performance improvement initiatives and regulatory requirements. Performance appraisals are conducted at least annually between employees and managers to review areas of strength and to identify skills and expectations that require further development.

**CARE DELIVERY MODEL –**

The care delivery model is guided by the following goals:

- The patient and family will experience the benefits of **personalized** care that integrates skills of all care team members. The benefits include enhanced quality of care, improved service, appropriate length of hospitalization and minimized cost.
- Hospital employees will demonstrate behaviors consistent with the philosophy of **Personalized Health Care**. The philosophical foundation reflects a culture of collaboration, enthusiasm and mutual respect.
- Effective communication will impact patient care by ensuring timeliness of services, utilizing staff resources appropriately, and maximizing the patient's involvement in his/her own personalized plan of care.
- Configuring departmental and physician services to accommodate the care needs of the patient in a timely manner will maximize quality of patient care and patient satisfaction.
- The professional nursing practice model is a framework which reflects our underlying philosophy and vision of providing personalized nursing care. Aspects of the professional model support:
  - (1) matching nurses with specific skills to patients with specific needs to ensure "safe passage" to achieve the optimal outcome of their hospital stay
  - (2) the ability of the nurse to establish and maintain a therapeutic relationship with their patients
  - (3) the presence of an interdisciplinary team approach to patient care delivery. The knowledge and expertise of all caregivers is utilized to provide personalized care for the patient.
  - (4) Physicians, nurses, pharmacists, respiratory therapists, case managers, dieticians and many other disciplines collaborate and provide input to patient care.
- The patient and family will be involved in establishing the plan of care to ensure services that accommodate their needs, goals and requests.
- Streamlining the documentation process will enhance patient care.

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**PATIENT RIGHTS AND ORGANIZATIONAL ETHICS***Patient Rights*

In order to promote effective and compassionate care, the Hospitals systems, policies, and programs are designed to reflect an overall concern and commitment to each person's dignity. All Hospital employees, physicians and staff have an ethical obligation to respect and support the rights of every patient in all interactions. It is the responsibility of all employees, physicians and staff of the Hospitals to support the efforts of the health care team, while ensuring that the patient's rights are respected. Each patient (and/or family member as appropriate) is provided a list of patient rights and responsibilities upon admission and copies of this list are posted in conspicuous places throughout the Hospitals.

*Organizational Ethics*

The Hospitals have an ethics policy established in recognition of the organization's responsibility to patients, staff, physicians and the community served. General principles that guide behavior are:

- Services and capabilities offered meet identified patient and community needs and are fairly and accurately represented to the public.
- Adherence to a uniform standard of care throughout the organization, providing services only to those patients for whom we can safely care for within this organization. The hospitals do not discriminate based upon race, creed, sex, national origin, disability, religion, sexual orientation, or source of payment.
- Patients will be billed only for care and services provided.

*Biomedical Ethics*

A biomedical ethical issue arises when there is uncertainty or disagreement regarding medical decisions, involving moral, social, or economic situations that impact human life. A mechanism is in place to provide consultation in the area of biomedical ethics in order to:

- improve patient care and ensure patient safety;
- clarify any uncertainties regarding medical decisions;
- explore the values and principles underlying disagreements;
- facilitate communication between the attending physician, the patient, members of the treatment team and the patient's family (as appropriate); and,
- mediate and resolve disagreements.

**INTEGRATION OF PATIENT CARE AND SUPPORT SERVICES**

The importance of a collaborative interdisciplinary team approach, which takes into account the unique knowledge, judgment and skills of a variety of disciplines in achieving desired patient outcomes, serves as a foundation for integration. See Appendix A for a listing of support services.

Open lines of communication exist between all departments providing patient care, patient services and support services within the hospitals, and as appropriate with community agencies to ensure efficient, effective and continuous patient care. Functional relationships between departments are evidenced by cross-departmental Performance Improvement initiatives as well as the development of policies, procedures, protocols, and clinical pathways and algorithms.

To facilitate effective interdepartmental relationships, problem solving is encouraged at the level closest to the problem at hand. Staff is receptive to addressing one another's issues and concerns and work to achieve mutually acceptable solutions. Supervisors and managers have the responsibility and authority to mutually solve problems and seek solutions within their spans of control; positive interdepartmental communications are strongly encouraged. Employees from departments providing patient care services maintain open communication channels and forums with one another, as well as with service support

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departments to ensure continuity of patient care, maintenance of a safe patient environment and positive outcomes.

### **CONSULTATIONS AND REFERRALS FOR PATIENT SERVICES**

The Hospitals provide services as identified in the Plan for Providing Patient Care to meet the needs of our community. Patients whose assessed needs require services not offered are transferred to the member hospitals of The Ohio State's Wexner Medical Center in a timely manner after stabilization, or another quality facility (e.g., Nationwide Children's Hospital). Safe transportation is provided by air or ground ambulance with staff and equipment appropriate to the required level of care. Physician consultation occurs prior to transfer to ensure continuity of care. Referrals for outpatient care occur based on patient need.

### **INFORMATION MANAGEMENT PLAN**

The overall goal for information management is to support the mission of Ohio State's Wexner Medical Center. Specific information management goals related to patient care include:

- Develop and maintain an integrated information and communication network linking research, academic and clinical activities.
- Develop computer-based patient records with integrated clinical management and decision support.
- Support administrative and business functions with information technologies that enable improved quality of services, cost effectiveness, and flexibility.
- Build an information infrastructure that supports the continuous improvement initiatives of the organization.
- Ensure the integrity and security of the Hospital's information resources and protect patient confidentiality.

### **PATIENT CARE ORGANIZATIONAL IMPROVEMENT ACTIVITIES**

All departments are responsible for following the Hospitals' plan for improving organizational performance.

### **PLAN REVIEW**

The Hospital Plan for Providing Patient Care will be reviewed regularly by the Hospitals' leadership to ensure the plan is adequate, current and that the Hospitals are in compliance with the plan. Interim adjustments to the overall plan are made to accommodate changes in patient population, redesign of the care delivery systems or processes that affect the delivery, level or amount of patient care required.

**Appendix A: Scope of Services: Patient Support Services**

Other hospital services that support the comfort and safety of patients are coordinated and provided in a manner that ensures direct patient care and services are maintained in an uninterrupted, efficient, and continuous manner. These support services will be fully integrated with the patient services departments of the Hospitals:

<b>DEPARTMENT</b>	<b>SERVICE</b>
CASE MANAGEMENT	As part of the health care team, provides world class personalized care coordination and resource management with patients and families.
CHAPLAINCY AND CLINICAL PASTORAL EDUCATION	Assists patients, their families and hospital personnel in meeting spiritual needs through professional pastoral and spiritual care and education.
CLINICAL ENGINEERING	Routine equipment evaluation, maintenance, and repair of electronic equipment, evaluation of patient owned equipment.
COMMUNICATIONS AND MARKETING	Responsible for developing strategies and programs to promote the organization's overall image and specific products and services to targeted internal and external audiences. Handles all media relations, advertising, internal communications, special events and publications.
DIAGNOSTIC TESTING AREAS	Provides tests based on verbal, electronic or written consult. Preliminary report via phone or electronic patient record. Permanent reports in patient record.
DIAGNOSTIC TRANSPORTATION	Provision of transportation services for patients requiring diagnostic, operative or other ancillary services.
EARLY RESPONSE TEAM (ERT)	Provides timely diagnostic and therapeutic intervention before there is a cardiac or respiratory arrest or an unplanned transfer to the Intensive Care Unit. Consists of a Critical Care RN and Respiratory Therapist who are trained to help patient care staff when there are signs that a patient's health is declining.
EDUCATIONAL DEVELOPMENT & RESOURCES	Provides and promotes ongoing development and training experiences to all member of the OSU Wexner Medical Center community; provides staff enrichment programs, organizational development, leadership development, orientation and training, skills training, continuing education, competency assessment and development, literacy programs and student affiliations.
ENVIRONMENTAL SERVICES	Provides quality monitoring for routine housekeeping in patient rooms. Routine housekeeping of nursing unit environment. Additional services upon request: extermination, wall cleaning, etc.
EPIDEMIOLOGY	Enhance the quality of patient care and the work environment by minimizing the risk of acquiring infection within the hospital setting.
FACILITIES OPERATIONS	Provide oversight, maintenance and repair of the building's life safety, fire safety, and utility systems. Provide preventative, repair and routine maintenance in all areas of all buildings serving patients, guests, and staff. This would include items such as electrical, heating and ventilation, plumbing, and other such items. Also providing maintenance and repair to basic building components such as walls, floors, roofs, and building envelope. Additional services available upon request.
FISCAL SERVICES	Works with departments/units to prepare capital and operational budgets.

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DEPARTMENT	SERVICE
HUMAN RESOURCES	Serves as a liaison for managers regarding all Human Resources information and services; assists departments with restructuring efforts; provides proactive strategies for managing planned change within the Health System; assists with Employee/Labor Relations issues; assists with performance management process; develops compensation strategies; develops hiring strategies and coordinates process for placements; provides strategies to facilitate sensitivity to issues of cultural diversity; provides HR information to employees, and establishes equity for payroll.
INFORMATION SYSTEMS	Work as a team assisting departments to explore, deploy and integrate reliable, state of the art Information Systems technology solutions to manage change.
MATERIALS MANAGEMENT	Routinely supplies stock in patient care areas, distributes linen. Sterile Central Supply, Storeroom - upon request, distributes supplies/equipment not stocked on units.
MEDICAL INFORMATION MANAGEMENT	Maintains patient records serving the needs of the patient, provider, institution, and various third parties to health care.
NUTRITION SERVICES	Provides nutrition care and food service for Medical Center patients, staff and visitors. Clinical nutrition assessment and consultation are available in both inpatient and outpatient settings. The Department provides food service to inpatients and selected outpatient settings in addition to operating a full-service cafeteria and acts as a liaison for vending and sub-contracted food services providers.
PATIENT ACCESS SERVICES	Coordinates registration/ admissions with nursing management.
PATIENT EXPERIENCE	Develops programs for support of patient relations and customer service, and includes front-line services such as information desk.
PATIENT FINANCIAL SERVICES	Provides financial assistance upon request from patient/family.
PHARMACY	Provides comprehensive pharmaceutical care through operational and clinical services. Responsible for medication distribution via central and satellite pharmacies, as well as 797 compliant IV compounding room and automated dispensing cabinets. Some of the many clinical services include pharmacokinetic monitoring, renal and hepatic dose adjustments, and patient educational Specialist pharmacists also round with patient care teams to optimize medication regimens and serve as the team's primary drug information resource.
PULMONARY DIAGNOSTICS LAB	Provides service to patients requiring an evaluation of the respiratory system. Performs Pulmonary Function Testing to assess the functional status of the respiratory system. Bronchoscopy and other diagnostic/interventional pulmonology procedures are performed to diagnose and/or treat abnormalities that exist in the airways, lung parenchyma or pleural space.
QUALITY AND OPERATIONS IMPROVEMENT	Provides an integrated quality management program and facilitates continuous quality improvement efforts throughout the medical center
RESPIRATORY THERAPY	Provide all types of respiratory therapeutic interventions and diagnostic testing, by physician order, mainly to critically ill adults and neonates, requiring some type of ventilator support, bronchodilator therapy, or pulmonary hygiene, due to chronic lung disease, multiple trauma, pneumonia, surgical intervention, or prematurity.
REHABILITATION SERVICES	Physical therapists, occupational therapists, speech and language pathologist, and recreational therapists evaluate and develop a plan of care and provide treatment based on the physician's referral. The professional works with each patient/family/caregiver, along with the interdisciplinary medical team, to identify and provide the appropriate therapy/treatment and education needed for the established

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DEPARTMENT	SERVICE
	discharge plan and facilitates safe and timely movement through the continuum of care.
RISK MANAGEMENT	Protect resources of the hospital by performing the duties of loss prevention and claims management. Programs include: Risk Identification, Risk Analysis, Risk Control, Risk Financing, Claims Management and Medical-Legal Consultation
SAFETY	Handles issues associated with licensing and regulations, such as EPA and fire regulations
SECURITY	Provides a safe and secure environment for patients, visitors, and staff members by responding to all emergencies such as workplace violence, fires, bomb threats, visitor/staff/patient falls, Code blues (cardiac arrests) in public places, internal and external disasters, armed aggressors, or any other incident that needs an emergency response.
SOCIAL WORK SERVICES	Social work services are provided to patients/families to meet their medically related social and emotional needs as they impact on their medical condition, treatment, recovery and safe transition from one care environment to another. Social workers provide psychosocial assessment and intervention, crisis intervention, financial counseling, discharge planning, health education, provision of material resources and linkage with community agencies. Consults can be requested by members of the treatment team, patients or family members.
VOLUNTEER SERVICES	Volunteer Services credentials and places volunteers to fill departmental requests. Volunteers do wayfinding, host visitors in waiting areas, serve as patient / family advisors, and assist staff. Volunteer Services manages the patient mail & flower room, cultural support volunteer program, and the pet visitation program. Volunteer Services serves as a liaison for the Service Board auxiliary which annually grants money to department-initiated projects than enhance the patient and family experience.



**PLAN FOR PATIENT CARE SERVICES**

**Arthur G. James Cancer Hospital**

Synopsis: Approval of the annual review of the plan of care and scope of services for the Arthur G. James Cancer Hospital, is proposed.

WHEREAS the mission of the Wexner Medical Center is to improve people's lives through the provision of high quality patient care; and

WHEREAS the plan for inpatient and outpatient care describes the integration of clinical departments and personnel who provide care and services to patients at the Arthur G. James Cancer Hospital; and

WHEREAS the plan of care and scope of services for the Arthur G. James Cancer Hospital was approved by the Quality and Professional Affairs Committee of the Wexner Medical Center Board on July 16, 2014 and are being recommended to the Wexner Medical Center Board for approval:

NOW THEREFORE

BE IT RESOLVED, That the Wexner Medical Center Board approves the plan of care and scope of services for the Arthur G. James Cancer Hospital as outlined in the attached Plan for Patient Care Services.



Revised: January 2014  
MSAC Approved: April 4, 2014  
QPAC Approved: July 16, 2014

## THE ARTHUR G. JAMES HOSPITAL PLAN FOR PROVIDING PATIENT CARE SERVICES

Prepared by: **ADMINISTRATION**

The Arthur G. James Cancer Hospital and Richard J. Solove Research Institute's plan for patient care services describes the integration of departments and personnel who provide comprehensive care and services to patients with a cancer diagnosis and their families based on the hospital's mission, vision, shared values and goal. The plan encompasses both inpatient and outpatient services of the hospital.

### THE HOSPITAL MISSION, VISION, AND VALUES

**Mission:** To eradicate cancer from individuals' lives by creating knowledge and integrating ground breaking research with excellence in education and patient centered-care

**Vision:** Creating a cancer-free world. One person, one discovery at a time.

**Values:** Excellence, Collaborating as One University, Integrity and Personal Accountability, Openness and Trust, Diversity in People and Ideas, Change and Innovation, Simplicity in Our Work, Empathy, Compassion, and Leadership.

Each of the three elements of The James Cancer Hospital's Mission contributes to the strength of the other two elements. The James' patient centered care is enhanced by the teaching and research programs, while patient service both directly and indirectly provides the foundation for teaching and research programs. This three-part mission and a staff dedicated to its fulfillment distinguish The Arthur G. James Cancer Hospital and Richard J. Solove Research Institute as a Comprehensive Cancer Center and as one of the nation's premier cancer treatment centers.

### Philosophy of Patient Care Services

The Arthur G. James Cancer Hospital and Richard J. Solove Research Institute, in collaboration with the community provides innovative and patient-focused comprehensive cancer care service through:

- A mission statement that outlines the synergistic relationship between patient care, research and teaching;
- Long-range strategic planning with hospital leadership to determine the services to be provided;

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- Establishing annual goals and objectives that are consistent with the hospital mission, and which are based on a collaborative assessment of patient/family and the community's needs;
- Planning and design conducted by hospital leadership, which involves the potential communities to be served;
- Provision of services that are appropriate to the scope and level required by the patients to be served based on assessment of need;
- Ongoing evaluation of services provided through formalized processes; such as performance assessment and improvement activities, budgeting and staffing plans;
- Integration of services through the following mechanisms: continuous quality improvement teams; clinical interdisciplinary quality programs; performance assessment and improvement activities; communications through management operations meetings, Division of Nursing governance structure, Medical Staff Administrative Committee, administrative staff meetings, participation in OSU WMC and OSU governance structures, special forums, and leadership and employee education/development;
- Maintaining competent patient care leadership and staff by providing education designed to meet identified needs;
- Respect for each patient's rights and decisions as an essential component in the planning and provision of care; and
- Staff member behaviors reflect a philosophical foundation based on the values of The James Cancer Hospital and Richard J. Solove Research Institute.

### **Hospital Leadership**

The Hospital leadership is defined as the governing board, administrative staff, physicians and nurses in appointed or elected leadership positions. The hospital leadership is responsible for providing a framework for planning health care services provided by the organization based on the hospital's mission and for developing and implementing an effective planning process that allows for defining timely and clear goals.

The planning process includes a collaborative assessment of our customer and community needs, defining a long range strategic plan, developing operational plans, establishing annual operating budgets and monitoring compliance, establishing annual capital budgets, monitoring and establishing resource allocation and policies, and ongoing evaluation of the plans' implementation and success. The planning process addresses both patient care functions (patient rights, patient assessment, patient care, patient and family education, coordination of

## The James



care, and discharge planning) and organizational support functions (information management, human resource management, infection control, quality and safety, the environment of care, and the improvement of organization performance).

The hospital leadership works collaboratively with all operational and clinical managers and leaders to ensure integration in the planning, evaluation and communication processes within and between departments to enhance patient care services and support. This occurs informally on a daily basis and formally via interdisciplinary leadership meetings. The leadership involves department heads in evaluating, planning and recommending annual budget expenses and capital objectives, based on the expected resource needs of their departments. Department leaders are held accountable for managing and justifying their budgets and resource utilization. This includes, but is not limited to identifying, investigating and budgeting for new technologies and resources which are expected to improve the delivery of patient care and services.

Other leadership responsibilities include:

- Communication of the organization's mission, goals, objectives and strategic plans across the organization;
- Ensuring appropriate and competent direction, management and leadership of all services and/or departments;
- Collaborating with community leaders and organizations to ensure services are designed to be appropriate for the scope and level of care required by the patients and communities served;
- Supporting the patient's continuum of care by integrating systems and services to improve efficiencies and care from the patient's viewpoint;
- Ensuring staffing resources are available to appropriately and effectively meet the needs of the patients served and to provide a comparable level of care to patients in all areas where patient care is provided;
- Ensuring the provision of a uniform standard of patient care throughout the organization;
- Providing appropriate job enrichment, employee development and continuing education opportunities which serve to promote retention of staff and to foster excellence in care delivery and support services;

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- Establishing standards of care that all patients can expect and which can be monitored through the hospital's performance assessment and improvement plan;
- Approving the organizational plan to prioritize areas for improvement, developing mechanisms to provide appropriate follow up actions and/or reprioritizing in response to untoward and unexpected events;
- Implementing an effective and continuous program to improve patient safety;
- Appointing appropriate committees, task forces, and other forums to ensure interdepartmental collaboration on issues of mutual concerns and requiring interdisciplinary input; and,
- Supporting patient rights and ethical considerations.

## **Role of the Executive Director, Patient Services**

The Executive Director, Patient Services is a member of the Executive Leadership Team and is under the direction of the Senior Executive Director, Administration of the hospital. The Executive Director, Patient Services has the requisite authority and responsibility for directing the activities related to the provision of care services in those departments defined as providing care to patients.

The Executive Director, Patient Services ensures the following functions are addressed:

- Evaluating patient care programs, policies, and procedures describing how patients' care needs are assessed, evaluated, and met throughout the organization;
- Developing and implementing the Plan for the Provision of Patient Care;
- Participating with leaders from the governing body, management, medical staff and clinical areas in organizational decision-making, strategic planning and in planning and conducting performance improvement activities through the organization;
- Implementing an effective, ongoing program to assess measure and improve the quality of care delivered to patients; developing, approving, and implementing standards of nursing practice, standards of patient care, and patient care policies and procedures that include current research. literature findings are evidence based;
- Participating with organizational leaders to ensure that resources are allocated to provide sufficient number of qualified staff to provide patient care;
- Ensuring that services are available to patients on a continuous, timely basis; and
- Reviewing and/or revising the Plan for the Provision of Patient Care on an annual basis.

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## Definition of Patient Services, Patient Care and Patient Support

Patient Services are limited to those departments that have direct contact with patients. Patient services occur through organized and systematic throughput processes designed to ensure the delivery of appropriate, safe, effective and timely care and treatment. The patient throughput process includes those activities designed to coordinate patient care before admission, during the admission process, in the hospital, before discharge and at discharge. This process includes

- Access in: emergency process, admission decision, transfer or admission process, registration and information gathering, placement
- Treatment and evaluation: full scope of services; and,
- Access out: discharge decision, patient/family education and counseling, arrangements for continuing care and discharge.

Patient Care encompasses the recognition of disease and health, patient teaching, patient advocacy, spirituality and research. The full scope of patient care is provided by professionals who are charged with the additional functions of patient assessment and planning patient care based on findings for the assessment. Patient care and services are planned, coordinated, provided, delegated and supervised by professional health care providers who recognize the unique physical, emotional and spiritual (body, mind and spirit) needs of each person. Under the auspices of the hospital, medical staff, registered nurses and allied health care professionals function collaboratively as part of an interdisciplinary, personalized patient-focused care team to achieve positive patient outcomes.

Competency for patient caregivers is determined in orientation and at least annually through performance evaluations and other department specific assessment processes. Physicians direct all medical aspects of patient care as delineated through the clinical privileging process and in accordance with the Medical Staff By-Laws. Registered nurses support the medical aspect of care by directing, coordinating, and providing nursing care consistent with statutory requirements and according to the organization's approved Nursing Standards of Practice and hospital-wide Policies and Procedures. Allied health care professionals provide patient care and services keeping with their licensure requirements and in collaboration with physicians and registered nurses. Unlicensed staff may provide aspects of patient care or services at the direction of and under the supervision of licensed professionals.

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**Nursing Care** (nursing practice ) is defined as competently providing all aspects of the nursing process in accordance with Chapter 4723 of the Ohio Revised Code (ORC), which is the law regulating the Practice of Nursing in Ohio. The law gives the Ohio Board of Nursing the authority to establish and enforce the requirements for licensure of nurses in Ohio. This law, also, defines the practice of both registered nurses and licensed practical nurses. All activities listed in the definitions, including the supervision of nursing care, constitute the practice of nursing and therefore require the nurse to have a current valid license to practice nursing in Ohio.

**Patient Support** is provided by a variety of individuals and departments which might not have direct contact with patients, but which support the integration and continuity of care provided throughout the continuum of care by the hands-on care providers

### Scope of Services/Staffing Plans

Each patient care service department has a defined scope of service approved by the hospital's administration and medical staff, as appropriate. The scope of service includes:

- The types and age ranges of patients served;
- Methods used to assess and meet patients' care needs (includes services most frequently provided such as procedures, services, etc.);
- The scope and complexity of patient care needs (such as most frequent diagnosis)
- The appropriateness, clinical necessity and timeliness of support services provided directly or through referral contact;
- The extent to which the level of care or service meets patient needs (hours of operation if other than 24 hours a day/7days a week and method used for ensuring hours of operation meet the needs of the patients to be served with regard to availability and timeliness);
- The availability of necessary staff (staffing plans); and
- Recognized standards or practice guidelines, when available (the complex or high level technical skills that might be expected of the care providers).

Staffing plans for patient care service departments are developed based on the level and scope of care provided, the frequency of the care to be provided, and a determination of the level of staff that can most appropriately (competently and confidently) provide the type of care needed. Nursing units are staffed to accommodate a projected average daily patient census. Unit management (including nurse manager and/or charge nurse) reviews patient demands to plan for adequate staffing. Staffing can be increased or decreased to meet patient needs.

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When the number of patients is high or the need is great, float staff assist in providing care. When staff availability is projected to be low due to leaves of absence, the unit manager and director may request temporary agency nurses. The James Cancer Hospital follows the Staffing Guidelines set by the American Nurses Association. In addition, we utilize staffing recommendations from various specialty nursing organizations, including ANCC, AACN, AORN, OCN, and others.

Administration in conjunction with the budget and performance measurement process reviews all patient care areas staffing and monitors ongoing regulatory requirements. Each department staffing plan is formally reviewed during the budget cycle and takes into consideration workload measures, utilization review, employee turnover, performance assessment, improvement activities, and changes in customer needs/expectation. A variety of workload measurement tools may be utilized to help assess the effectiveness of staffing plans.

### **Standards of Care**

Personalized health care at The James Cancer Hospital is the integrated practice of medicine and patient support based upon the individual's unique biology, behavior, and environment. It is envisioned as health care that will utilize gene-based information to understand each person's individual requirements for the maintenance of their health, prevention of disease, and therapy tailored to their genetic uniqueness. Thus personalized health care promises to be predictive and preventive.

Patients of The James Cancer Hospital and Richard J. Solove Research Institute can expect that:

- Hospital staff will provide the correct procedures, treatments, interventions and care. Their efficacy and appropriateness will be demonstrated based on patient assessment and reassessments, state-of-the-art practice and achievement of desired outcomes
- Hospital staff will design, implement and evaluate care delivery systems and services which are consistent with patient centered care focus which will be delivered with compassion, respect and dignity for each individual without bias in a manner that best meets the individual needs of the patients and families.
- Staff will provide a uniform standard of care and services throughout the organization
- Care will be coordinated through interdisciplinary collaboration to ensure continuity and seamless delivery of care to the greatest extent possible
- In a manner that maximizes the efficient use of financial and human resources, streamlines processes, decentralized services, enhances communication, supports technological advancements and maintains patient safety



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## **Patient Assessment:**

Individual patient and family care requirements are determined by on-going assessments performed by qualified health professionals. Each service providing patient care within the organization has defined the scope of assessment provided. This assessment and reassessment of patient care needs continues throughout the patient's contact with The James Cancer Hospital.

## **Coordination of Care:**

Patients are identified who require discharge planning to facilitate continuity of medical care and/or other care to meet identified needs. Discharge planning is timely, is addressed during initial assessment as well as during discharge planning process (rounds, etc.) and can be initiated by any member of the multidisciplinary team. Patient Care Resource Managers, Advanced Practice Nurses, and Social Workers coordinate and maintain close contact with the health care team members to finalize a discharge plan best suited for each individual patient.

**Patient Services** are limited to those departments that have direct contact with patients. Patient services occur through organized and systematic throughput processes designed to ensure the delivery of appropriate, safe, effective and timely care and treatment. The patient throughput process includes those activities designed to coordinate patient care before admission, during the admission process, in the hospital, before discharge and at discharge. This process includes

- Access in: emergency process, admission decision, transfer or admission process, registration and information gathering, placement
- Treatment and evaluation: full scope of services; and,
- Access out: discharge decision, patient/family education and counseling, arrangements for continuing care and discharge.

**Patient Care** encompasses the recognition of disease and health, patient teaching, patient advocacy, spirituality and research. The full scope of patient care is provided by professionals who are charged with the additional functions of patient assessment and planning patient care based on findings for the assessment. Patient care and services are planned, coordinated, provided, delegated and supervised by professional health care providers who recognize the unique physical, emotional and spiritual (body, mind and spirit) needs of each person. Under the auspices of the hospital, medical staff, registered nurses and allied health care professionals function collaboratively as part of an interdisciplinary, personalized patient-focused care team to achieve positive patient outcomes.



## Standards of Competent Performance/Staff Education

All employees receive a formalized orientation consistent with the scope of responsibilities as defined by their job description and the patient population to whom they are assigned to provide care. Competency for patient caregivers is determined in orientation and at least annually through performance evaluations and other department specific assessment processes. Physicians direct all medical aspects of patient care as delineated through the clinical privileging process and in accordance with the Medical Staff By-Laws. Registered nurses support the medical aspect of care by directing, coordinating, and providing nursing care consistent with statutory requirements and according to the organization's approved Nursing Standards of Practice and hospital-wide Policies and Procedures. Allied health care professionals provide patient care and services in keeping with their licensure requirements and in collaboration with physicians and registered nurses. Unlicensed staff may provide aspects of patient care or services at the direction of and under the supervision of licensed professionals.

**Medical Staff** members are assigned to a clinical department or division. Each clinical department has an appointed chief responsible for a variety of administrative duties including development and implementation of policies that support the provision of departmental services and maintaining the proper number of qualified and competent person needed to provide care within the service needs of the department.

**Nursing Care** (nursing practice) is defined as competently providing all aspects of the nursing process in accordance with Chapter 4723 of the Ohio Revised Code (ORC), which is the law regulating the Practice of Nursing in Ohio. The law gives the Ohio Board of Nursing the authority to establish and enforce the requirements for licensure of nurses in Ohio. This law, also, defines the practice of registered nurses. All of the activities listed in the definitions, including the supervision of nursing care, constitute the practice of nursing and therefore require the nurse to have a current valid license to practice nursing in Ohio.

**Patient Support Services** is provided by a variety of individuals and departments which might not have direct contact with patients, but which support the integration and continuity of care provided throughout the continuum of care by the hands-on care providers.

## Care Delivery Model

Personalized patient-focused care is the delivery model in which teams care for similar cancer patient populations, closely linking the physician and other caregivers for optimal

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communication and service delivery. Personalized patient-focused care is guided by the following goals:

- The patient and family will experience the benefits of personalized care that integrates skills of all care team members. The benefits include enhanced quality of care, improved service, appropriate length of hospitalization and minimized cost.
- Hospital employees will demonstrate behaviors consistent with the philosophy of personalized health care. The philosophical foundation reflects a culture of collaboration, enthusiasm and mutual respect.
- Effective communication will impact patient care by ensuring timeliness of services, utilizing staff resources appropriately, and maximizing the patient's involvement in his /her own plan of care.
- Configuring departmental and physician services to accommodate the care needs of the patient in a timely manner will maximize quality of patient care and patient satisfaction.
- Relationship based care, the professional nursing practice model is a framework which reflects our underlying philosophy and vision of providing personalized nursing care. Aspects of the professional model support:
  - Matching nurses with specific skills to patients with specific needs to ensure "safe passage" to achieve the optimal outcome of their hospital stay
  - The ability of the nurse to establish and maintain a therapeutic relationship with their patients
  - The presence of interdisciplinary team approach to patient care delivery. The knowledge and expertise of all caregivers is utilized to provide personalized care for the patient.
  - Physicians, nurses, pharmacists, respiratory therapist, patient care resource managers and many other disciplines collaborate and provide input to patient care.
- The patient and family will be involved in establishing the plan of care to ensure services that accommodate their needs, goals and requests.
- Streamlining the documentation process will enhance patient care.



## Patient Rights and Organizational Ethics

### *Patient Rights*

In order to promote effective and compassionate care, The James Cancer Hospital systems, processes, policies, and programs are designed to reflect an overall concern and commitment to each person's dignity. All hospital employees, physicians and staff have an ethical obligation to respect and support the rights of every patient in all interactions. It is the responsibility of all employees, physicians and staff to support the efforts of the health care team, and for seeing that the patient's rights are respected. Each patient (and/or family member is appropriate) is given a list of patient rights and responsibilities upon admission and copies of this list are posted in conspicuous places throughout the hospital.

### *Organizational Ethics*

The James Cancer Hospital has an ethics policy that articulates the organization's responsibility to patients, staff, physicians, and community served. General guiding principles include:

- Services and capabilities offered meet identified patient and community needs and are fairly and accurately represented to the public.
- The James Cancer Hospital adheres to a uniform standard of care throughout the organization, providing services only to those patients for whom we can safely provide care. The James Cancer Hospital does not discriminate based upon age, race, ethnicity, religion, culture, language, physical or mental disability, socioeconomic status, sex, sexual orientation, and gender identity or expression, or source of payment.
- Patients will only be billed for care and services provided.

### *Biomedical Ethics*

A biomedical ethical issue arises when there is uncertainty or disagreement regarding medical decisions, involving moral, social, or economic situations that impact human life. A mechanism is in place to provide consultation in the area of biomedical ethics in order to:

- Improve patient care and ensure patient safety;
- Clarify any uncertainties regarding medical decisions;
- Explore the values and principles underlying disagreements;
- Facilitate communication between the attending physician, the patient, members of the treatment team and the patient's family (as appropriate); and,
- Mediate and resolve disagreements.



## **Integration of Patient Care and Support Services**

The importance of a collaborative interdisciplinary team approach, which takes into account the unique knowledge, judgment, and skills of a variety of disciplines in achieving desired patient outcomes, serves as a foundation for integration of patient care. Cross functional performance improvement initiates further support effective integration of Hospital and health system policies, procedures and protocols evidence functional relationships between departments. See appendix A for a listing of support services.

Open lines of communication exist between all departments providing patient care, patient services and support services within the hospital, and, as appropriate with community agencies to ensure efficient, effective and continuous patient care. Functional relationships between departments are evidenced by cross-departmental Performance Improvement initiatives as well as the development of policies, procedures, protocols, and clinical pathways and algorithms

To facilitate effective interdepartmental relationships, problem solving is encouraged at the level closest to the problem at hand. Staff is receptive to addressing on another's issues and concerns and work to achieve mutually acceptable solutions. Supervisors and managers have the responsibility and authority to mutually solve problems and seek solutions within their spans of control; positive interdepartmental communications are strongly encouraged. Employees from departments providing patient care services maintain open communication channels and forum with one another, as well as with service support departments to ensure continuity of patient care, maintenance of a safe patient environment and positive outcomes.

## **Consultations and Referrals For Patient Services**

The James Cancer Hospital provides services as identified in the Plan for Providing Patient Care to meet the needs of our community. Patients who have assessed needs that require services not offered at The James Cancer Hospital are transferred to the member hospital of The Ohio State Wexner Medical Center in a timely manner after stabilization, or another quality facility. Safe transportation is provided by air or ground ambulance with staff and equipment appropriate to the required level of care. Physician consultation occurs prior to transfer to ensure continuity of care. Referrals for outpatient care occur based on patient need.



## **Information Management Plan**

The overall goal for information management is to support the mission of The James Cancer Hospital. Specific information management goals related to patient care include:

- Develop and maintain an integrated information and communication network linking research, academic and clinical activities.
- Develop computer-based patient records with integrated clinical management and decision support.
- Support administrative and business functions with information technologies that enable improved quality of services, cost effectiveness, and flexibility.
- Build an information infrastructure that supports the continuous improvement initiative of the organization
- Ensure the integrity and security of the hospital's information resources and protect patient confidentiality.

## **Patient Organization Improvement Activities**

All departments are responsible for following and participating in the hospital's plan for improving organizational performance.

## **Plan Review**

The Hospital Plan for Providing Patient Care will be reviewed regularly by the hospital's leadership to ensure the plan is adequate, current and that the hospital is in compliance with the plan. Interim adjustments to the overall plan are made to accommodate changes in patient population, redesign of the care delivery systems or processes that affect the delivery, level or amount of patient care required.



## Appendix A: Scope of Services: Patient Support Services

Other hospital services that support the comfort and safety of patients are coordinated and provided in a manner that ensures direct patient care and services are maintained in an uninterrupted, efficient, and continuous manner. These support services will be fully integrated with the patient services departments of the Hospital:

DEPARTMENT	SERVICE
Chaplaincy and Clinical Pastoral Education	Assists patients, their families and hospital personnel in meeting spiritual needs through professional pastoral and spiritual care and education.
Clinical Engineering	Routine equipment evaluation, maintenance, and repair of electronic equipment, evaluation of patient owned equipment. Refer to James Hospital Policy 04-08; Equipment Safety for Patient Care Areas.
Communications and Marketing	Responsible for developing strategies and programs to promote the organization's overall image and specific products and services to targeted internal and external audiences. Manages all media relations, advertising, internal communications, special events, and publications for the Hospital.
Diagnostic Testing Areas	Provides tests based on verbal, electronic or written consult requests.
Early Response Team (ERT)	Provides timely diagnostic and therapeutic intervention before there is a cardiac or respiratory arrest or an unplanned transfer to the Intensive Care Unit. The team is comprised of response RN and Respiratory Therapist trained to assist patient care staff when there are signs that a patient's health is declining
Environmental Services	Provides housekeeping of patient rooms and nursing unit environments.
Epidemiology	Enhance the quality of patient care and the work environment by minimizing the risk of acquiring infection within the hospital and ambulatory setting.
Facilities Operations	Provide oversight, maintenance and repair of the building's life safety, fire safety, and utility systems. Provide preventative, repair and routine maintenance in all areas of all buildings serving patients, guests, and staff.
Financial Services	Assists managers in preparation and management of capital and operational budgets; provides comprehensive patient billing services and works with patients and payers to facilitate meeting all payer requirements for payment.
Patient Experience	Develops programs for support of patient relations and customer

# The James



	service and information desk. Volunteers do way-finding, host visitors in waiting areas, serve as patient/family advisors and assist staff. Volunteer Services serves as a liaison for the Service Board auxiliary which annually grants money to department-initiated projects that enhance the patient and family experience
Human Resources	Serves as a liaison for managers regarding all Human Resources information and services; assists departments with restructuring efforts; provides proactive strategies for managing planned change within the Health System; assists with Employee/Labor Relations issues; assists with performance management process; develops compensation strategies; develops hiring strategies and coordinates process for placements; provides strategies to facilitate sensitivity to issues of cultural diversity; provides Human Resources information to employees, and established equity for payroll
Information Systems	Assists departments to explore, deploy and integrate reliable, state of the art information systems technology solutions to manage change.
Materials Management	Supplies stock in patient care areas
Medical Information Management	Maintains patient records serving the needs of the patient, provider, institution and various third parties to health care in the inpatient and ambulatory setting
Oncology Laboratories	Provides clinical laboratory support services for medical, surgical, bone marrow transplantation and radiation oncology units
Nutrition Services	Provides nutrition care and food service to James hospital and ambulatory site patients, staff and visitors. Clinical nutrition assessment and consultation are available in both inpatient and outpatient settings. The department provides food service to inpatients and selected ambulatory settings.
Patient Access Services	Coordinates registration/admissions with nursing management
Patient Care Resource Management and Social Services	Provides personalized care coordination and resource management with patients and families. Provides discharge planning, coordination of external agency contacts for patient care needs and crisis intervention and support for patients and their families. Provides services upon phone/consult request of physician, nurse or the patient or family
Patient Financial Services	Provides financial assistance upon request from the patient/family
Pulmonary Diagnostics Lab	Provides service to patients requiring an evaluation of the respiratory system including pulmonary function testing, bronchoscopy and other diagnostic/interventional pulmonary procedures.
Quality and Patient Safety	Provides integrated quality management and facilitates continuous quality improvement efforts throughout the Hospital.
Rehabilitation Services	Physical therapists, occupational therapists, speech and language



# The James



	pathologist and recreational therapists, evaluate, formulate a plan of care, and provide treatment based on physician referral and along with the interdisciplinary medical team for appropriate treatment and education needed for the established discharge plan.
Respiratory Therapy	Provides respiratory therapeutic interventions and diagnostic testing, by physician order including ventilator support, bronchodilator therapy, and pulmonary hygiene.
Security	Provides a safe and secure environment for patients, visitors, and staff members by responding to emergencies such as workplace violence, fires, bomb threats, internal and external disasters, armed aggressors, or any other incident that needs and emergency response.
Staff Development and Education	Provides and promotes ongoing employee development and training related to oncology care, provides clinical orientation, and continuing education of staff

**BURN CENTER VERIFICATION**

Synopsis: Support for Burn Center verification, is proposed.

WHEREAS the Ohio State University Wexner Medical Center's mission includes teaching, research and patient care; and

WHEREAS, the Ohio State University Wexner Medical Center is cognizant of the resources needed to support a verified Burn Center and the contribution of this program to its tripartite mission:

NOW THEREFORE

BE IT RESOLVED, That the Ohio State University Wexner Medical Center Board supports the application for Burn Center verification by the American Burn Association and the American College of Surgeons, Committee on Trauma.

**CLINICAL QUALITY MANAGEMENT, PATIENT SAFETY AND SERVICE PLAN**

**University Hospitals**

Synopsis: Approval of the annual review of the Clinical Quality Management, Patient Safety and Service Plan for The Ohio State University Hospital, Richard M. Ross Heart Hospital, Harding Hospital, and University Hospital East, is proposed.

WHEREAS the mission of the Wexner Medical Center is to improve people's lives through the provision of high quality patient care; and

WHEREAS the Clinical Quality Management, Patient Safety and Service Plan outlines assessment and improvement of processes in order to deliver safe, effective, optimal patient care and services in an environment of minimal risk for inpatients and outpatients of The Ohio State University Hospital, Richard M. Ross Heart Hospital, Harding Hospital, and University Hospital East; and

WHEREAS the Clinical Quality Management, Patient Safety and Service Plan for The Ohio State University Hospital, Richard M. Ross Heart Hospital, Harding Hospital, and University Hospital East were approved by the Quality and Professional Affairs Committee of the Wexner Medical Center Board on July 16, 2014 and is being recommended to the Wexner Medical Center Board for approval:

NOW THEREFORE

BE IT RESOLVED, That the Wexner Medical Center Board approves the Clinical Quality Management, Patient Safety and Service Plan for The Ohio State University Hospital, Richard M. Ross Heart Hospital, Harding Hospital, and University Hospital East.



# LEADERSHIP COUNCIL

FOR CLINICAL QUALITY, SAFETY AND SERVICE

The Ohio State University Wexner Medical Center

## Clinical Quality Management, Patient Safety, & Service Plan

FY 2013 -2014

# Clinical Quality Management, Patient Safety, & Service Plan

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# Clinical Quality Management, Patient Safety, & Service Plan

## Definition

The Clinical Quality Management, Patient Safety and Service Plan is the organization-wide approach to the systematic assessment and improvement of process design and performance aimed at improving in areas of quality of care, patient safety, and patient experience . It integrates all activities defined in the Clinical Quality Management, Patient Safety & Service Plan to deliver safe, effective, optimal patient care and services in an environment of minimal risk.

## Program Scope

The Clinical Quality Management, Patient Safety & Service Plan include all inpatient and outpatient facilities in The OSU Wexner Medical Center (OSUWMC) and appropriate entities across the continuum of care.

## Program Purpose

The purpose of the Clinical Quality Management, Patient Safety & Service Plan is to show measurable improvements in areas for which there is evidence they will improve health outcomes and value of patient care provided within The OSUWMC. The OSUWMC recognizes the importance of creating and maintaining a safe environment for all patients, visitors, employees, and others within the organization.

## Objectives

- 1) Continuously monitor, evaluate, and improve outcomes and sustain improved performance.
- 2) Recommend reliable system changes that will improve patient care and safety by assessing, identifying, and reducing risks within the organization and responding accordingly when undesirable patterns or trends in performance are identified, or when events requiring intensive analysis occur.
- 3) Assure optimal compliance with accreditation standards, state, federal and licensure regulations.
- 4) Develop, implement, and monitor adherence to evidenced-based practice guidelines and companion documents in accordance with best practice to standardize clinical care and reduce practice variation.
- 5) Improve patient experience and their perception of treatment, care and services by identifying, evaluating, and improving performance based on their needs, expectations, and satisfaction.

- 6) Improve value by providing the best quality of care at the minimum cost possible.
- 7) Provide a mechanism by which the governance, medical staff and health system staff members are educated in quality management principles and processes.
- 8) Provide appropriate levels of data transparency to both internal and external customers.
- 9) Assure processes involve an interdisciplinary teamwork approach.

## Structure for Quality Oversight

The Leadership Council for Clinical Quality, Safety & Service serves as the single, multidisciplinary quality and safety oversight committee for the OSUWMC. The Leadership Council (Attachment I and II) determines annual goals for the health system.

### **Roles and responsibilities**

Clinical quality management, patient safety & service excellence are the responsibilities of all staff members, volunteers, visitors, patients and their families.

### **Medical Center Board**

The Medical Center Board is accountable to The Ohio State University Board of Trustees and the Medical Affairs Committee through the President and SVP for Health Sciences and is responsible for overseeing the quality of patient care throughout the Medical Center including the delivery of patient services, quality assessment, improvement mechanisms, and monitoring achievement of quality standards and goals.

The Medical Center Board receive clinical quality management, patient safety and service quality reports as scheduled, and provide resources and support systems for clinical quality management, patient safety and service quality functions, including medical/health care error occurrences and actions taken to improve patient safety and service. Boards members receive information regarding the responsibility for quality care delivery or provision, and the Hospital's Clinical Quality Management, Patient Safety and Service Plan. The Medical Center Board ensures all caregivers are competent to provide services.

### **Chief Executive Officer (CEO)**

The CEO for the Medical Center is responsible for providing leadership and oversight for the overall Clinical Quality Management and Patient Safety Plan across the OSUWMC.

### **Chief Quality Officer (CQO)**

The CQO reports to the Medical Center CEO and provides oversight and leadership for the OSUWMC in the conceptualization, development, implementation and measurement of OSUWMC approach to quality, patient safety and adverse event reduction.

### **Chief Medical Officer (CMO)**

The CMO for the Medical Center is responsible for ensuring the implementation of the overall Clinical Quality Management and Patient Safety Plan at OSUWMC. The CMO is responsible for implementing



the recommendations approved by the various committees under the Leadership Council for Clinical Quality, Safety & Service.

### **Medical Director/Director of Medical Affairs**

Each business unit Medical Director is responsible to the appropriate Board for the implementation and oversight of the Clinical Quality Management and Patient Safety Plan. Each Medical Director is also responsible for reviewing the recommendations from the Clinical Quality Management and Patient Safety Plan.

### **Associate Medical Directors**

The Associate Medical Directors assist the CQO in the oversight, development, and implementation of the Quality & Safety Plan as it relates to the areas of quality, safety, evidence based medicine, clinical resource utilization and service.

### **Health System Chief Executive Officer (CEO)**

The OSUWMC CEO is responsible to the Board for implementation of the Clinical Quality Management and Patient Safety Plan.

### **Business Unit Associate Executive Directors**

The OSU Health System staff, under the direction of the Health System CEO and Hospital Administration, implements the program throughout the organization. Hospital Administration provides authority and supports corrective actions within its realm for clinical quality management and patient safety activities.

### **Clinical Department Chief and Division Directors:**

Each department chairperson and division director is responsible for ensuring the standards of care and service are maintained within their department/division. In addition, department chairpersons/division director may be asked to implement recommendations from the Clinical Quality Management and Patient Safety Plan, or participate in corrective action plans for individual physicians, or the division/department as a whole.

### **Medical Staff**

Medical staff members are responsible for achieving the highest standard of care and services within their scope of practice. As a requirement for membership on the medical staff, members are expected and must participate in the functions and expectations set forth in the Clinical Quality Management, Patient Safety, & Service Plan. In addition members may be asked to serve on quality management committees and/or quality improvement teams.

A house staff quality forum with representatives from each ACGME accredited program has dedicated one medical resident who will be the quality liaison to the overall Quality Program. This committee will report to the Health System Clinical Quality & Patient Safety committee.

A senior quality council with representation from each medical staff department through a faculty quality liaison will support the overall Quality Program reporting to the Leadership Council for Clinical Quality, Safety & Service.

### **Nursing Quality**

The Chief Nursing Executive (CNE) provides leadership and oversight for the Nursing Quality Plan and the integration of this plan into the overall Clinical Quality Management & Patient Safety Plan. Nursing leadership and staff are active participants in the Leadership Council for Clinical Quality, Safety and Service and all other associated Committees outlined in this plan. Nursing staff are responsible for ensuring the delivery of world class personalized nursing care to patients and families. Nursing-related quality activities are integrated and aligned with the goals and tactics established by the LCCQSS.

### **Hospital Department Directors**

Each department director is responsible for ensuring the standards of care and service are maintained or exceeded within their department. Department directors are responsible for implementing, monitoring, and evaluating activities in their respective areas and assisting medical staff members in developing appropriate mechanisms for data collection and evaluation. In addition, department directors may be asked to implement recommendations from the Clinical Quality Management and Patient Safety Plan or participate in corrective action plans for individual employees or the department as a whole. Department directors provide input regarding committee memberships, and serve as participants on quality management committees and/or quality improvement teams.

### **Health System Staff**

Health System staff members are responsible for ensuring the standards of care and services are maintained or exceeded within their scope of responsibility. The staff is involved through formal and informal processes related to clinical quality improvement, patient safety and service quality efforts, including but not limited to:

- Suggesting improvements and reporting medical/health care errors
- Monitoring activities and processes, such as patient complaints and patient satisfaction participating in focus groups
- Attending staff meetings
- Participating in efforts to improve quality and safety

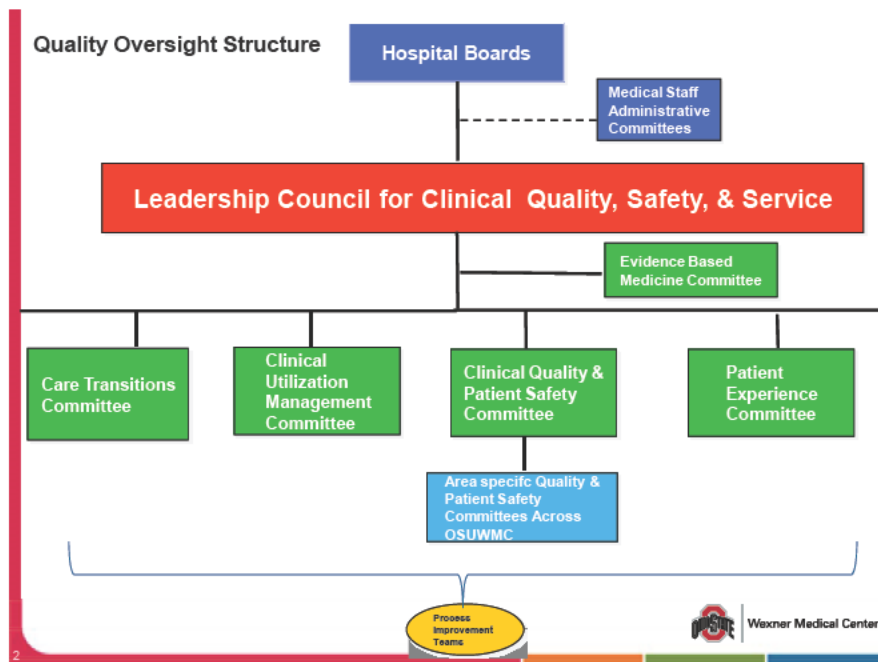
### **Quality and Operations Improvement Department:**

The primary responsibility of the Quality and Operations Improvement (Q&OI) Department is to coordinate and facilitate clinical quality management and patient safety activities throughout the Health System. The primary responsibility for the implementation and evaluation of clinical quality management and patient safety activities resides in each department/program; however, the Q&OI staff also serves as an internal consultant for the development and evaluation of quality management and patient safety activities. The Q&OI Department maintains human and technical resources for team facilitation, use of performance improvement tools, data collection, statistical analysis, and reporting.

### **Patient Experience Department**

The primary responsibility of the Patient Experience Department is to coordinate and facilitate a service oriented approach to providing healthcare throughout the Health System. This is accomplished through both strategic and program development as well as through managing operational functions within the Health System. The primary responsibility for the implementation and evaluation of service-related activities resides in each department/program; however, the Patient Experience staff also serves as an

internal consultant for the development and evaluation of service quality activities. The Patient Experience Department maintains human and technical resources for interpreter services, information desks, patient relations, team facilitation, and use of performance improvement tools, data collection, statistical analysis, and reporting. The Department also oversees the Patient/Family Advisor Program which is a group of current/former patients, or their primary caregivers, who have had experiences at any OSU Health System facility. These individuals are volunteers who serve on committees and workgroups, as Advisory Council members, complete public speaking engagements and review materials



**COMMITTEES:**

**Medical Staff Administrative Committees (MSACs)**

*Composition:* Refer to Medical Staff Bylaws and Rules and Regulations

*Function:* Refer to Medical Staff Bylaws and Rules and Regulations

The organized medical staff, under the direction of the Medical Director and the MSAC(s) for each institution, implements the Clinical Quality Management and Patient Safety Plan throughout the clinical departments.

The MSAC(s) reviews reports and recommendations related to clinical quality management, efficiency, patient safety and service quality activities. This committee has responsibility for evaluating the quality and appropriateness of clinical performance and service quality of all individuals with clinical privileges. The MSAC(s) reviews corrective actions and provides authority within their realm of responsibility related to clinical quality management, patient safety, efficiency and service quality activities.

**Leadership Council for Clinical Quality, Safety and Service (LCCQSS):**

*Composition:* Refer to Medical Staff Bylaws and Rules and Regulations

*Function:* Refer to Medical Staff Bylaws and Rules and Regulations

The LCCQSS is responsible for designing and implementing systems and initiatives to enhance clinical care, outcomes and the patient experience throughout the integrated health care delivery system. The LCCQSS serves as the oversight council for the Clinical Quality Management and Patient Safety Plan as well as the goals and tactics set forth by the Patient Experience Council.

### **Evidence-Based Practice Committee (EBPC)**

*Composition:*

The EBPC consists of multidisciplinary representatives from Hospital Administration, Medical Staff, Information Technology, Pharmacy, and Nursing. An active member of the medical staff chairs the committee. The EBPC reports to LCCQSS and shares pertinent information with the Medical Staff Administrative Committees. The EBPC provides guidance and support to all committees under the LCCQSS for the delivery of high quality, safe efficient, effective patient centered care.

*Function:*

1. Develop and update evidence-based guidelines and best practices to support the delivery of patient care that promotes high quality, safe, efficient, effective patient centered care.
2. Develop and implement Health System-specific resources and tools to support evidence-based guideline recommendations and best practices to improve patient care processes, reduce variation in practice, and support health care education.
3. Develop processes to measure and evaluate use of guidelines and outcomes of care.

### **Clinical Quality and Patient Safety Committee (CQPSC)**

*Composition:*

The CQPSC consists of multidisciplinary representatives from Hospital Administration, Medical Staff, Information Technology, Nursing, Pharmacy, Laboratory, Respiratory Therapy, Diagnostic Testing and Risk Management. An active member of the Medical Staff chairs the Committee. The committee reports to Leadership Council and additional committees as deemed applicable.

*Function:*

1. Create a safe environment, which promotes organizational learning related to patient safety and minimizes individual blame or retribution for involvement in a medical/health care error
2. Assure optimal compliance with patient safety-related accreditation standards.
3. Proactively identifies risks to patient safety and initiates actions to reduce risk with a focus on process and system improvement.
4. Oversees completion of proactive risk assessment as required by TJC.
5. Oversees education & risk reduction strategies as they relate to Sentinel Event Alerts from TJC.
6. Provides oversight for clinical quality management committees.

7. Evaluates and, when indicated, provides recommendations to improve clinical care and outcomes.
8. Ensures actions are taken to improve performance whenever an undesirable pattern or trend is identified.
9. Receive reports from committees that have a potential impact on the quality & safety in delivering patient care such as, but not limited to, Environment of Care committee, Health Safety Committee, Clinical IHIS Steering Committee, Value Based Clinical Transformation Committee, and Infection Prevention Committee

### **Patient Experience Council**

#### *Composition:*

The Patient Experience Council consists of multidisciplinary representatives from across all settings. The Council is co-chaired by the Chief Nurse Executive for the Health System and a physician leader. The committee reports to the Leadership Council and reports out to additional committees as applicable. One of the goals of the Patient Experience Council is to ensure the organization maintains a patient- and family-centered approach.

#### *Function:*

1. Create a culture and environment that delivers an exceptional patient experience consistent with the OSU Medical Center's mission, vision and values focusing largely on service quality.
2. Measure and review voice of the customer information in the form of Patient and Family Experience Advisor program and related councils, patient satisfaction, comments, letters and related measures.
3. Monitor publicly reported and other metrics used by various payers to ensure optimal reimbursement.
4. Recommends system goals and expectations for a consistent patient experience.
5. Collaborates with other departments to reward and recognize faculty and staff for service excellence performance.
6. Provides guidance and oversight on patient experience improvement efforts ensuring effective deployment and accountability throughout the system.
7. Serves as a communication hub reporting out objectives and performance to the system.
8. Serves as a coordinating body for subcommittees working on specific aspects of the patient experience.



### **Care Transitions Committee (CTC)**

*Composition:*

The CTC committee of multidisciplinary representatives from Hospital Administration, Medical Staff, Case Management, Financial Services, Information Technology, and Nursing. The assistant chief operating officer for the Health System chairs the committee. CTC reports to LCCQSS, Health System Committee, and shares pertinent information with the Medical Staff Administrative Committees.

*Function:*

1. Promote the efficient and effective patient care transitions processes while assuring the highest quality of care.
2. Serves to facilitate optimal capacity management related to patient care settings across the care continuum
3. Direct the development of action plans to address identified areas of improvement.
4. Resolve or escalate barriers related to effective and efficient care transition processes in the health care delivery system, which impede efficient and effective care transition processes.

*Key areas of focus:*

- Capacity Management/Transitions
- Readmission management
- Targeted early discharge processes
- LOS management
- Transfer Center Processes

### **Clinical Utilization Management Committee**

*Composition:*

The Clinical Utilization Management committee consists of multidisciplinary representatives from Hospital Administration, Medical Staff, Patient Care Resource Management, Financial Services, Information Technology, and Nursing. The Utilization Management Medical Director chairs the committee. CRUC reports to LCCQSS, Health System Committee, and shares pertinent information with the Medical Staff Administrative Committees.

*Function:*

1. Promote the efficient utilization of resources for patients while assuring the highest quality of care.
2. Direct the development of action plans to address identified areas of improvement.
3. Resolve or escalate barriers related to clinical practice patterns in the health care delivery system, which impede the efficient, appropriate utilization of resources.
4. Review patients for appropriate level of care (e.g., inpatient, observation, outpatient, extended care facility, etc.) and for the efficiency and effectiveness of professional services rendered (physician, nursing, lab, therapists)

5. Ensure compliance with regulatory requirements related to utilization management ( i.e: RAC Audits, denial management, etc).
6. Administration of the Utilization Management Plan

*Key areas of focus:*

- Availability and appropriateness of clinical resources and services
  - OP/IP beds appropriateness
  - Post-acute partnerships
  - Availability of necessary services
  - Timeliness of necessary services
  - Appropriate use of necessary services
- LOS management
- Medical necessity and appropriateness of level of care and related denial management.
- Readmission management

**Technology Assessment Committee (TAC)**

*Composition:*

The TAC is composed of multi-disciplinary representatives from the medical staff, hospital administration, Biomedical Clinical Engineering and Strategic Sourcing. TAC is chaired by the Director of Peri-operative Services and reports to the Clinical Resource Utilization Committee.

*Function:*

Evaluate and make decisions regarding the appropriate use and acquisition of new and existing technologies across The Ohio State University Health System.

*Key areas of focus:*

- Clinical benefits
- Financial impact
- Alignment with strategic plan

**Practitioner Evaluation Committee (PEC)**

*Composition:*

The Practitioner Evaluation Committee (PEC) is the PEER review committee that provides medical leadership in overseeing the PEER review process. The PEC is composed of the Chair of the Clinical Quality and Patient Safety Committee physicians, and advanced practice licensed health care providers from various business units & clinical areas as appointed by the CMO & Director of Medical Affairs at the James. The Medical Center CMO & Director of Medical Affairs at the James ( serves Ex- Officio) and/or use of Physician-in -Chief.

*Function:*

1. Provide leadership for the clinical quality improvement processes within The OSU Health System.
2. Provide clinical expertise to the practitioner peer review process within The OSU Health System by thorough and timely review of clinical care and/or patient safety issues referred to the Practitioner Evaluation Committee.



3. Advise the CMO & Director of Medical Affairs at the James regarding action plans to improve the quality and safety of clinical care at the Health system.
4. Develop follow up plans to ensure action is successful in improving quality and safety.

### **Health System Information Systems Steering Team (HSISST)**

*Composition:*

The HSISST is a multi-disciplinary group chaired by the Chief Medical Information Officer of The Ohio State University Health System.

*Function:*

The HSISST shall oversee Information Technology technologies on behalf of The Ohio State University Health System. The committee will be responsible for overseeing technologies and related processes currently in place, as well as reviewing and overseeing the replacement and/or introduction of new systems as well as related policies and procedures. The individual members of the committee are also charged with the responsibility to communicate and receive input from their various communities of interest on relevant topics discussed at committee meetings.

### **Sentinel Event Team**

*Composition:*

The OSU Health System Sentinel Event Team (SET) includes an Administrator, the Chief Quality Officer, the Associate Executive Director for Quality & Patient Safety, a member of the Physician Executive Council, representatives from Quality and Operations Improvement and Risk Management and other areas as necessary.

*The Sentinel Event Determination Group (SEDG)*

The SEDG is a sub-group of the Sentinel Event Team and determines whether an event will be considered a sentinel event or near miss, assigns the Root Cause Analysis (RCA) Executive Sponsor, RCA Workgroup Leader, RCA Workgroup Facilitator, and recommends the Workgroup membership to the Executive Sponsor. The Sentinel Event Team facilitator will attend to support the members. The SEDG membership includes the CMO or designee, Director of Risk Management, and Quality Director of respective business unit for where the event occurred (or their designee).

*Sentinel Event Team Function:*

Approves & makes recommendations on sentinel event determinations and teams, and action plans as received from the Sentinel Event Determination Group, 2) evaluates findings, recommendations, and approves action plans of all root cause analyses. The documentation created as a result of a sentinel event or near miss is not externally reported or released.

### **Clinical Quality & Patient Safety Sub-Committees**

*Composition:*

For the purposes of this plan, Quality & Patient Safety Sub-Committees will refer to any standing committee or sub-committee functioning under the Quality Oversight Structure. Membership on these committees will

represent the major clinical and support services throughout the hospitals and/or clinical departments. These committees report, as needed, to the appropriate oversight committee(s) defined in this Plan.

**Function:**

Serve as the central resource and interdisciplinary work group for the continuous process of monitoring and evaluating the quality and services provided throughout a hospital, clinical department, and/or a group of similar clinical departments.

**Process Improvement Teams**

*Composition:*

For the purposes of this plan, Process Improvement Teams are any ad-hoc committee, workgroup, team, taskforce etc. that function under the Quality Oversight Structure and are generally time-limited in nature. Process Improvement Teams are comprised of owners or participants in the process under study. The process may be clinical (e.g. prophylactic antibiotic administration or not clinical (e.g. appointment availability). Generally, the members fill the following roles: team leader, facilitator, physician advisor, administrative sponsor, and technical expert.

**Function:**

Improve current processes using traditional QI tools and by focusing on customer needs.

**Approach to Quality, Safety & Service Management**

The OSU Health System approach to clinical quality management, patient safety, and service is leadership-driven and involves significant staff and physician participation. Clinical quality management and patient safety activities within the Health System are multi-disciplinary and based on the Health System’s mission, vision, values, and strategic plan. It embodies a culture of continuously measuring, assessing, and initiating changes including education in order to improve outcomes. The Health System employs the following principles of continuous quality improvement in its approach to quality management and patient safety:

**Principles**

The principles of providing high quality, safe care support the Institute of Medicines Six Aims of Care:

- Safe
- Timely
- Effective
- Efficient
- Equitable
- Patient-centered

These principles are:

Customer Focus: Knowledge and understanding of internal and external customer needs and expectations.

Leadership & Governance: Dedication to continuous improvement instilled by leadership and the Boards.

Education: Ongoing development and implementation of a curriculum for quality, safety & service for of all staff, employees, clinicians, patients, and students.

Everyone is involved: All members have mutual respect for the dignity, knowledge, and potential contributions of others. Everyone is engaged in improving the processes in which they work.

Data Driven: Decisions are based on knowledge derived from data. Both data as numerator only as well as ratios will be used to gauge performance

Process Improvement: Analysis of processes for redesign and variance reduction using a scientific approach.

Continuous: Measurement and improvement are ongoing.

Just Culture: A culture that is open, honest, transparent, collegial, team-oriented, accountable and non-punitive when system failures occur.

Personalized Health Care: Incorporate evidence based medicine in patient centric care that considers the patient’s health status, genetics, cultural traditions, personal preferences, values family situations and lifestyles.

**Model**

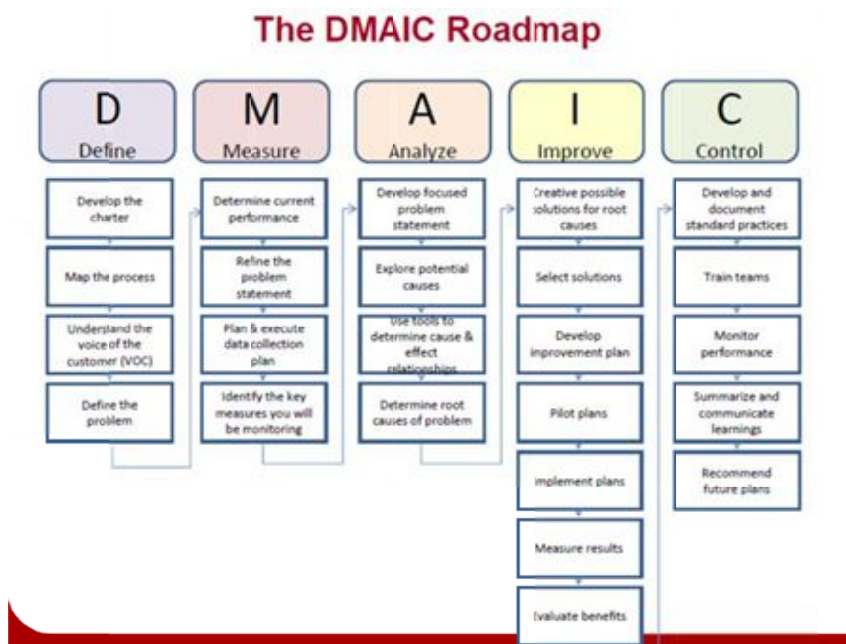
**Systematic Approach/Model to Process Improvement**

The OSU Medical Center embraces change and innovation as one of its core values. Organizational focus on process improvement and innovation is embedded within the culture through the use of a general Process Improvement Model that includes 1) an organizational expectation that the entire workforce is responsible for enhancing organizational performance, 2) active involvement of multidisciplinary teams and committees focused on improving processes and 3) a toolkit\* of process improvement methodologies and expert resources that provide the appropriate level of structure and support to assure the deliverables of the project are met with longer term sustainability.

**\*The Process Improvement Toolkit**

<b>Methodology</b>
PDCA
Rapid Cycle Improvement
DMAIC
Lean Principles

Recognizing the need for a systematic approach for process improvement, the health system has traditionally utilized the PDCA methodology. While PDCA has the advantage of being easily understood and applied as a systematic approach, it also has the limitation of not including a “control step” to help assure longer term sustainability of the process improvement. To address this need for additional structure at the end of the project, the DMAIC model was added to the toolkit. With the increased organizational emphasis on utilizing metric-driven approaches to reducing unintended medical errors, eliminating rework, and enhancing the efficiency/effectiveness of our work processes, the DMAIC methodology will be instrumental as a tool to help focus our process improvement efforts.



### Consistent Level of Care

Certain elements of The OSU Health System Clinical Quality Management, Patient Safety, & Service Plan assure that patient care standards for the same or similar services are comparable in all areas throughout the health system:

- Policies and procedures and services provided are not payer driven.
- Application of a single standard for physician credentialing.
- Health system monitoring tools to measure like processes in areas of the Health System.
- Standardize and unify health system policies and procedures that promote high quality, safe care.

### Performance Transparency

The Health System Medical and Administrative leadership, working with the Boards have a strong commitment to transparency of performance as it relates to clinical, safety and service performance. Clinical outcome, service and safety data are shared on the external OSUMC website for community viewing. The purpose of sharing this information is to be open and honest about OSUMC performance and to provide patients and families with information they can use to help make informed decisions about care and services.

Performance data are also shared internally with faculty and staff through a variety of methods. The purpose of providing data internally is to assist faculty and staff in having real-time performance results and to use those results to drive change and improve performance when applicable. On-line performance scorecards have been developed to cover a variety of clinical quality, safety and service metrics. When applicable, on-line scorecards provide the ability to “drilldown” on the data by signature program, discharge service, department and nursing unit. In some cases, password authentication also allows for practitioner-specific data to be viewed by Department Chairs and various Quality and Administrative staff. Transparency of information will be provided within the limits of the Ohio law that protects attorney –client privilege, quality inquiries and reviews, as well as peer review.

### Confidentiality

Confidentiality is essential to the quality management and patient safety process. All records and proceedings are confidential and are to be marked as such. Written reports, data, and meeting minutes are to be maintained in secure files. Access to these records is limited to appropriate administrative personnel and others as deemed appropriate by legal counsel. As a condition of staff privilege and peer review, it is agreed that no record, document, or proceeding of this program is to be presented in any hearing, claim for damages, or any legal cause of action. This information is to be treated for all legal purposes as privileged information. This is in keeping with the Ohio Revised Code 121.22 (G)-(5) and Ohio Revised Code 2305.251.

### Conflict of Interest

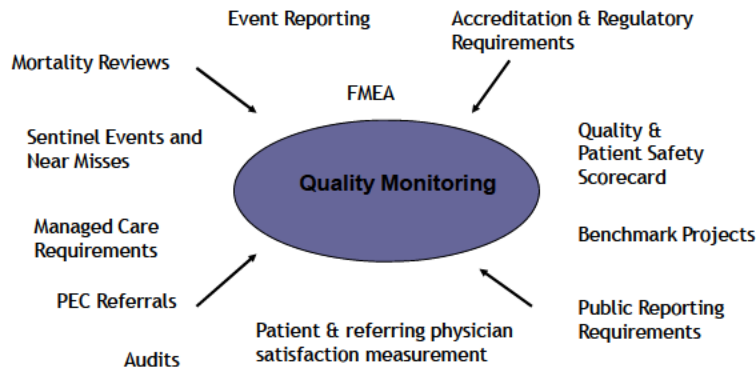
Any person, who is professionally involved in the care of a patient being reviewed, should not participate in peer review deliberations and voting. A person is professionally involved if they are responsible for patient care decision making either as a primary or consulting professional and/or have a financial interest (as determined by legal counsel) in the case under review. Persons who are professionally involved in the care under review are to refrain from participation except as requested by the appropriate administrative or medical leader. During peer review evaluations, deliberations, or voting, the chairperson will take steps to avoid the presence of any person, including committee members, professionally involved in the care under review. The chairperson of a committee should resolve all questions concerning whether a person is professionally involved. In cases where a committee member is professionally involved, the respective chairperson may appoint a replacement member to the committee. Participants and committee members are encouraged to recognize and disclose, as appropriate, a personal interest or relationship they may have concerning any action under peer review.

**Determining Priorities**

The OSU Health System has a process in place to identify and direct resources toward quality management, patient safety, and service activities. The Health System’s criteria are approved and reviewed by the Leadership Council and the hospitals Boards. The prioritization criteria are reevaluated annually according to the mission and strategic plan of the Health System. The leaders set performance improvement priorities and reevaluate annually in response to unusual or urgent events.

**Data Measurement and Assessment**

**Methods for Monitoring**



**Determination of data needs**

Health system data needs are determined according to improvement priorities and surveillance needs. The Health System collects data for monitoring important processes and outcomes related to patient care and the Health System’s functions. In addition, each department is responsible to identify quality indicators specific to their area of service. The quality management committee of each area is responsible for monitoring and assessment of the data collected.

**External reporting requirements**

There are a number of external reporting requirements related to quality, safety, and service. These include regulatory, governmental, payer, and specialty certification organizations. Attachment V displays some examples of external organizations where quality, safety, and service data are reported.

### **Collection of data**

Data, including patient demographic and diagnosis, are systematically collected throughout the Health System through various mechanisms including:

- Administrative and clinical databases
- Retrospective and concurrent medical record review
- Reporting systems (e.g., patient satisfaction)
- Surveys (i.e. patients, families, and staff).

### **Assessment of data**

Statistical methods such as control charts, g-charts, confidence intervals, and trend analysis are used to identify undesirable variance, trends, and opportunities for improvement. The data is compared to the Health System's previous performance, external benchmarks, and accepted standards of care are used to establish goals and targets. Annual goals are established as a means to evaluate performance.

### **Surveillance system**

The Health System systematically collects and assesses data in different areas to monitor and evaluate the quality and safety of services, including measures related to accreditation and other requirements. Data collection also functions as a surveillance system for timely identification of undesired variations or trends in quality indicators.

### **Quality & Safety Scorecard**

The Quality and Safety Scorecard is a set of health system-wide indicators related to those events considered potentially preventable. The Quality & Safety Scorecard covers the areas such as never events, sentinel events, hospital-acquired conditions, falls, medication events, and several other categories. The information is shared in various Quality forums with staff, clinicians, administration, and the Boards. The indicators to be included in the scorecard are reviewed each year to represent the priorities of the quality and patient safety program (Attachment VI).

### **Quality Notice Information**

The Quality Notice is distributed monthly to all clinical staff and key administrative leaders showing year-to-date performance for mortality index and 30 day readmission rate. The results are displayed for the health system and by hospital compared to targets established by the LCCQSS. Additionally, attending physicians are provided a link from the Quality Notice to an online report of their individual CORE measure results.

### **Patient Satisfaction Dashboard**

The Patient Satisfaction dashboard is a set of health system-wide patient experience indicators gathered from surveys after discharge or visit to a system based clinic or hospital. The dashboard covers performance in areas such as physician communication, nursing responsiveness, pain management, admitting and discharging speed and quality. It also measures process indicators, such as discharge phone calls and nurse leader rounding, as well as serves as a resource for best practices. The information is shared forums with staff, clinicians, administration, including the Boards. Performances on many of these indicators serve as annual goals for leaders and members of clinical and patient facing teams.

### **Quality, Patient Safety, and Service Educational Information**

Education is identified as a key principle for providing safe, high quality care, and excellent service for our patients. There is on-going development and implementation of a curriculum for quality, safety & service of all staff, employees, clinicians, patients, and students (Attachment IV). There are a variety of forums and venues utilized to enhance the education surrounding quality and patient safety including, but not limited to:

- On line videos
- Quality & Patient Safety Simulcasts
- News Letters
- Classroom forums
- Simulation Training
- Computerized Based Learning Modules
- Partnerships with IHI Open School
- Curriculum Development within College of Medicine
- Websites ( internal OneSource and external OSUMC)

### **Benchmark data**

Both internal and external benchmarking provides value to evaluating performance (Attachment V).

#### *Internal Benchmarking*

Internal benchmarking uses processes and data to compare OSUMCs performance to itself overtime. Internal benchmarking provides a gauge of improvement strategies within the organization.

#### *External Benchmarking*

The OSU Health System participates in various database systems and focused benchmarking projects to compare performance with that of peer institutions. The University HealthSystem Consortium, The US News Report, and the Ohio Department of Health are examples of several external organizations that provide benchmarking opportunities.

### **Design and evaluation of new processes**

- New processes are designed and evaluated according to the Health System's mission, vision, values, priorities, and are consistent with sound business practices.
- The design or re-design of a process may be initiated by:
- Surveillance data indicating undesirable variance
- Patients, staff, or payers perceive the need to change a process



- Information from within the organization and from other organizations about potential risks to patient safety, including the occurrence of sentinel events
- Review and assessment of data and/or review of available literature confirm the need

### Performance Based Physician Quality & Credentialing

Performance-based credentialing ensures processes that assist to promote the delivery of quality and safe care by physicians and advanced practice licensed health care providers. Both Focused Professional Practice Evaluation (FPPE) and Ongoing Professional Practice Evaluation (OPPE) occur. Focused Professional Practice Evaluation (FPPE) is utilized on 3 occasions: initial appointment, when a Privileged Practitioner requests a new privilege, and for cause when questions arise regarding the practitioner's ability to provide safe, high quality patient care. Ongoing Professional Practice Evaluation (OPPE) is performed on an ongoing basis (every 6 months).

#### **Profiling Process:**

- Data gathering from multiple sources
- Report generation and indicator analysis
- Profile review meetings with department chairs
- Discussion at Credentialing Committee
- Final Recommendation & Approval:
  - Medical Staff Administrative Committees
  - Medical Director
  - Hospital Board

#### **Service-Specific Indicators**

Several of the indicators are used to profile each physician's performance. The results are included in a physician profile (Attachment III), which is reviewed with the department chair as part of credentialing process.

The definition of service/department specific indicators is the responsibility of the director/chair of each unit. The performance in these indicators is used as evidence of competence to grant privileges in the re-appointment process. The clinical departments/divisions are required to collect the performance information as necessary related to these indicators and report that information to the Department of Quality & Operations Improvement.

#### **Purpose of Medical Staff Evaluation**

- To appoint quality medical staff
- To monitor and evaluate medical staff performance

- To integrate medical staff performance data into the reappointment process and create the foundation for high quality care
- To provide periodic feedback and inform clinical department chairs of the comparative performance of individual medical staff
- To identify opportunities for improving quality of care

### Annual Evaluation

The Clinical Quality Management, Patient Safety & Service Plan is approved by the Leadership Council, the Medical Staff Administrative Committees, and the hospitals Boards on an annual basis. The annual evaluation includes a review of the program activities and an evaluation of the effectiveness of the structure.

## Attachment I: LCCOSS Priorities 2013-2014

### Key Result Area: Quality

- Reduce Quality & Safety Scorecard Events by 15%
  - Focus on Falls, DPU's, & Hospital Acquired Infections
- Improve in UHC Quality & Accountability ranking for health system risk-adjusted inpatient mortality to index of 0.67
- Achieve top decile in all Value Based Purchasing Clinical Indicators
- Hand Hygiene Compliance  $\geq$  90%

### Key Result Area: Productivity and Efficiency

- Achieve the UHC Top Quartile for 30 day readmission rates in Heart Failure and Knee/Hip Replacements
- Achieve the UHC Median for 30 day readmission rates in AMI, Pneumonia, and COPD

### Key Result Area: Service and Reputation

- Achieve and sustain top decile status by FY2015 for patient satisfaction HCAHPS Score 78%

### Key Result Area: Work Place of Choice

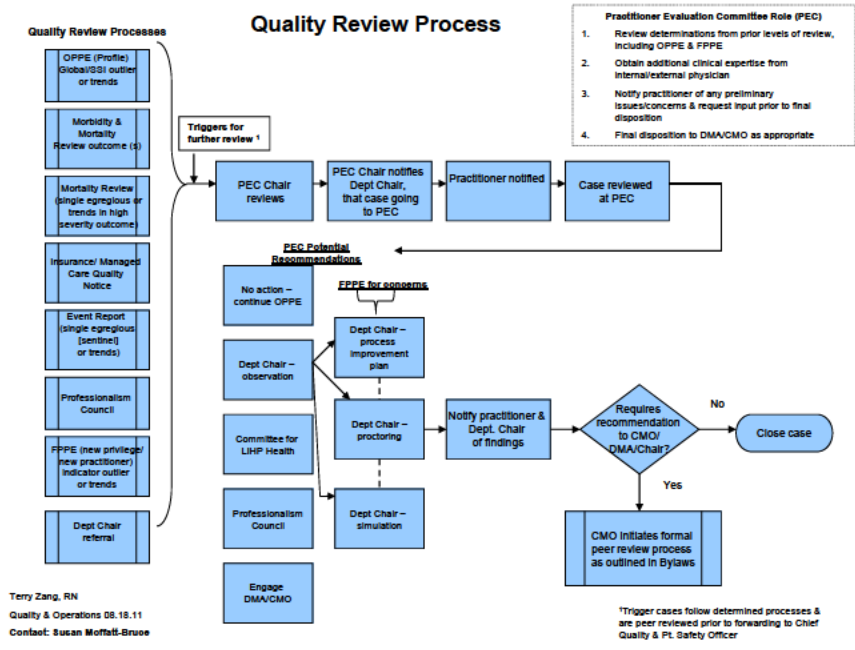
- Achieve 25% reduction in Employee Injuries

## Attachment II: Priority Criteria

The following criteria are used to prioritize clinical value enhancement initiatives to ensure the appropriate allocation of resources.

1. Ties to strategic initiatives and is consistent with hospital's mission, vision, and values
2. Reflects areas for improvement in patient safety, appropriateness, quality, and/or medical necessity of patient care (e.g., high risk, serious events, problem-prone)
3. Has considerable impact on our community's health status (e.g., morbidity/mortality rate)
4. Addresses patient experience issues (e.g., access, communication, discharge)
5. Reflects divergence from benchmarks
6. Addresses variation in practice
7. Is a requirement of an external organization
8. Represents significant cost/economic implications (e.g., high volume)

# Attachment III: Physician Performance Based Profile



August Board Meeting - Wexner Medical Center Board

Profile for member  
SERVICE INTERNAL MEDICINE-CARDIOVASCULAR MEDICINE  
Profile last viewed by Provider: Never

Status	Indicator	My Score	Peers Score	Target	SFC Alert	Current Period	9 Month Values		
							My Score	Peer Score	Start Month
<b>A - Volume and Acuity</b>									
	CMI	n/a	2.03	n/a		Q2 2013	No Data	1.97	Feb 2013
	IP Discharges	n/a	14.6	n/a		Q2 2013	No Data	14.0	Feb 2013
★ ▼	IP LOS Index (Obs_Exp Total Days)	0.83	1.06	1.00		Q1 2013	No Data	1.06	Feb 2013
▼	IP Procedures	4	42.7	n/a		Q2 2013	4	34.5	Mar 2013
▼	Observation Cases	0	1.86	n/a		Q2 2013	0	2.83	Feb 2013
▲	Outpatient Visits	189	107	n/a		Q2 2013	306	90	Feb 2013
<b>B - Patient Care</b>									
★	Autopsy Discrepancy	0	0.00	0		Q2 2013	0	1.00	Feb 2013
	Cath PCI Post-procedure AMI	No Data	1.1%	n/a		Q2 2013	No Data	1.2%	Mar 2013
	Cath PCI Retro-peritoneal Bleed	No Data	0.3%	n/a		Q2 2013	No Data	0.2%	Mar 2013
	CM - AMI_3 Aspirin Prescribed at Discharge	n/a	91.2%	100.0%		Q4 2012	No Data	No Data	No Data
	CM - AMI_3 ACEI or ARB for LVSD	n/a	24.6%	100.0%		Q4 2012	No Data	No Data	No Data
	CM - AMI_5 Beta Blocker at Discharge	n/a	87.7%	100.0%		Q4 2012	No Data	No Data	No Data
	CM - AMI_9 Inpatient Mortality	n/a	0.0%	0.0%		Q4 2012	No Data	No Data	No Data
	CM - HF_3 Evaluation of LVS Function	n/a	95.7%	100.0%		Q4 2012	No Data	No Data	No Data
	CM - HF_3 ACEI or ARB for LVSD	n/a	48.9%	100.0%		Q4 2012	No Data	No Data	No Data
	ICD Registry CVA	No Data	0.0%	n/a		Q1 2013	No Data	0.0%	Mar 2013
★ ▼	IP Mort Index (Obs_Exp)	0.80	0.60	0.79		Q1 2013	No Data	0.47	Feb 2013
—	Mortalities Reviewed	1	0.44	n/a		Q2 2013	1	1.57	Mar 2013
★	Mortalities Sent for Peer Review	0	8.14	6		Q2 2013	0	1.07	Feb 2013
★	Mortality Peer Review #1 Score 4 or 5	0	0.00	6		Q2 2013	0	No Data	No Data
★	Quality Management Events - Standard of Care Not Met	0	0.04	6		Q2 2013	0	1.14	Mar 2013
—	Related Re-admit 30 days	0.00%	3.34%	n/a		Q1 2013	No Data	3.10%	Feb 2013
	SSI CABG Procedures	No Data	0.0%	3.0%		Q2 2013	No Data	0.0%	May 2013
	SSI Pacemaker and AICD	No Data	9.6%	n/a		Q2 2013	No Data	0.0%	Apr 2013
<b>C - Medical and Clinical Knowledge</b>									
★	Formal Peer Reviews	0	0.00	0		Q2 2013	0	0.00	Feb 2013
<b>E - Interpersonal and Communication</b>									
★	Patient Complaints	0	0.02	0		Q2 2013	0	1.00	Mar 2013

Status	Indicator	My Score	Peers Score	Target	SPC Alert	Current Period	4 Month Values		
							My Score	Peer Score	Start Month
	Patient Satisfaction Ave Score	98.6%	91.9%	N/A		Q2 2013	99.2%	91.9%	Feb 2013
<b>G - Practice Based Learning and Improvement</b>									
	Surgical Team Safety Checklist Variance	0	0.00	0		Q2 2013	0	0.00	Feb 2013

Profile Generated: 09/04/2013 13:53:57  
Next Review Due: Aug 13, 2013

Reviewed By	Outcome	Notes
Jan 26, 2013 kramer	Maintain privileges without modification	The Provider's performance meets expectations

SPC Alert Legend

- Most recent period is below Lower Control Limit
- Most recent period is above Upper Control Limit
- Process shift: Most recent 8 periods are all above the Center Line
- Process shift: Most recent 8 periods are all below the Center Line
- Most recent 6 periods are all increasing
- Most recent 6 periods are all decreasing
- Green border: The alert is in a positive direction
- Red border: The alert is in a negative direction
- No border: There is no target direction for the indicator

For Practitioner Data only. This information is confidential per Ohio Revised Code Sec. 2305.24, 2305.25 and 2305.261 to 2305.263 and may not be shared, discussed or distributed outside of the quality or peer review process. If the reader of this communication is not an intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited.

This report is intended only for use in the treatment, payment and operations of the entity noted herein. It may contain legally privileged and/or confidential information. If you are not the intended recipient of the information or the person responsible for delivering the document to the intended recipient, you are hereby notified that any dissemination, distribution, printing or copying of this document is strictly prohibited.

## Attachment IV: Patient Safety Program

### Vision

To be the safest health system in the world.

### Goals

- Improve patient safety with full integration of key safety initiatives as evidenced by the Quality and Patient Safety Scorecard.
- Improve the culture of patient safety as evidenced by culture of safety survey results

### Our Culture of Patient Safety

- “Just Culture”
- Balance system/process issues with accountability for expected behaviors
- Responsible, Accountable and Fair
- Ownership and integrity
- Create a work environment that is open, honest and transparent

### Patient Safety Program Components

The patient safety program is a comprehensive plan comprised of initiatives in the following domains:

- Culture of safety
- Performance monitoring and improvement
- Regulatory and accreditation
- Event reporting
- Sentinel events
- Education
- Innovation
- Recognition

A Patient of Safety Culture Survey will be administered at a frequency determined by CQO and other Senior Leaders.



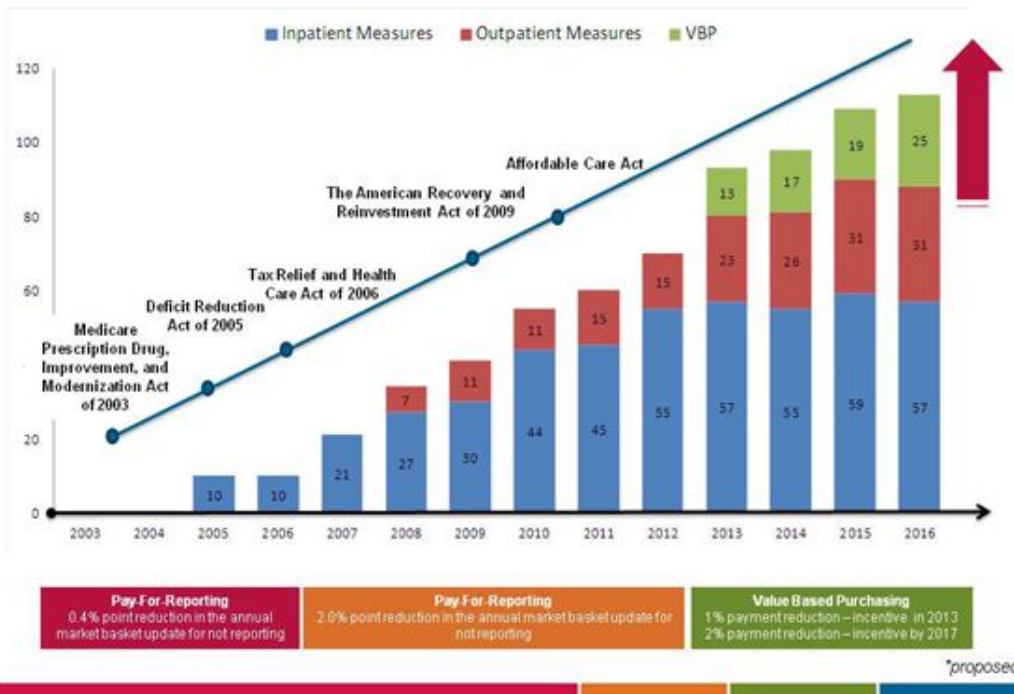
## Attachment V: External Reporting

### Quality Data & External Reporting?

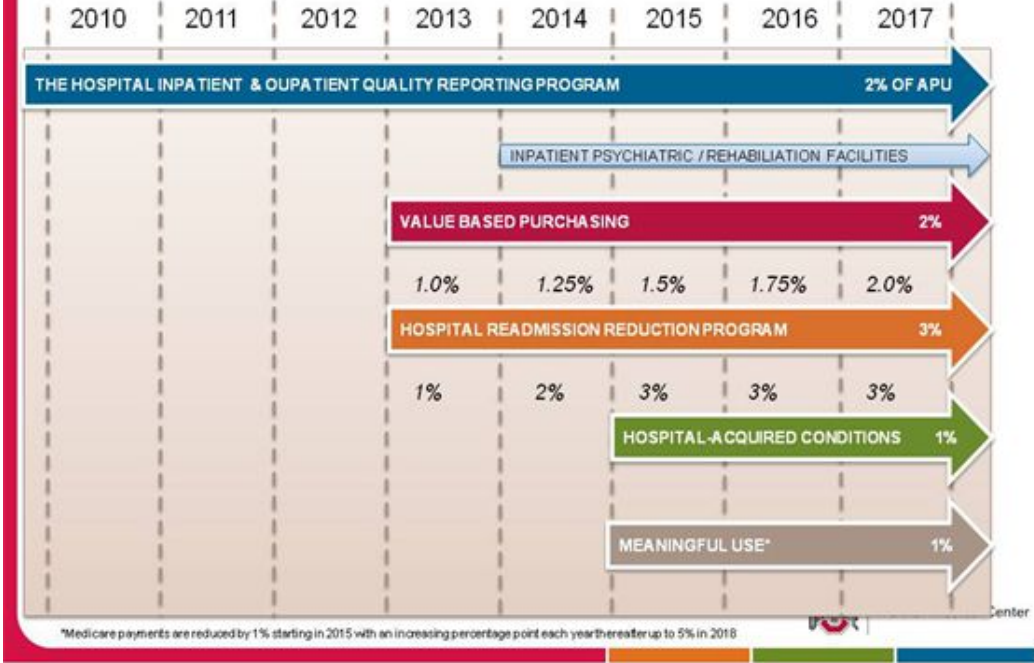
Regulatory/Public Data	Payers	Registries/ Benchmarking
<b>CMS</b>	Anthem	<b>STS</b>
<b>ODH</b>	United Healthcare	<b>ACC</b>
<b>TJC</b>	Aetna	GWTG
<b>Leapfrog</b>	Optum Health	Vermont Oxford
Franklin Co		NSQIP
NHSN/CDC		UHC
Oryx		BOLD
CARF		eRehab
		Coverdell
		SVS
		INTERMACS
		ELSO

**Red = Public Data**

### Timeline: CMS Quality Measures *Number of Measures*



# CMS Quality-Based Payment Initiatives



# Attachment VI: Quality and Safety Scorecard

## Current Scorecard Categories

Type of Event
Retained Foreign Bodies
Wrong Site Events
Medication Events with Harm (Severity E-I)
Falls with Harm (Injury Level 2-4)
Hospital Acquired Pressure Ulcer
Central Line Blood Stream Infections
Ventilator Associated Pneumonia
Hospital Acquired Surgical Site Infections
Hospital Acquired Clostridium Difficile Infection
Catheter Associated Urinary Tract Infections
<b>Total Potentially Avoidable Events</b>

**CLINICAL QUALITY MANAGEMENT, PATIENT SAFETY AND SERVICE PLAN**

**Arthur G. James Cancer Hospital**

Synopsis: Approval of the annual review of the Clinical Quality Management, Patient Safety and Service Plan for the Arthur G. James Cancer Hospital, is proposed.

WHEREAS the mission of the Wexner Medical Center is to improve people's lives through the provision of high quality patient care; and

WHEREAS the Clinical Quality Management, Patient Safety and Service Plan outlines assessment and improvement of processes in order to deliver safe, effective, optimal patient care and services in an environment of minimal risk for inpatients and outpatients of the Arthur G. James Cancer Hospital; and

WHEREAS the Clinical Quality Management, Patient Safety and Service Plan for the Arthur G. James Cancer Hospital was approved by the Quality and Professional Affairs Committee of the Wexner Medical Center Board on July 16, 2014 and is being recommended to the Wexner Medical Center Board for approval:

NOW THEREFORE

BE IT RESOLVED, That the Wexner Medical Center Board hereby recommends the attached Clinical Quality Management, Patient Safety and Service Plan for the Arthur G. James Cancer Hospital be recommended to the Board of Trustees for approval.



**The Ohio State University  
Comprehensive Cancer Center  
James Cancer Hospital and Solove Research Institute  
(OSUCCC-James)**

**LEADERSHIP COUNCIL  
for CLINICAL QUALITY, SAFETY AND SERVICE  
OSUCCC –James Quality & Patient Safety Committee**

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**Clinical Quality Management,  
Patient Safety, & Service Plan**

**2013-2014**

# Clinical Quality Management, Patient Safety and Service Plan

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# Clinical Quality Management, Patient Safety and Service Plan

## Definition

The Clinical Quality Management, Patient Safety and Service Plan of The Ohio State University Comprehensive Cancer Center and James Cancer Hospital/Solove Research Institute (referred to as the “OSUCCC-James Plan”) is the organization-wide approach to the systematic assessment and improvement of process design and performance. It integrates all activities defined in the Clinical Quality Management, Patient Safety & Service Plan to deliver safe, effective, optimal patient care and services in an environment of minimal risk.

## Program Scope

The OSUCCC-James Plan encompasses all of the James clinical services, including inpatient and outpatient areas. Through partnership activities with the Comprehensive Cancer Center (CCC), the plan also includes quality and patient safety goal(s) for process improvements related to functions that affect both the CCC and the James.

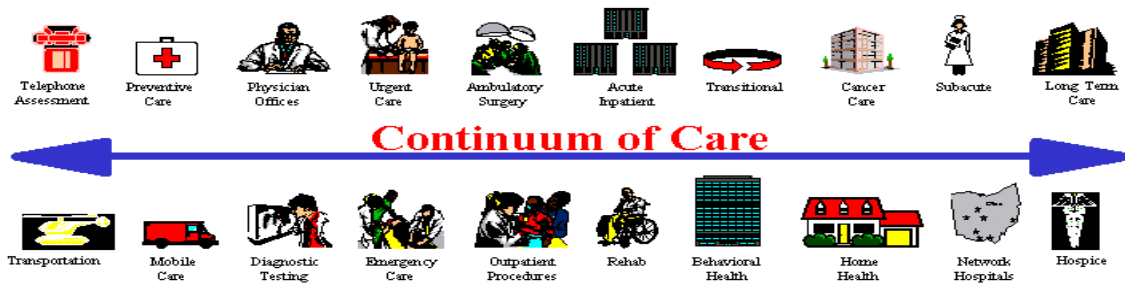
As a PPS exempt hospital that is the clinical care delivery arm of an NCI-designated Comprehensive Cancer Center, the James has a unique opportunity to offer value-added services and research expertise to its oncology patients, families and the community. As the OSUCCC-James continues to expand clinical and clinical research activities, it is anticipated that quality management, quality improvement and patient safety strategies will be instrumental in those improvement efforts.

### OSUCCC-James Mission:

To eradicate cancer from individuals’ lives by creating knowledge and integrating groundbreaking research with excellence in education and patient centered-care

### OSUCCC-James Vision:

Creating a cancer-free world. One Person, one discovery at a time.



Program Purpose

The purpose of the Clinical Quality Management, Patient Safety and Service Plan is to show measurable improvements in areas for which there is evidence they will improve health outcomes and value of patient care provided within OSUCCC- James and throughout the OSU Health System. The OSUCCC James and the OSU Health System recognizes the importance of creating and maintaining a safe environment for all patients, visitors, employees, and others within the organization.

Objectives

The primary objectives of the OSUCCC-James plan are to:

- 1) Continuously monitor, evaluate, and improve outcomes and sustain improved performance
- 2) Recommend reliable system changes that will improve patient care and safety by assessing, identifying, and reducing risks within the organization and responding accordingly when undesirable patterns or trends in performance are identified, or when events requiring intensive analysis occur
- 3) Assure optimal compliance with accreditation standards, state, federal and licensure regulations
- 4) Develop, implement, and monitor adherence to evidenced-based practice guidelines and companion documents in accordance with best practice to standardize clinical care and reduce practice variation
- 5) Improve customer satisfaction and their perception of treatment, care and services by identifying, evaluating, and improving performance based on their needs, expectations, and satisfaction

- 6) Improve value by providing the best quality of care at the minimum cost possible
- 7) Provide a mechanism by which the governance, medical staff and health system staff members are educated in quality management principles and processes
- 8) Provide appropriate levels of data transparency to both internal and external customers
- 9) Assure processes involve an interdisciplinary teamwork approach

### Structure for Quality Oversight

The Leadership Council for Clinical Quality, Safety & Service serves as the single, multidisciplinary quality and safety oversight committee for the OSU Health System. The Leadership Council (Attachment I) determines annual goals for the health system.

#### Roles and responsibilities

Clinical quality management, patient safety and service excellence are responsibilities of all staff members, volunteers, visitors, patients and their families.

#### Medical Center and James Operations Boards

The Medical Center Board is accountable to The Ohio State University Board of Trustees and the Medical Affairs Committee through the President and SVP for Health Sciences and is responsible for overseeing the quality of patient care throughout the Medical Center including the delivery of patient services, quality assessment, improvement mechanisms, and monitoring achievement of quality standards and goals.

The James Operations Board receives clinical quality management, patient safety and service excellence reports as scheduled, and provide resources and support systems for clinical quality management, patient safety and service functions, including medical/health care error occurrences and actions taken to improve patient safety. James Operations Board members receive information regarding the responsibility for quality care delivery or provision, and the Hospital's Clinical Quality Management, Patient Safety and Service Plan. The James Operations Board ensures all caregivers are competent to provide services.

#### Chief Medical Officer (CMO)

The CMO for the Medical Center is responsible for providing leadership and oversight of the implementation of the Clinical Quality Management, Patient Safety and Service Plan.

### **Chief Quality Officer (CQO)**

The CQO reports to the Medical Center CEO and provides oversight and leadership for the OSU Health System in the conceptualization, development, implementation and measurement of OSUHS's approach to quality, patient safety and adverse event reduction.

### **OSUCCC-James Physician-in-Chief**

The OSUCCC-James Physician-in-Chief reports to the CEO of The James Cancer Hospital and Solove Research Institute and the Director of the Comprehensive Cancer Center. The Physician-in-Chief provides leadership and strategic direction to ensure the delivery of high quality, cost effective health care consistent with the OSUCCC-James mission.

### **Medical Director/Director of Medical Affairs**

Each business unit's Medical Director is responsible to the appropriate Board for the implementation and oversight of the Clinical Quality Management, Patient Safety and Service Plan. Each Medical Director is also responsible for reviewing the recommendations from the Clinical Quality Management, Patient Safety and Service Plan.

### **Associate Medical Directors**

The Associate Medical Directors assist the CMO and CQO in the oversight, development, and implementation of the Quality & Safety Plan as it relates to the areas of quality, safety, evidence based medicine, clinical resource utilization and service.

### **Health System Chief Executive Officer (CEO)**

The Health System CEO is responsible to the Board for implementation of the Clinical Quality Management, Patient Safety and Service Plan.

### **Business Unit Associate Executive Directors**

The OSU Health System staff, under the direction of the Health System CEO and Hospital Administration, implements the program throughout the organization. Hospital Administration provides authority and supports corrective actions within its realm for clinical quality management, patient safety and service activities.

### **Clinical Department Chief and Division Directors**

Each department chairperson and division director is responsible for ensuring the standards of care and service are maintained within their department/division. In addition, department chairpersons/division director may be asked to implement recommendations from the Clinical Quality Management, Patient Safety and Service Plan, or participate in corrective action plans for individual physicians, or the division/department as a whole.

### **Medical Staff**

Medical staff members are responsible for achieving the highest standard of care and services within their scope of practice. As a requirement for membership on the medical staff, members are expected and must participate in the functions and expectations set forth in the Clinical Quality Management, Patient Safety and Service Plan. In addition members may be asked to serve on quality management committees and/or quality improvement teams

### **Nursing Quality**

The Chief Nursing Executive (CNE) provides leadership and oversight for the Nursing Quality Plan and the integration of this plan into the overall Clinical Quality Management & Patient Safety Nursing leadership and staff are active participants in the Leadership Council for Clinical Quality, Safety and Service and all other associated Committees outlined in this plan. Nursing staff are responsible for ensuring the delivery of world class personalized nursing care to patients and families. Nursing-related quality activities are integrated and aligned with Relationship Based Care, as well as the goals and tactics established by the LCCQSS.

### **Hospital Department Directors**

Each department director is responsible for ensuring the standards of care and service are maintained or exceeded within their department. Department directors are responsible for implementing, monitoring, and evaluating activities in their respective areas and assisting medical staff members in developing appropriate mechanisms for data collection and evaluation. In addition, department directors may be asked to implement recommendations from the Clinical Quality Management, Patient Safety and Service Plan or participate in corrective action plans for individual employees or the department as a whole. Department directors provide input regarding committee memberships, and serve as participants on quality management committees and/or quality improvement teams.

### **Health System Staff**

Health System staff members are responsible for ensuring the standards of care and services are maintained or exceeded within their scope of responsibility. The staff is involved through formal and informal processes related to clinical quality improvement, patient safety, and service excellence efforts, including but not limited to:

Suggesting improvements and reporting medical/health care errors

Monitoring activities and processes, such as patient complaints and patient satisfaction

Participating in focus groups

Attending staff meetings

Participating in efforts to improve quality, safety, and service

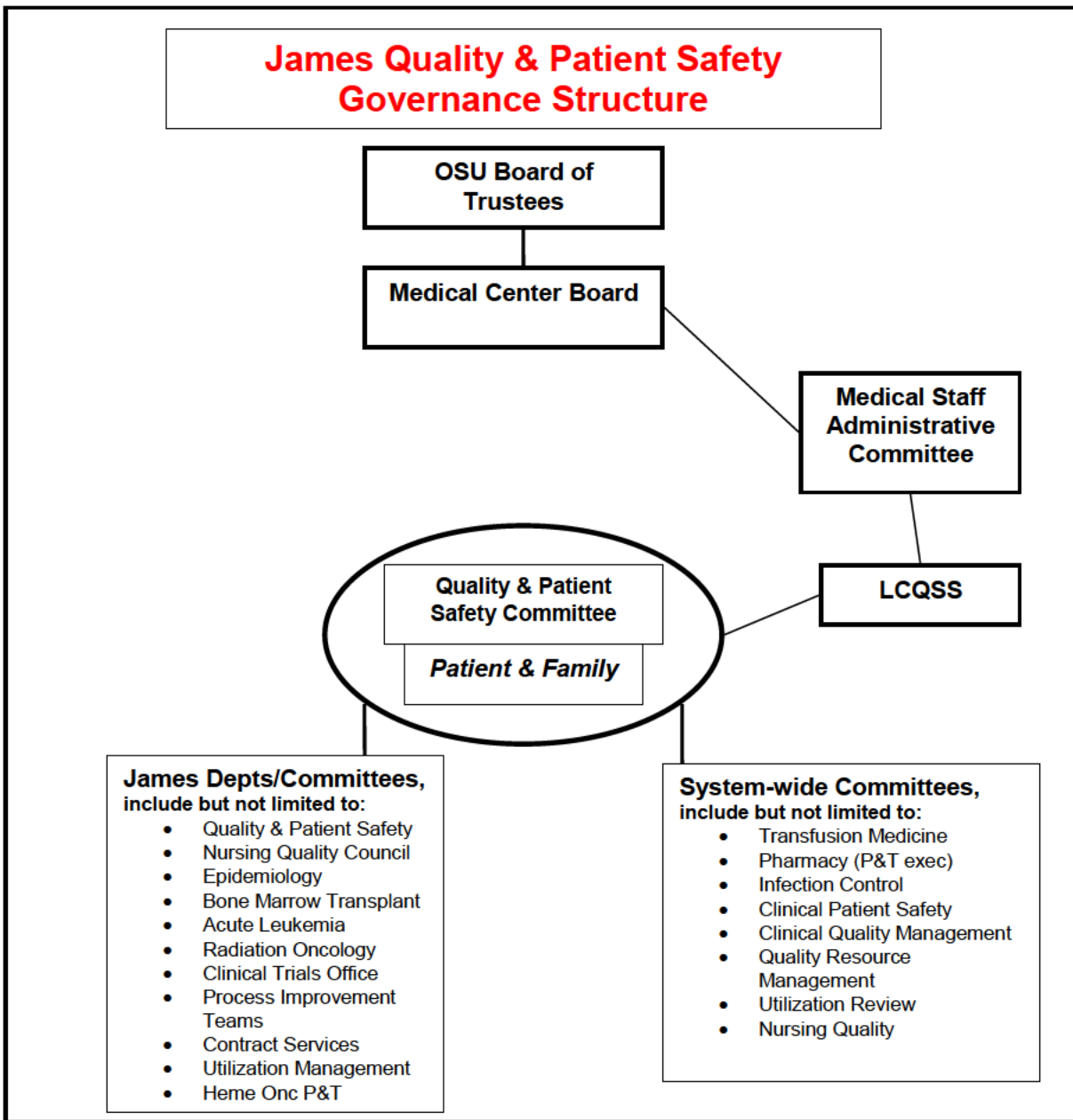
**Health System Quality and Operations Improvement Department**

The primary responsibility of the Quality and Operations Improvement (Q&OI) Department is to coordinate and facilitate clinical quality management, patient safety and service activities throughout the Health System. The primary responsibility for the implementation and evaluation of clinical quality management, patient safety and service activities resides in each department/program; however, the Q&OI staff also serves as an internal consultant for the development and evaluation of quality management, patient safety and service activities. The Q&OI Department maintains human and technical resources for team facilitation, use of performance improvement tools, data collection, statistical analysis, and reporting.

**Patient Experience Department**

The primary responsibility of the Patient Experience Department is to coordinate and facilitate a service oriented approach to providing healthcare throughout the Health System. This is accomplished through both strategic and program development as well as through managing operational functions within the Health System. The primary responsibility for the implementation and evaluation of service-related activities resides in each department/program; however, the Patient Experience staff also serves as an internal consultant for the development and evaluation of service quality activities. The Patient Experience Department maintains human and technical resources for interpreter services, information desks, patient relations, team facilitation, and use of performance improvement tools, data collection, statistical analysis, and reporting.





## **COMMITTEES:**

### **Medical Staff Administrative Committees (MSACs)**

*Composition: Refer to Medical Staff Bylaws and Rules and Regulations*

*Function: Refer to Medical Staff Bylaws and Rules and Regulations*

The organized medical staff, under the direction of the Medical Director and the MSAC(s) for each institution, implements the Clinical Quality Management, Patient Safety and Service Plan throughout the clinical departments.

The MSAC(s) reviews reports and recommendations related to clinical quality management, patient safety and service quality activities. This committee has responsibility for evaluating the quality and appropriateness of clinical performance and service quality of all individuals with clinical privileges. The MSAC(s) reviews corrective actions and provides authority within their realm of responsibility related to clinical quality management, patient safety and service quality activities.

### **Leadership Council for Clinical Quality, Safety and Service (LCCQSS)**

*Composition: Refer to Medical Staff Bylaws and Rules and Regulations*

*Function: Refer to Medical Staff Bylaws and Rules and Regulations*

The LCCQSS is responsible for designing and implementing systems and initiatives to enhance clinical care, outcomes and the patient experience throughout the integrated health care delivery system. The LCCQSS serves as the oversight council for the Clinical Quality Management and Patient Safety Plan as well as the goals and tactics set forth in the Health System Strategic Plan for Service Excellence.

### **Clinical Quality and Patient Safety Committee (CQPSC)**

*Composition:*

The CQPSC consists of multidisciplinary representatives from Hospital Administration, Medical Staff, Information Technology, Nursing, Pharmacy, Laboratory, Respiratory Therapy, Diagnostic Testing and Risk Management. An active member of the Medical Staff chairs the Committee. The committee reports to Leadership Council and additional committees as deemed applicable.

*Function:*

- 1) Create a safe environment, which promotes organizational learning related to patient safety and minimizes individual blame or retribution for involvement in a medical/health care error
- 2) Assure optimal compliance with patient safety-related accreditation standards.



- 3) Proactively identifies risks to patient safety and initiates actions to reduce risk with a focus on process and system improvement.
- 4) Oversees completion of proactive risk assessment as required by The Joint Commission (TJC).
- 5) Oversees education & risk reduction strategies as they relate to Sentinel Event Alerts from TJC.
- 6) Provides oversight for clinical quality management committees.
- 7) Evaluates and, when indicated, provides recommendations to improve clinical care and outcomes.
- 8) Ensures actions are taken to improve performance whenever an undesirable pattern or trend is identified.
- 9) Receive reports from committees that have a potential impact on the quality & safety in delivering patient care such as, but not limited to, Environment of Care committee, Health Safety Committee, Clinical IHIS Steering Committee, Value Based Clinical Transformation Committee, and Infection Prevention Committee.

### **Patient Experience Council**

#### *Composition:*

The Patient Experience Council consists of multidisciplinary representatives from across all settings. The Council is co-chaired by the Chief Nurse Executive for the Health System and a physician leader. The committee reports to the Leadership Council and reports out to additional committees as applicable. One of the goals of the Patient Experience Council is to ensure the organization maintains a patient- and family-centered approach.

#### *Function:*

- 1) Create a culture and environment that delivers an exceptional patient experience consistent with the OSU Medical Center's mission, vision and values focusing largely on service quality.
- 2) Measure and review voice of the customer information in the form of Patient and Family Experience Advisor program and related councils, patient satisfaction, comments, letters and related measures.
- 3) Monitor publicly reported and other metrics used by various payers to ensure optimal reimbursement.
- 4) Recommends system goals and expectations for a consistent patient experience.

- 5) Collaborates with other departments to reward and recognize faculty and staff for service excellence performance.
- 6) Provides guidance and oversight on patient experience improvement efforts ensuring effective deployment and accountability throughout the system.
- 7) Serves as a communication hub reporting out objectives and performance to the system.
- 8) Serves as a coordinating body for subcommittees working on specific aspects of the patient experience.

### **Evidence-Based Practice Committee (EBPC)**

#### *Composition:*

The EBPC consists of multidisciplinary representatives from Hospital Administration, Medical Staff, Information Technology, Pharmacy, and Nursing. An active member of the medical staff chairs the committee. The EBPC reports to LCCQSS and the OSU Hospitals Boards, and shares pertinent information with the Medical Staff Administrative Committees.

#### *Function:*

- 1) Develop and implement Health System-specific resources and tools to support evidence-based guideline recommendations and best practices to improve patient care processes, reduce variation in practice, and support health care education.
- 2) Develop processes to measure and evaluate use of guidelines and outcomes of care.

### **Clinical Resource Utilization Committee (CRUC)**

#### *Composition:*

The CRUC consists of multidisciplinary representatives from Hospital Administration, Medical Staff, Patient Care Resource Management, Financial Services, Information Technology, and Nursing. The Utilization Management Medical Director chairs the committee. CRUC reports to LCCQSS, Health System Coordinating Committee, The OSU Hospitals Boards, and shares pertinent information with the Medical Staff Administrative Committees.

#### *Function:*

- 1) Promote the efficient utilization of resources for patients while assuring the highest quality of care.
- 2) Direct the development of action plans to address identified areas of improvement.

- 3) Resolve or escalate barriers related to clinical practice patterns in the health care delivery system, which impede the efficient, appropriate utilization of resources.
- 4) Review patients for appropriate level of care (e.g., inpatient, observation, outpatient, extended care facility, etc.) and for the efficiency and effectiveness of professional services rendered (physician, nursing, lab, therapists).
- 5) Administration of the Utilization Management Plan.

*Key areas of focus:*

- LOS management
- Readmission management
- Medical necessity and appropriateness of level of care and related denial management.
- Availability and appropriateness of clinical resources and services
  - Availability of necessary services
  - Timeliness of necessary services
  - Appropriate use of necessary services

**Technology Assessment Committee (TAC)**

*Composition:*

The TAC is composed of multi-disciplinary representatives from the medical staff, hospital administration, Biomedical Clinical Engineering and Strategic Sourcing. TAC is chaired by the Director of Peri-operative Services and reports to the Clinical Resource Utilization Committee.

*Function:*

Evaluate and make decisions regarding the appropriate use and acquisition of new and existing technologies across The Ohio State University Health System.

*Key areas of focus:*

- Clinical benefits
- Financial impact
- Alignment with strategic plan

**Practitioner Evaluation Committee (PEC)**

*Composition:*

The Practitioner Evaluation Committee (PEC) is the PEER review committee that provides medical leadership in overseeing the PEER review process. The PEC is composed of the Chair

of the Clinical Quality and Patient Safety Committee physicians, and advanced practice licensed health care providers from various business units & clinical areas as appointed by the CMO & Director of Medical Affairs at the James.

*Function:*

- 1) Provide leadership for the clinical quality improvement processes within The OSU Health System.
- 2) Provide clinical expertise to the practitioner peer review process within The OSU Health System by thorough and timely review of clinical care and/or patient safety issues referred to the Practitioner Evaluation Committee.
- 3) Advise the CMO & Director of Medical Affairs at the James regarding action plans to improve the quality and safety of clinical care at the Health system.
- 4) Develop follow up plans to ensure action is successful in improving quality and safety

**Hospital Information Technology Steering Team (HISST)**

*Composition:*

The HISST is a multi-disciplinary group chaired by the Chief Medical Officer of The Ohio State University Health System.

*Function:*

The HISST oversees Information Technology technologies on behalf of The Ohio State University Health System. The committee is responsible for overseeing technologies and related processes currently in place, as well as reviewing and overseeing the replacement and/or introduction of new related policies and procedures. The individual members of the committee are also charged with the responsibility to communicate and receive input from their various communities of interest on relevant topics discussed at committee meetings.

**Sentinel Event Team**

*Composition:*

The OSU Health System Sentinel Event Team (SET) includes an Administrator, the Chief Medical Officer or his/her representative, the Chief Quality Officer, the Associate Executive Director, Quality & Safety, a member of the Physician Executive Council, representatives from Quality and Operations Improvement, Risk Management, and other areas as necessary.

*The Sentinel Event Determination Group (SEDG)*

The SEDG is a sub-group of the Sentinel Event Team and determines whether an event will be considered a sentinel event or near miss, assigns the Root Cause Analysis (RCA) Executive

Sponsor, RCA Workgroup Leader, RCA Workgroup Facilitator, and recommends the Workgroup membership to the Executive Sponsor. The Sentinel Event Team facilitator attends to support the members. The SEDG membership includes the CMO or designee, Director of Risk Management, and Quality Director of respective business unit for where the event occurred (or their designee).

*Sentinel Event Team Function:*

Approves & makes recommendations on sentinel event determinations and teams, and action plans as received from the Sentinel Event Determination Group, evaluates findings, recommendations, and approves action plans of all root cause analyses. The documentation created as a result of a sentinel event or near miss is not externally reported or released.

**Health System Clinical Quality & Patient Safety Sub-Committees Committees**

*Composition:*

For the purposes of this plan, Quality & Patient Safety Sub-Committees will refer to any standing committee or sub-committee functioning under the Quality Oversight Structure. Membership on these committees will represent the major clinical and support services throughout the hospitals and/or clinical departments. These committees report, as needed, to the appropriate oversight committee(s) defined in this Plan.

*Function:*

Serve as the central resource and interdisciplinary work group for the continuous process of monitoring and evaluating the quality and services provided throughout a hospital, clinical department, and/or a group of similar clinical departments.

**Process Improvement Teams**

*Composition:*

For the purposes of this plan, Process Improvement Teams are any ad-hoc committee, workgroup, team, taskforce, etc. that function under the Quality Oversight Structure and are generally time-limited in nature. Process Improvement Teams are comprised of owners or participants in the process under study. The process may be clinical (e.g. prophylactic antibiotic administration) or not clinical (e.g. appointment availability). Generally, the members fill the following roles: team leader, facilitator, physician advisor, administrative sponsor, and technical expert.

*Function:*

Improve current processes using traditional QI tools and by focusing on customer needs.

### **James Nursing Directors**

Each department director is responsible for ensuring the standards of care and service are maintained or exceeded within their department/division. In addition, department directors will collaborate on recommendations from the Nursing Quality Plan, or participate in action plans for improving nursing staff performance on key measures.

### **James nurse manager, nursing staff, and nursing quality improvement and patient safety department, and NQPS Council**

### **Nurse Managers**

Nurse Managers are responsible for assuring the delivery of safe, timely, efficient, high quality of care within their respective unit/department. Nurse Managers work with their staff, interdisciplinary directors and the CNO and other senior leaders in order to facilitate positive change and quality improvement at the unit/department level with interdisciplinary teams and ancillary departments.

### **James Hospital Staff**

Staff members are responsible for ensuring the standards of care and services are maintained or exceeded within their scope of responsibility. The staff is involved through formal and informal processes related to clinical quality improvement and patient safety efforts, including but not limited to:

Suggesting improvements and reporting medical/health care errors

Monitoring activities and processes, such as patient complaints and patient satisfaction  
Participating in focus groups

Attending staff meetings

Participating in efforts to improve quality, safety, and service excellence

### **OSUCCC- The James Quality and Patient Safety Quality & Patient Safety Committee (with support from the James Quality & Patient Safety Department)**

In partnership with the Health System Quality and Operations Improvement department, OSUCCC James Quality and Patient Safety Committee has the primary responsibility to coordinate and facilitate quality and patient safety activities throughout the James. The primary responsibility for the implementation and evaluation of quality and patient safety activities resides in each department/program; however, the Quality and Patient Safety department staff also serves as internal consultants for process improvement teams and patient safety activities. The Quality and Patient Safety Department maintains human and technical resources for team facilitation, use of performance improvement tools, data collection, statistical analysis, and reporting in support of quality and patient safety.

## OSUCCC – James Utilization Management Committee (UMC)

The OSUCCC – James UMC has responsibility for establishment and implementation of the James Utilization Management Plan. The UMC implements procedures for reviewing the efficient utilization of care and services, including but not limited to admissions, continued stays, readmissions, over and under-utilization of services, the efficient scheduling of services, appropriate stewardship of hospital resources, access and throughput and timeliness of discharge planning. The UMC collects and analyzes data to fulfill its responsibilities. Any quality or utilization opportunities identified by the UMC through utilization review activities will be acted upon by the committee or referred to the appropriate entity for resolution. The UMC provides education on care and utilization issues to all health care professionals and medical staff at the James.

### Approach to Quality, Safety & Service Management

The OSU Health System approach to clinical quality management, patient safety and service is leadership-driven and involves significant staff and physician participation. Clinical quality management, patient safety and service activities within the Health System are multi-disciplinary and based on the Health System’s mission, vision, values, and strategic plan. It embodies a culture of continuously measuring, assessing, and initiating changes including education in order to improve outcomes. The Health System employs the following principles of continuous quality improvement in its approach to quality management, patient safety and service.

#### Principles

The principles of providing high quality, safe care support the Institute of Medicine’s Six Aims of Care:

- Safe
- Timely
- Effective
- Efficient
- Equitable
- Patient-centered

These principles include:

Customer Focus: Knowledge and understanding of internal and external customer needs and expectations.

Leadership & Governance: Dedication to continuous improvement instilled by leadership and the Boards.

Education: Ongoing development and implementation of a curriculum for quality, safety & service for all staff, employees, clinicians, patients, and students.

Everyone is involved: All members have mutual respect for the dignity, knowledge, and potential contributions of others. Everyone is engaged in improving the processes in which they work.

Data Driven: Decisions are based on knowledge derived from data. Both data as numerator only, as well as ratios will be used to gauge performance.

Process Improvement: Analysis of processes for redesign and variance reduction using a scientific approach.

Continuous: Measurement and improvement are ongoing.

Just Culture: A culture that is open, honest, transparent, collegial, team-oriented, accountable and non-punitive when system failures occur.

Personalized Health Care: Incorporate evidence based medicine in patient centric care that considers the patient’s health status, genetics, cultural traditions, personal preferences, and values family situations and lifestyles.

Model

**Systematic Approach/Model to Process Improvement**

The OSU Wexner Medical Center embraces change and innovation as one of its core values. Organizational focus on process improvement and innovation is embedded within the culture through the use of a general Process Improvement Model that includes 1) an organizational expectation that the entire workforce is responsible for enhancing organizational performance, 2) active involvement of multidisciplinary teams and committees focused on improving processes and 3) a broad toolkit\* of process improvement methodologies and expert resources that provide the appropriate level of structure and support to assure the deliverables of the project are met with longer term sustainability.

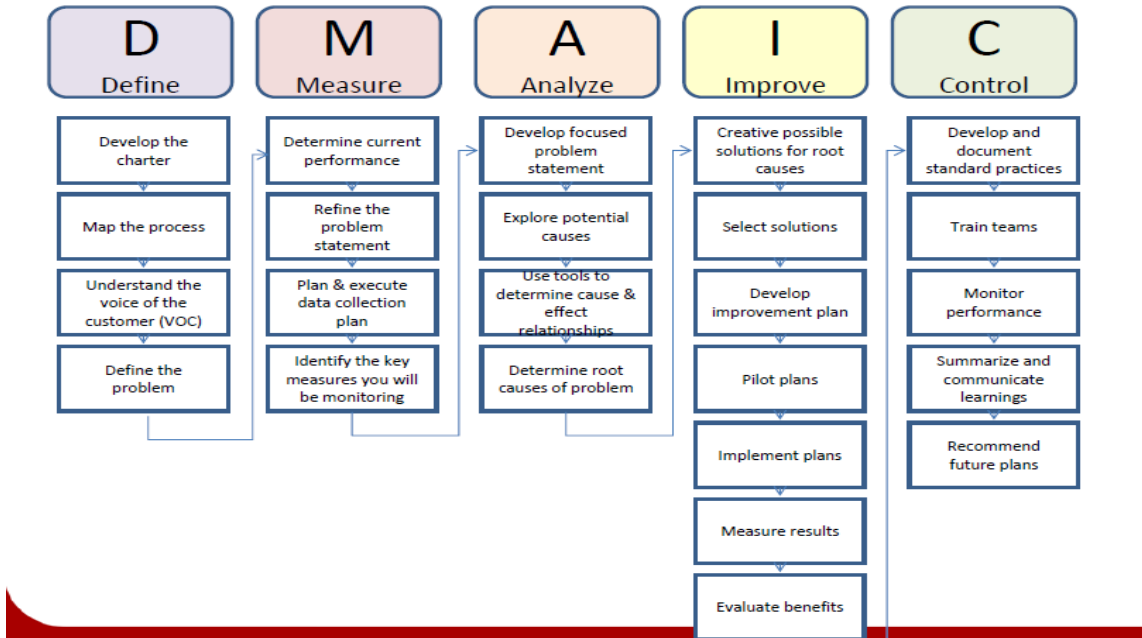
**The Process Improvement Toolkit\***

<b>Methodology</b>
PDCA
Rapid Cycle Improvement
DMAIC
Lean Principles

Recognizing the need for a systematic approach for process improvement, the health system has traditionally utilized the PDCA\*\* methodology. While PDCA has the advantage of being easily understood and applied as a systematic approach, it also has the limitation of not including a “control step” to help assure longer term sustainability of the process improvement. To address this need for additional structure at the end of the project, the DMAIC model\*\*\* was added to the toolkit. Although its use is still in the early phases of application across the health system, those areas that have trialed the model have found success. With the increased organizational emphasis on utilizing metric-driven approaches to reducing unintended medical errors, eliminating rework, and enhancing the efficiency/effectiveness of our work processes, the DMAIC methodology is instrumental as a tool to help focus our process improvement efforts.



## The DMAIC Roadmap



### Consistent Level of Care

Certain elements of The OSU Health System Clinical Quality Management, Patient Safety and Service Plan assure that patient care standards for the same or similar services are comparable in all areas throughout the health system:

- Policies and procedures and services provided are not payer driven.
- Application of a single standard for physician credentialing.
- Health system monitoring tools to measure like processes in areas of the Health System.
- Standardize and unify health system policies and procedures that promote high quality, safe care.

### Performance Transparency

The Health System Medical and Administrative leadership, working with the Boards, have a strong commitment to transparency of performance as it relates to clinical, safety and service performance. Clinical outcome, service and safety data are shared on the external OSUWMC website for community viewing. The purpose of sharing this information is to be open and

honest about OSUWMC performance and to provide patients and families with information they can use to help make informed decisions about care and services.

Performance data are also shared internally with faculty and staff through a variety of methods. The purpose of providing data internally is to assist faculty and staff in having real-time performance results and to use those results to drive change and improve performance when applicable. On-line performance scorecards have been developed to cover a variety of clinical quality, safety and service metrics. When applicable, on-line scorecards provide the ability to “drilldown” on the data by signature program, discharge service, department and nursing unit. In some cases, password authentication also allows for practitioner-specific data to be viewed by Department Chairs and various Quality and Administrative staff. Transparency of information is provided within the limits of the Ohio law that protects attorney –client privilege, quality inquiries and reviews, as well as peer review.

Confidentiality

Confidentiality is essential to the quality management and patient safety process. All records and proceedings are confidential and are to be marked as such. Written reports, data, and meeting minutes are to be maintained in secure files. Access to these records is limited to appropriate administrative personnel and others as deemed appropriate by legal counsel. As a condition of staff privilege and peer review, it is agreed that no record, document, or proceeding of this program is presented in any hearing, claim for damages, or any legal cause of action. This information is treated for all legal purposes as privileged information. This is in keeping with the Ohio Revised Code 121.22 (G)-(5) and Ohio Revised Code 2305.251.

Conflict of Interest

Any person, who is professionally involved in the care of a patient being reviewed, should not participate in peer review deliberations and voting. A person is professionally involved if they are responsible for patient care decision making either as a primary or consulting professional and/or have a financial interest (as determined by legal counsel) in the case under review. Persons who are professionally involved in the care under review refrain from participation except as requested by the appropriate administrative or medical leader. During peer review evaluations, deliberations, or voting, the chairperson takes steps to avoid the presence of any person, including committee members, professionally involved in the care under review. The chairperson of a committee should resolve all questions concerning whether a person is professionally involved. In cases where a committee member is professionally involved, the respective chairperson may appoint a replacement member to the committee. Participants and committee members are encouraged to recognize and disclose, as appropriate, a personal interest or relationship they may have concerning any action under peer review.

Determining Priorities

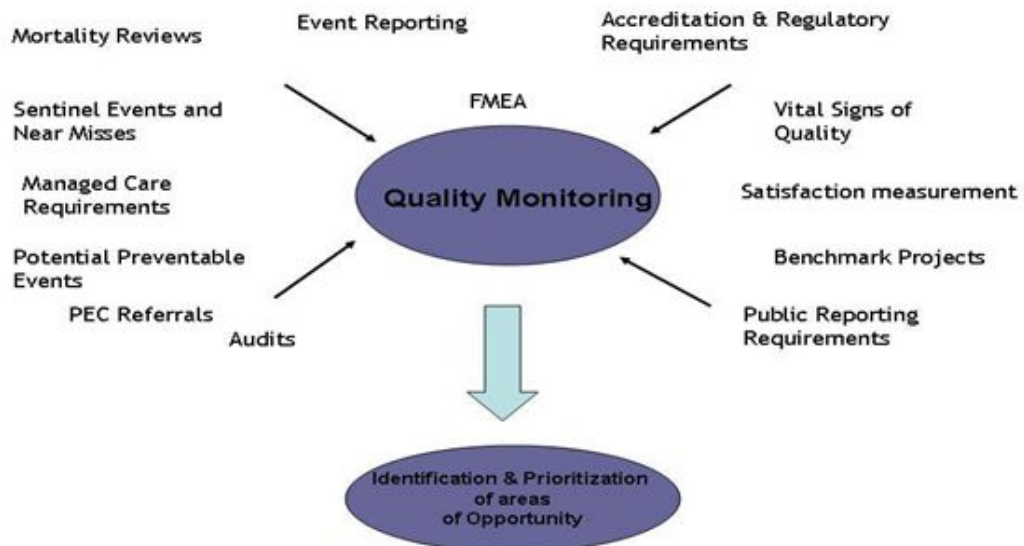
The OSU Health System has a process in place to identify and direct resources toward quality management, patient safety, and service excellence activities. The Health System's criteria are approved and reviewed by the Leadership Council and the hospitals Boards (Attachment III). The prioritization criteria are reevaluated annually according to the mission and strategic plan of the Health System. The leaders set performance improvement priorities and reevaluate annually in response to unusual or urgent events.

Data Measurement and Assessment

Determination of data needs

Health System data needs are determined according to improvement priorities and surveillance needs. The Health System collects data for monitoring important processes and outcomes related to patient care and the Health System's functions. In addition, each department is responsible for identifying quality indicators specific to their area of service. The quality management committee of each area is responsible for monitoring and assessment of the data collected.

**Quality & Safety Monitoring**



## External reporting requirements

There are a number of external reporting requirements related to quality, safety, and service. These include regulatory, governmental, payer, and specialty certification organizations. Attachment VI displays some examples of external organizations where quality, safety, and service data are reported.

## Collection of data

Data, including patient demographic and diagnosis, are systematically collected throughout the Health System through various mechanisms including:

- Administrative and clinical databases
- Retrospective and concurrent medical record review
- Reporting systems (e.g., patient satisfaction)
- Surveys (i.e., patients, families, and staff)

## Assessment of data

Statistical methods such as control charts, g-charts, confidence intervals, and trend analysis are used to identify undesirable variance, trends, and opportunities for improvement. The data is compared to the Health System's previous performance, external benchmarks, and accepted standards of care are used to establish goals and targets. Annual goals are established as a means to evaluate performance.

## Surveillance system

The Health System systematically collects and assesses data in different areas to monitor and evaluate the quality and safety of services, including measures related to accreditation and other requirements. Data collection also functions as a surveillance system for timely identification of undesired variations or trends in quality indicators.

## Vital Signs of Quality

Vital Signs of Quality (VSQ) are a health system-wide set of indicators related primarily to the following Key Result Areas (KRAs): Quality, Productivity, Efficiency and Service & Reputation. The VSQ are available to all faculty and staff via an on-line scorecard and are reviewed routinely by multiple committees including the hospital's Boards and various clinical quality management committees to identify areas for potential improvement. The indicators to be included in the VSQ are reviewed each year to represent the priorities of the quality and patient safety program.

### **Health System Quality & Safety Scorecard**

The Quality and Safety Scorecard is a set of health system-wide indicators related to those events considered potentially preventable. The Quality & Safety Scorecard covers the areas such as never events, sentinel events, infections, falls, decubitus ulcers, medication events, and several other categories. The information is shared in various Quality forums with staff, clinicians, administration, and the Boards. The indicators to be included in the scorecard are reviewed each year to represent the priorities of the quality and patient safety program.

### **Quality Notice Information**

The Quality Notice is distributed monthly to all clinical staff and key administrative leaders showing year-to-date performance for mortality index and 30 day readmission rate. The results are displayed for the health system and by hospital compared to targets established by the LCCQSS. Additionally, attending physicians are provided a link from the Quality Notice to an online report of their individual Mortality Index, Length of Stay Index, Readmission Rate, and Patient Satisfaction results.

### **Patient Satisfaction Dashboard**

The Patient Satisfaction dashboard is a set of health system-wide patient experience indicators gathered from surveys after discharge or visit to a system based clinic or hospital. The dashboard covers performance in areas such as physician communication, nursing responsiveness, pain management, admitting and discharging speed and quality in addition to many other service categories. The information is shared in forums with staff, clinicians, administration, including the Boards. Performances on many of these indicators serve as annual goals for leaders and members of clinical and patient experience teams.

### **Quality, Patient Safety, and Service Educational Information**

Education is identified as a key principle for providing safe, high quality care, and excellent service for our patients. There is on-going development and implementation of a curriculum for quality, safety and service for all staff, employees, clinicians, patients, and students. There are a variety of forums and venues utilized to enhance the education surrounding quality and patient safety including, but not limited to:

- On line videos
- Quality & Patient Safety Simulcasts
- News Letters
- Classroom forums
- Simulation Training
- Computerized Based Learning Modules (e-learning)

- Partnerships with IHI Open School
- Curriculum Development within College of Medicine
- Websites ( internal OneSource and external OSUMC)

### **Benchmark data**

Both internal and external benchmarking provides value when evaluating performance.

#### *Internal Benchmarking*

Internal benchmarking uses processes and data to compare OSUWMCs performance to itself over time. Internal benchmarking provides a gauge of improvement strategies within the organization.

#### *External Benchmarking*

The OSU Health System participates in various database systems and focused benchmarking projects to compare performance with that of peer institutions. The University HealthSystem Consortium, The US News Report, and the Ohio Department of Health are examples of several external organizations that provide benchmarking opportunities. OSUCCC also benchmarks against cancer consortiums such as C4QI and ADCC.

### **Design and evaluation of new processes**

New processes are designed and evaluated according to the Health System's mission, vision, values, priorities, and are consistent with sound business practices.

The design or re-design of a process may be initiated by:

- Surveillance data indicating undesirable variance
- Patients, staff, or payers perceived need to change a process
- Information from within the organization and from other organizations about potential risks to patient safety, including the occurrence of sentinel events
- Review and assessment of data and/or review of available literature confirm the need

### Performance Based Physician Quality & Credentialing

Performance based credentialing ensures processes that assist with promoting the delivery of quality and safe care by physicians and advanced practice licensed health care providers. Both Focused Professional Practice Evaluation (FPPE) and Ongoing Professional Practice Evaluation (OPPE) occur. Focused Professional Practice Evaluation (FPPE) is utilized on three

occasions: initial appointment, when a Privileged Practitioner requests a new privilege, and for cause when questions arise regarding the practitioner's ability to provide safe, high quality patient care. Ongoing Professional Practice Evaluation (OPPE) is performed on an ongoing basis (every 6 months).

**Profiling Process:**

- Data gathering from multiple sources
- Report generation and indicator analysis
- Profile review meetings with department chairs
- Discussion at Credentialing Committee
- Final Recommendation & Approval:
  - Medical Staff Administrative Committees
  - Medical Director
  - Hospital Board

**Service-Specific Indicators**

Several of the indicators are used to profile each physician's performance. The results are included in a physician profile (Attachment IV), which is reviewed with the department chair as part of the credentialing process.

The definition of service/department specific indicators is the responsibility of the director/chair of each unit. The performance of these indicators is used as evidence of competence to grant privileges in the re-appointment process. The clinical departments/divisions are required to collect the performance information related to these indicators and report that information to the Department of Quality & Operations Improvement.

The purpose of the medical Staff Evaluation is several-fold:

- To appoint quality medical staff
- To monitor and evaluate medical staff performance
- To integrate medical staff performance data into the reappointment process and create the foundation for high quality care
- To provide periodic feedback and inform clinical department chairs of the comparative performance of individual medical staff
- To identify opportunities for improving quality of care

Annual Evaluation

The Health System Quality Management, Patient Safety and Service Plan is approved by the Leadership Council, the Medical Staff Administrative Committees, and the hospitals Boards on an annual basis. The OSUCCC-James Quality Management, Patient Safety and Service Plan is approved by the OSUCCC-James Quality and Patient Safety Committee and the James Board. The annual evaluation includes a review of the program activities and an evaluation of the effectiveness of the structure.



# Attachment I

## LCCQSS Priorities 2013-2014

### **Key Result Area: Quality**

- Reduce Overall Quality & Safety Scorecard Events by 15%
- Improve UHC risk adjusted inpatient mortality index to 0.67
- Hand Hygiene Compliance  $\geq$  90%
- Achieve top decile in all Value Based Purchasing Clinical Indicators

### **Key Result Area: Productivity and Efficiency**

- Achieve the UHC Top Quartile for 30 day readmission rates in Heart Failure and Knee/Hip Replacements
- Achieve the UHC Median for 30 day readmission rates in AMI, Pneumonia, and COPD

### **Key Result Area: Service and Reputation**

- Achieve top decile status for patient satisfaction HCAHPS Score

### **Key Result Area: Workplace of Choice**

- Achieve 25% reduction in Employee Injuries

## Attachment II

### OSUCCC Priorities 2013-2014

- **Reduce Total Quality & Safety scorecard events (15%)**
- **Improve Discharge Process to Reduce Unplanned Readmissions**
- **Reduce Time to Clinical Trial Implementation ( $\leq 4$  months)**
- **Improve Medication Reconciliation Process**
- **Advanced Care Planning – Ambulatory**
- **Improve Pain Management Process**

## Attachment III

### Priority Criteria

The following criteria are used to prioritize clinical value enhancement initiatives to ensure the appropriate allocation of resources.

- 1) Ties to strategic initiatives and is consistent with hospital's mission, vision, and values
- 2) Reflects areas for improvement in patient safety, appropriateness, quality, and/or medical necessity of patient care (e.g., high risk, serious events, problem-prone)
- 3) Has considerable impact on our community's health status (e.g., morbidity/mortality rate)
- 4) Addresses patient experience issues (e.g., access, communication, discharge)
- 5) Reflects divergence from benchmarks
- 6) Addresses variation in practice
- 7) Is a requirement of an external organization
- 8) Represents significant cost/economic implications (e.g., high volume)

## Attachment IV

### Physician Performance Based Profile – SAMPLE

MIDAS+ Generated Profile: Profile: QM Profile				
Department				
Provider:				
Provider Service:				
Provider Specialty:				
Facility:				
Indicator	Oct-Dec 2010	Jan-Mar 2011	Total	Service
Total IP Discharges				
CMI				
Total Inpatient Procedures				
Total Outpatient Admissions				
Total Short Stay Admissions				
Total Quality Management Events				
Total Events Where Standard of Care Not Met				
FPPE Focus Reviews				
Autopsy Discrepancy				
Number mortalities reviewed				
Number of mortality cases sent for peer review				
Number of mortality cases with peer review score of 4 or 5				
Total Patient Complaints				
# of Surgical Team Safety Checklist Variances				



**Performance-Based Credentialing Profile**  
**Supplement to MIDAS generated profile report**

Includes profile indicators not present in the MIDAS data system.  
 Based Upon Patients Discharged Oct 2010 - Mar 2011

**Confidential**

Department: \_\_\_\_\_ Division: \_\_\_\_\_  
 Specialty: \_\_\_\_\_ Peer Group: \_\_\_\_\_  
 Facility: All  
 Provider: \_\_\_\_\_

<u>GLOBAL INDICATORS</u>	<u>Type</u>	<u>Physician</u>	<u>Peer Group</u>	<u>Flag</u>
IP Volume (as Attending)	(Total)			
Consult Volume	(Total)			
Mortality Obs Count	(Total)			
Mortality Obs Rate	(Rate)			Flag: >1.5 * Peer_Grp
Mortality Index (Obs / Exp)	(Ratio)		n/a	Flag: >= 0.70
31 Day Related Readmit Count	(Total)			
31 Day Related Readmit Rate	(Rate)			
IP LOS Obs Avg (Length Of Stay)	(Avg.)			
LOS Index (Obs / Exp)	(Ratio)		n/a	
Patient Satisfaction Survey Count	(Total)			
Patient Satisfaction Avg Score	(Avg)			

**TOP 10 DRG: LOS & MORTALITY**

**SERVICE SPECIFIC INDICATORS**

\_\_\_\_\_

**FINAL DISPOSITION OF ONGOING PROFESSIONAL PRACTICE EVALUATION**

- Maintain privileges without modification
- Modify privileges (see comments below)
- Privilege revocation recommended (see comment below)

Reviewer Comments/Action:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**ONGOING EVALUATION REVIEWED BY:**

\_\_\_\_\_  
 (Clinical Department Chair)

\_\_\_\_\_  
 (Date)

# Attachment V

## Patient Safety Program

### **Vision**

To be the safest health system in the world.

### **Goals**

- Improve patient safety with full integration of key safety initiatives as evidenced by the Quality and Patient Safety Scorecard.
- Improve the culture of patient safety as evidenced by culture of safety survey results

### **Our Culture of Patient Safety**

- “Just Culture”
- Balance system/process issues with accountability for expected behaviors
- Responsible, Accountable and Fair
- Ownership and integrity
- Create a work environment that is open, honest and transparent

### **Patient Safety Program Components**

The patient safety program is a comprehensive plan comprised of initiatives in the following domains:

- Culture of safety
- Performance monitoring and improvement
- Regulatory and accreditation
- Event reporting
- Sentinel events
- Education
- Innovation
- Recognition

A Patient of Safety Culture Survey will be administered at a frequency determined by CQO and other Senior Leaders.

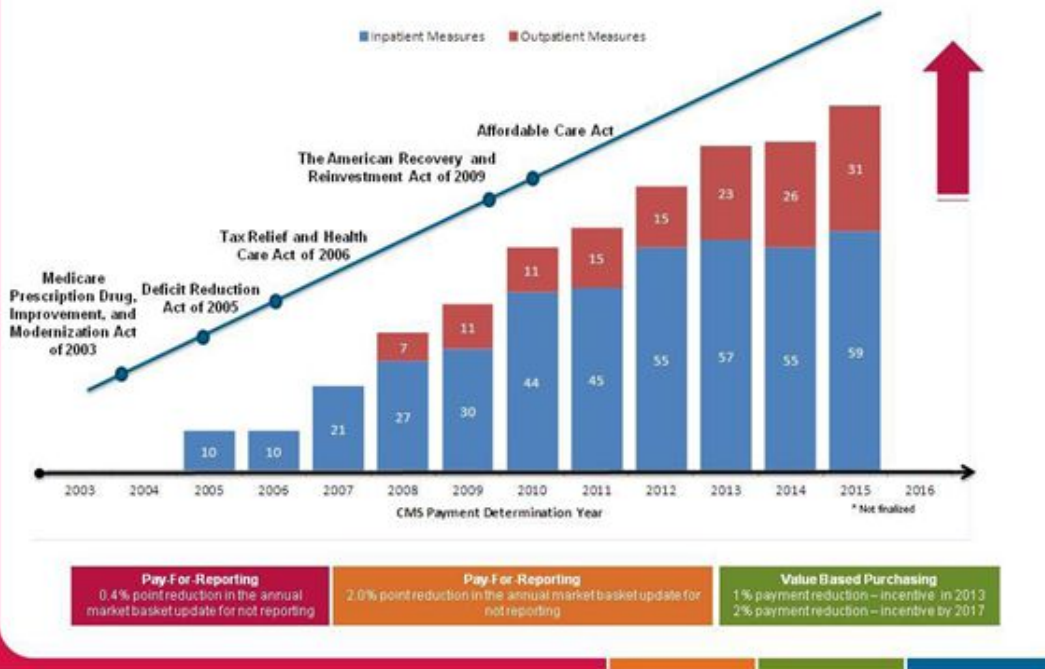
## Attachment VI

### Quality Data & External Reporting

Regulatory/ Public Data	Payers	Registries/ Benchmarking
<b>CMS</b>	Anthem	STS
<b>ODH</b>	Aetna	ACC
<b>JCAHO</b>	MMO	GWTG
<b>Leapfrog</b>	United Healthcare	Vermont Oxford
Franklin Co.	Cigna	NSQIP
NHSN		UHC
Oryx		BOLD
CARF		eRehab

Red = Public Data

### Timeline: CMS Quality Measures *Number of Measures*





## Attachment VII:

### Quality and Safety Scorecard

Type of Event
Retained Foreign Bodies
Wrong Site Events
Medication Events with Harm (Severity E-I)
Falls with Harm (Injury Level 2-4)
Hospital Acquired Pressure Ulcer
Central Line Blood Stream Infections
Ventilator Associated Pneumonia
Hospital Acquired Surgical Site Infections
Hospital Acquired Clostridium Difficile Infection
<b>Total Potentially Avoidable Events</b>

**WEXNER MEDICAL CENTER FISCAL YEAR 2015 BUDGET**

Synopsis: Approval of the Wexner Medical Center Budget Plan for the fiscal year ending June 30, 2015, is proposed.

WHEREAS the State of Ohio Biennial Budget for State Fiscal Years 2014 and 2015, including funding levels for State institutions of higher education, has been signed into law; and

WHEREAS the proposed 2015 Wexner Medical Center operating budget generates margins and cash flows sufficient to meet or exceed the Health System's three strategic financial targets; and

WHEREAS the President now recommends approval of the Wexner Medical Center Budget Plan for the fiscal year 2015 ending June 30, 2015:

NOW THEREFORE

BE IT RESOLVED, The Board of Trustees hereby approves that the Wexner Medical Center's Budget Plan for the fiscal year ending June 30, 2015, as described in pages 23-26 of the accompanying Fiscal Year 2015 Budget Plan Book, be approved, with authorization for the president to make expenditures within the projected income.

# The Ohio State University Wexner Health System

## FY 2015 Budget Overview

August 2014



# The Ohio State University Wexner Health System

## Operating and Financial Highlights

FOR THE YTD ENDING: JUNE 30, 2014

	ACTUAL	BUDGET	BUDGET % VAR	PRIOR YEAR	PY % VAR	ANNUAL BUDGET
Inpatient Admissions	57,024	57,747	-1.3%	56,592	0.8%	57,747
Patients in Beds including Obs Area	73,522	73,940	-0.6%	72,808	1.0%	73,940
Patient Discharges	56,913	57,480	-1.0%	56,462	0.8%	57,480
Total Surgeries	38,381	39,760	-3.5%	38,627	-0.6%	39,760
Outpatient Visits	1,593,519	1,460,775	9.1%	1,485,147	7.3%	1,460,775
ED Visits	117,977	120,713	-2.3%	118,280	-0.3%	120,713
Adjusted Admissions	104,719	104,289	0.4%	101,932	2.7%	104,289
Oper. Rev. / Adjust. Admit	\$ 20,294	\$ 20,266	0.1%	\$ 19,906	1.9%	\$ 20,266
Expense / Adj. Admit	\$ 18,207	\$ 18,270	0.3%	\$ 17,904	1.7%	\$ 18,270
(in millions)						
Operating Revenues	\$ 2,125.2	\$ 2,113.5	0.6%	\$ 2,029.1	4.7%	\$ 2,113.5
Total Expenses	\$ 1,906.6	\$ 1,905.4	-0.1%	\$ 1,825.0	4.5%	\$ 1,905.4
Gain from Operations	\$ 218.6	\$ 208.1	5.0%	\$ 204.1	7.1%	\$ 208.1
Excess Rev. Over Exp.	\$ 222.6	\$ 209.3	6.4%	\$ 205.2	8.5%	\$ 209.3
			Y/E Target			
Operating EBIDA Margin	14.4%	14.1%	14.1%	14.5%		
Days Cash on Hand	69.0	67.1	67.1	64.1		
Debt Service Coverage	6.1	5.8	5.8	6.7		

## The Ohio State University Wexner Health System Operating and Financial Highlights

FOR THE YTD ENDING: JULY 31, 2014

		ACTUAL	BUDGET	BUDGET % VAR	PRIOR YEAR	PY % VAR	ANNUAL BUDGET
Inpatient Admissions	↔	4,931	4,932	0.0%	5,107	-3.4%	58,621
Patients in Beds including Obs Area	↔	6,404	6,422	-0.3%	6,464	-0.9%	75,686
Patient Discharges	↑	4,922	4,894	0.6%	5,075	-3.0%	56,022
Total Surgeries	↑	3,296	3,196	3.1%	3,303	-0.2%	38,813
Outpatient Visits	↔	137,144	137,511	-0.3%	131,949	3.9%	1,655,294
ED Visits	↔	10,379	10,423	-0.4%	10,440	-0.6%	124,002
Adjusted Admissions	↑	9,204	9,041	1.8%	9,003	2.2%	108,577
Oper. Rev. / Adjust. Admit	↔	\$ 19,937	\$ 20,285	-1.7%	\$ 19,674	1.3%	\$ 20,485
Expense / Adj. Admit	↑	\$ 17,296	\$ 17,992	3.9%	\$ 17,427	0.8%	\$ 18,793
	(in millions)						
Operating Revenues	↑	\$ 183.5	\$ 183.4	0.1%	\$ 177.1	3.6%	\$ 2,224.2
Total Expenses	↑	\$ 159.2	\$ 162.7	2.1%	\$ 156.9	1.5%	\$ 2,040.5
Gain from Operations	↑	\$ 24.3	\$ 20.7	17.2%	\$ 20.2	20.2%	\$ 183.7
Excess Rev.Over Exp.	↑	\$ 24.5	\$ 20.8	17.6%	\$ 20.3	20.4%	\$ 185.1
				Y/E Target			
Operating EBIDA Margin	↑	17.1%	15.4%	14.1%	15.6%		
Days Cash on Hand	↑	75.3	74.8	72.0	68.1		
Debt Service Coverage	↑	7.1	6.4	4.3	8.3		

# Primary Assumptions - FY15 Budget

Factor	Assumptions & Explanation
Payor mix and price implications	Medicaid expansion providing some growth; no price increases
Admissions/outpatient visits	2.0% inpatient growth and 5.6% growth in outpatient visits
Surgeries	+1.5% inpatient; .5% outpatient
Case mix index	Constant year over year
Length of stay	No change
Total beds	Increase from 1,172 to 1,367 beds. 348 beds will open in the tower (72 ICU & 276 Med Surg). The existing James (160 beds) will be closed during backfill renovation and are planned to be available in FY2016

# Primary Assumptions - FY15 Budget (continued)

Factor	Assumptions & Explanation
Salary/wages	2% raises for employees earning less than \$250K
Pharma/drugs	Adjusting for volumes and new retail pharmacy – drug costs up 3.1%
Interest	Increase \$17.2M or 182%
Depreciation	Increase \$25.9M or 33%
Annual Capital Expenditures	\$68M
Medical Center Investments (cash transfers to the College of Medicine)	\$100M

# The OSU Wexner Health System 2015 Budget

(in thousands)

<b>OSU Health System</b>			
<b>Gain/Loss from Operations</b>	<b>Budget 2014</b>	<b>Actual 2014</b>	<b>Budget 2015</b>
<b>Gain/Loss from Operations before Allocations, Depreciation &amp; Interest</b>			
UH	\$182,305	\$192,038	\$177,810
Ross	\$53,699	\$55,355	\$56,781
James	\$269,817	\$270,198	\$288,788
East	\$36,047	\$42,163	\$42,607
Harding	\$4,817	\$4,989	\$3,249
Ambulatory	\$16,027	\$16,423	\$15,141
Physician Practices	(\$31,481)	(\$38,354)	(\$32,338)
Shared	(\$184,910)	(\$189,194)	(\$188,206)
Allocations, Deprec & Int	(\$138,203)	(135,026)	(\$180,131)
<b>Gain/Loss from Operations</b>	<b>\$208,117</b>	<b>\$218,591</b>	<b>\$183,700</b>
<b>OSU Health System</b>			
<b>Gain/Loss from Operations</b>	<b>Budget 2014</b>	<b>Actual 2014</b>	<b>Budget 2015</b>
UH	\$35,800	\$48,341	\$27,558
Ross	\$5,828	\$7,670	\$13,104
James	\$189,086	\$189,816	\$162,187
East	(\$4,361)	\$2,064	\$1,945
Harding	(\$1,423)	(\$1,601)	(\$3,331)
Ambulatory	\$7,125	\$7,428	\$7,678
Physician Practices	(\$24,001)	(\$30,370)	(\$25,439)
Shared	\$64	(\$4,757)	\$0
<b>Gain/Loss from Operations</b>	<b>\$208,117</b>	<b>\$218,591</b>	<b>\$183,700</b>



# The OSU Wexner Health System 2015 Balance Sheet

(in thousands)

	Actual 2013	Actual 2014	Budget 2015
<b>Balance Sheet</b>			
<b><u>Assets</u></b>			
Cash	\$ 306,410	\$ 346,638	\$ 373,626
Accounts Receivable & Other Current Assets	273,344	296,818	316,273
Property, Plant, Equipment - net of Depreciation	1,082,739	1,287,229	1,500,472
Other	89,591	185,411	74,608
<b>Total Assets</b>	<b>\$ 1,752,084</b>	<b>\$ 2,116,096</b>	<b>\$ 2,264,979</b>
<b><u>Liabilities &amp; Fund Balance</u></b>			
Current Liabilities	\$ 225,967	\$ 249,640	\$ 263,558
Debt	643,936	854,764	845,041
Fund Balance	882,181	1,011,692	1,156,380
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,752,084</b>	<b>\$ 2,116,096</b>	<b>\$ 2,264,979</b>

# Opportunities and Risks- FY15 Operating Plan

- Opportunities
  - Exceed savings targets and supply chain rapid re-pricing
  - Payor mix shift from bad debt/no pay to Medicaid due to Medicaid expansion in Ohio
  - Case mix index improves above planned levels
  - Improved collections associated with high deductible health plans
  - Research grants exceed planned levels
  - Reduce out of network medical costs for OSU Health Plan
- Risks
  - Cost overruns with the new hospital
  - Admissions in new hospital and University Hospital backfill
  - Higher than budgeted losses on high deductible plans
  - Loss of high volume surgeons
  - Philanthropy falls below planned levels

# Fiscal Year 2015 Operating Budget



**The Ohio State University**  
Office of Business and Finance  
Financial Planning and Analysis

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## Executive Summary

The Ohio State University continues to move forward to achieve its vision to be the world's preeminent public comprehensive university, solving problems of world-wide significance and, to fulfill our mission to advance the well-being of the people of Ohio and the global community through the creation and dissemination of knowledge. In order to meet this vision and mission the university has continued to work towards augmentation of traditional revenue streams and streamlining expenses while seeking to expand the revenue base in new and unique ways in order to invest in areas core to the university vision and mission.

As fiscal year 2014 draws to a close, the university remains financially strong. Tuition revenue is stable as student applications and enrollment continue to grow. However, there are a number of challenges that we must manage. State subsidy revenue continues to decline in real dollars. We anticipate continued pressure on government expenditures for research and student financial aid. The anticipation of nominal growth from traditional government revenue sources, coupled with our intent to maintain student affordability, create an imperative to continue to explore alternatives to traditional financial strategies. The university must also consider leveraging core assets into incremental revenue while continuing to explore non-traditional revenue opportunities. A strong focus on both revenue enhancement and expense streamlining is required to ensure that resources are in place to fund our strategic initiatives while maintaining a strong balance sheet.

### Vision

The Ohio State University will be the world's preeminent public comprehensive university, solving problems of world-wide significance.

The OSU Health System continues to strengthen its financial position in advance of the opening of the new James Cancer Hospital and Critical Care Tower (CCCT) scheduled for December, 2014. The fiscal year 2015 Health System budget meets aggressive targets to deliver improvements in profit margin, cash on hand and debt service ratios. Numerous expense control and productivity initiatives have been implemented or will be implemented during the course of fiscal year 2015. These measures are critical in order to manage operating risk associated with transitioning into the new facility and the uncertainty surrounding the impact of federal insurance exchanges and Medicare rate reductions.

We continue to explore new revenue opportunities in addition to the leased parking funding, century bond funding, and current affinity contracts. We continue to focus on our financial investment strategies, streamlining activities and procurement strategies in order to maximize the funding available to advance our goals of Teaching and Learning, Research and Innovation, Outreach and Engagement, and Resource Stewardship.

In fiscal year 2013 we invested \$483 million into our long-term investment pool as a result of leasing our parking operations to a third party. From the investment yield, we expect to distribute \$20-25 million per year to be used to fund faculty initiatives and research, transportation and sustainability, scholarships and invest in our university Arts District.

### Mission

We exist to advance the well-being of the people of Ohio and the global community through the creation and dissemination of knowledge.

This document presents The Ohio State University's Fiscal Year 2015 Budget for approval. The Budget is presented on a consolidated basis with the university and Health System also presented as unique

operating entities. This document also provides narratives on the overall budgeting process, and the key drivers of revenue and expenses budgeted for fiscal year 2015.

## STRATEGIC CONTEXT

The fiscal year 2015 budget is built upon the foundation of The Ohio State University strategic plan. The plan outlines four core goals, with a specific focus for investment across three discovery themes: Health and Wellness, Energy and Environment, Food and Production Safety.

### Core Goals

Four institution wide goals are fundamental to Ohio State’s mission and future success and must be reflected in all that we accomplish:

- **Teaching and Learning:** to provide an unsurpassed, student-centered learning experience led by engaged, world-class faculty and enhanced by a globally diverse student body.
- **Research and Innovation:** to create distinctive and internationally recognized contributions to the advancement of fundamental knowledge and scholarship and to solutions of the world’s most pressing problems.
- **Outreach and Engagement:** to establish mutually beneficial partnerships with the citizens and institutions of Ohio, the nation, and the world so that our communities are actively engaged in the exciting work of The Ohio State University.
- **Resource Stewardship:** to become the model for an affordable public university recognized for financial sustainability, unsurpassed management of human and physical resources, and operational efficiency and effectiveness.

#### Discovery Themes

**Health and Wellness:** will allow faculty from Ohio State’s seven health sciences colleges and the Wexner Medical Center to work with partners across the university in nutrition, social work, health education, and public policy, to cite but a few examples. These experts will focus on such issues as disease prevention, community health, and health systems.

**Energy and Environment:** will create an unprecedented interdisciplinary collaboration of experts spanning the university and touching upon every specialization to fully address issues related to energy and environment. By working with experts beyond the university, Ohio State faculty will lead the way in developing scientific and policy responses to the global need for energy and the associated effects on the environment.

**Food Production and Security:** will draw on Ohio State’s unique expertise in food, agricultural, and environmental sciences as well as the arts and sciences, health sciences, business, law, and beyond. Working with partners within and outside the university, these experts will focus on enhancing the quality of food and animal feed and ensuring an adequate.

### Discovery Themes at The Ohio State University

The university’s move to eminence will be founded in the university’s three discovery themes of **Health and Wellness**, **Food Production and Security**, and **Energy and Environment**. These themes are based on special, broad, and deep expertise across the university. Through these discovery themes, Ohio State will focus its resources and activities on finding durable solutions to issues of global as well as regional importance. The discovery themes are essential elements of Ohio State’s strategic planning. The initial area of focus for all three of the Discovery Themes will be data analytics.



August 29, 2014 [FISCAL YEAR 2015]

Data analytics is a process of collecting, organizing, integrating and examining vast amounts of information in order to extract insight. With today's increasingly large, complex, and diverse data sets, problem-solving is more data driven than ever. In this environment, the ability to find, analyze, and interact with these data will be the difference-maker in accelerating the pace of change—from disease prognosis to smart materials; from environmental mapping to sustainable energy systems; from bioinformatics to precision agriculture. As part of this focus, the university has established a new interdisciplinary undergraduate major in data analytics. This major was designed by the Colleges of Arts and Sciences, Engineering, Medicine and Fisher College of Business. With this new degree offering, Ohio State becomes the first university in the country to offer an undergraduate degree in data analytics.

Faculty from every college and all six campuses of the university will be encouraged to actively contribute to these discovery themes. Meanwhile, as these colleagues concentrate their efforts on the issues the discovery themes are meant to address, they and others will continue to advance our understanding of history and philosophy, languages and cultures, and the arts as they pursue excellence in our core goals. Our programs in medicine, agriculture, veterinary sciences, engineering, business and many other fields of study are rich and strong because they are grounded by excellence in the arts, humanities and physical as well as social sciences.

## Strategic Finance: Planning for Success

In recent years, we have launched a number of successful initiatives to increase the resources available to support the core academic mission. Revenue generation initiatives have included the establishment of unique partnerships and collaborations, such as the affinity agreements with organizations such as Huntington Bank and Nationwide Insurance; innovative financing strategies such as the issuance of \$500 million in century bonds; asset monetization strategies such as the 50-year parking concession agreement; and strengthening the endowment through diversification and value orientation strategies.

Going forward, The university must increasingly focus on generating additional revenue from traditional and innovative sources, including continued exploration of asset monetization opportunities, enhanced funding, continued exploration of public/private partnerships, technology commercialization and endowment growth.

We will also continue to build upon successful cost containment strategies that have included strategic procurement initiatives such as reducing the number of suppliers in our database; leveraging the buying power to negotiate more aggressively; implementing systems designed to improve operational efficiencies; lean process reengineering; and supporting the university's sustainability efforts by moving to paperless systems.

## Fiscal Year 2015 University Budget: Key Themes

The Fiscal Year 2015 Budget continues our commitment to hire 500 new tenure or tenure-track faculty by 2023 who will be specializing in disciplines that support the Discovery Themes. Start-up funding is also budgeted to assure that the university can hire the best faculty for our programs. The fiscal year 2015 budget includes a \$20 million investment in Data Analytics focused around Discovery Themes.

Fiscal year 2015 will be the second year of the State of Ohio's new funding model for higher education. The recommendations were developed by the Commission on Higher Education under the leadership of former President Gee. This new model emphasizes degree completion as the main driver for funding and course completions as secondary. It will also reward the ability of the university to retain the best and brightest in Ohio after graduation. The state has increased its pool of funding allocated to state colleges and universities by 1.6% in fiscal year 2015. The university continues to assess the impacts of the funding model change within the context of growth in distance education and other non-traditional programs across the state.

August 29, 2014 [FISCAL YEAR 2015]

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The budget also focuses on additional compensation for faculty and staff, increasing the institutionally funded financial aid for undergraduate students, supporting colleges with additional revenue generated from tuition dollars, funding for increased benefit costs and priority requests for support operations, all while assuring that general funds are balanced.

The Fiscal Year 2015 Budget Plan outlines important aspects of the university's financial strategy in the year ahead. The budget plan, coupled with our Annual Financial Report, presents our current financial state and our future opportunities and challenges. It illustrates our financial path for achieving our vision of being the world's preeminent public comprehensive university.



August 29, 2014 [FISCAL YEAR 2015]

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## Fiscal Year 2015 Budget: Financial Statements

The fiscal year 2015 budget includes a consolidated financial statement in addition to discrete financial statements for each of the following segments:

- **The Ohio State University**
- **The Ohio State University Health System**
- **The Ohio State University Physicians Practice Plan**

Given the operational differences between segments, we will provide narratives around the key drivers for each segment.

August 29, 2014 [FISCAL YEAR 2015]

## Consolidated Financial Statements

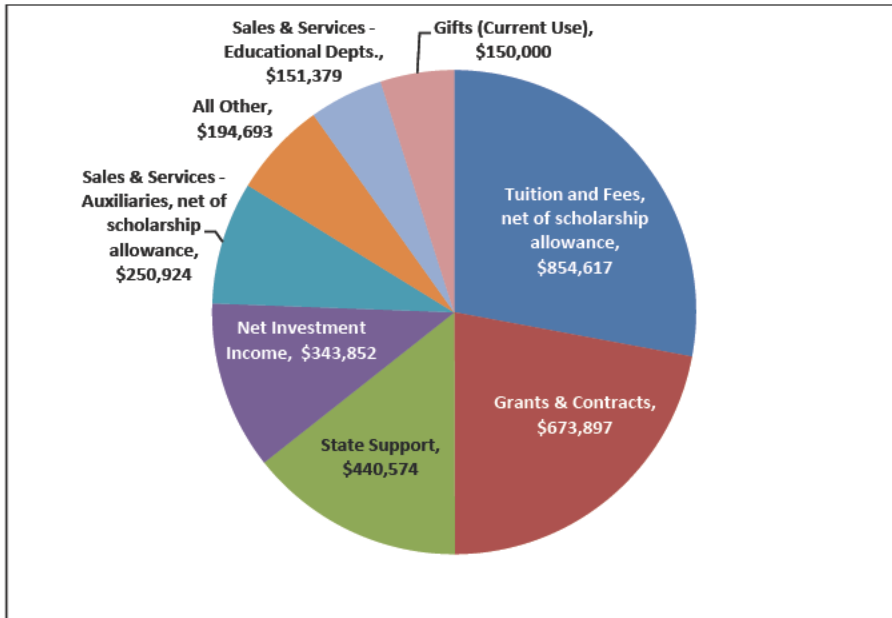
\$ in Thousands	Fiscal 2014		Fiscal 2015		\$ Change	% Change	
	Projected	Actual	Budget				
<b>Operating Revenues</b>							
Tuition and Fees, net of scholarship allowance	\$	830,864	\$	845,307	\$	14,443	1.7%
Grants & Contracts		673,874		673,897		22	0.0%
Sales & Services - Educational Departments		151,218		151,379		161	0.1%
Sales & Services - Auxiliaries, net of scholarship		236,577		250,924		14,347	6.1%
Sales & Services - Health System & OSUP		2,449,527		2,604,490		154,963	6.3%
Other Operating Revenues		46,594		46,594		0	0.0%
<b>Total Operating Revenues</b>	<b>\$</b>	<b>4,388,655</b>	<b>\$</b>	<b>4,572,591</b>	<b>\$</b>	<b>183,936</b>	<b>4.2%</b>
<b>Operating Expenses</b>							
Salaries	\$	2,295,369	\$	2,401,271	\$	105,902	4.6%
Benefits		679,624		723,169		43,545	6.4%
Fee Authorizations		155,338		163,314		7,976	5.1%
Student Aid		145,032		148,329		3,297	2.3%
Supplies & Other		1,428,635		1,494,768		66,134	4.6%
Depreciation		264,000		278,600		14,600	5.5%
<b>Total Operating Expenses</b>	<b>\$</b>	<b>4,967,998</b>	<b>\$</b>	<b>5,209,451</b>	<b>\$</b>	<b>241,453</b>	<b>4.9%</b>
<b>Operating Gain (Loss)</b>	<b>\$</b>	<b>(579,343)</b>	<b>\$</b>	<b>(636,861)</b>	<b>\$</b>	<b>(57,518)</b>	<b>9.9%</b>
<b>Non-Operating Revenues (Expenses)</b>							
State Share of Instruction	\$	355,287	\$	352,651	\$	(1,357)	-0.4%
State Line Item Appropriations		86,807		86,644		(162)	-0.2%
Non-Exchange Grants		74,765		76,272		1,508	2.0%
Gifts (Current Use)		149,412		150,000		588	0.4%
Net Investment Income		352,916		278,976		(9,064)	-2.6%
Interest Expense on Plant Debt		(79,050)		(76,401)		2,649	-3.4%
Other Non-Operating Revenues (Expenses)		5,000		-		(5,000)	-100.0%
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$</b>	<b>945,137</b>	<b>\$</b>	<b>868,143</b>	<b>\$</b>	<b>(76,994)</b>	<b>-8.1%</b>
<b>Net Transfers from OSU Health System</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>			
<b>Income Before Other Changes in Net Assets</b>	<b>\$</b>	<b>365,794</b>	<b>\$</b>	<b>231,282</b>	<b>\$</b>	<b>(134,512)</b>	<b>-36.8%</b>
<b>Other Changes in Net Assets</b>							
State Capital Appropriations	\$	40,165		45,000	\$	4,835	12.0%
Private Capital Gifts		8,530		15,000		6,470	75.9%
Additions to Permanent Endowments		46,338		51,000		4,662	10.1%
<b>Total Other Changes in Net Assets</b>	<b>\$</b>	<b>95,033</b>	<b>\$</b>	<b>111,000</b>	<b>\$</b>	<b>15,967</b>	<b>16.8%</b>
<b>Change in Net Assets</b>	<b>\$</b>	<b>460,827</b>	<b>\$</b>	<b>342,282</b>	<b>\$</b>	<b>(118,545)</b>	<b>-25.7%</b>

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## University Financial Statement (excluding Health System):

\$ in Thousands	Fiscal 2014		Fiscal 2015		\$ Change	% Change
	Projected	Actual	Budget			
<b>Operating Revenues</b>						
Tuition and Fees, net of scholarship allowance	\$	830,864	\$	845,307	\$ 14,443	1.7%
Grants & Contracts		673,874		673,897	22	0.0%
Sales & Services - Educational Departments		151,218		151,379	161	0.1%
Sales & Services - Auxiliaries, net of scholarship		236,577		250,924	14,347	6.1%
Other Operating Revenues		46,594		48,137	1,543	3.3%
<b>Total Operating Revenues</b>	<b>\$</b>	<b>1,939,128</b>	<b>\$</b>	<b>1,969,644</b>	<b>\$ 30,516</b>	<b>1.6%</b>
<b>Operating Expenses</b>						
Salaries	\$	1,318,907	\$	1,359,952	\$ 41,045	3.1%
Benefits		396,322		415,260	18,938	4.8%
Fee Authorizations		96,634		98,852	2,218	2.3%
Student Aid		145,032		146,344	1,312	0.9%
Supplies & Other		616,911		636,008	19,097	3.1%
Depreciation		188,200		194,800	6,600	3.5%
<b>Total Operating Expenses</b>	<b>\$</b>	<b>2,762,006</b>	<b>\$</b>	<b>2,851,216</b>	<b>\$ 89,210</b>	<b>3.2%</b>
<b>Operating Gain (Loss)</b>	<b>\$</b>	<b>(822,878)</b>	<b>\$</b>	<b>(881,573)</b>	<b>\$ (58,694)</b>	<b>7.1%</b>
<b>Non-Operating Revenues (Expenses)</b>						
State Share of Instruction	\$	355,287	\$	352,651	\$ (2,636)	-0.7%
State Line Item Appropriations		86,807		86,644	(162)	-0.2%
Non-Exchange Grants		74,765		76,272	1,508	2.0%
Gifts (Current Use)		149,412		150,000	588	0.4%
Net Investment Income		352,916		278,976	(73,940)	-21.0%
Interest Expense on Plant Debt		(79,050)		(76,401)	2,649	-3.4%
Other Non-Operating Revenues (Expenses)		5,000		-	(5,000)	-100.0%
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$</b>	<b>945,137</b>	<b>\$</b>	<b>868,143</b>	<b>\$ (76,994)</b>	<b>-8.1%</b>
<b>Net Transfers from OSU Health System</b>		82,155		70,284	(11,871)	-14.4%
<b>Income Before Other Changes in Net Assets</b>	<b>\$</b>	<b>204,414</b>	<b>\$</b>	<b>56,854</b>	<b>\$ (147,560)</b>	<b>-72.2%</b>
<b>Other Changes in Net Assets</b>						
State Capital Appropriations	\$	40,165		45,000	\$ 4,835	12.0%
Private Capital Gifts		8,530		15,000	6,470	75.9%
Additions to Permanent Endowments		46,338		51,000	4,662	10.1%
<b>Total Other Changes in Net Assets</b>	<b>\$</b>	<b>95,033</b>	<b>\$</b>	<b>111,000</b>	<b>\$ 15,967</b>	<b>16.8%</b>
<b>Change in Net Assets</b>	<b>\$</b>	<b>299,447</b>	<b>\$</b>	<b>167,854</b>	<b>\$ (131,593)</b>	<b>-43.9%</b>

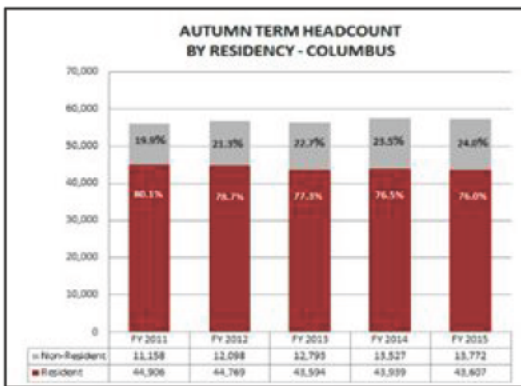
## University Revenue Sources



## Tuition and Fees

Gross tuition and fees, before scholarship allowance, are expected to increase by \$19 million, or 1.9%, to \$996 million. The increase is driven by both an increased mix of non-resident students and increased fees for fiscal year 2015. Undergraduate and graduate Masters/PhD instructional and mandatory fees will not increase in fiscal year 2015. Instructional fees for tagged masters and professional students are scheduled to increase 2.0%. For all student levels, the non-resident surcharge will increase 5.0% across most colleges.

The university is committed to maintaining tuition affordability. However, the limited increases are necessary to partially cover inflation and to provide continued investment in excellence within the core academic mission. Tuition and fees provide more than 70% of university revenue available to fund the core academic mission. The remaining 30% is largely provided through the State of Ohio instructional subsidy (SSI). SSI has continued to decline, when adjusted for inflation, in recent years.



**Enrollment** - The university continues to execute against the most recent Enrollment Plan, which was implemented in fiscal year 2012, to increase the quantity, quality and diversity of the student body. The Plan has been successful in meeting those objectives and in providing higher levels of new students to offset the temporary decline in existing students due to semester conversion in fiscal year 2013. Enrollment has since stabilized and enrollment for fall 2014 (fiscal year 2015) is expected to be essentially flat versus fiscal year 2014. With many students taking advantage of the free credit hour option in May term, summer revenue-generating enrollments and credit hours continue to lag behind pre-conversion levels.

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**STUDENT ENROLLMENT FOR AUTUMN TERM**  
AUTUMN FY 2011 - FY 2015

Headcounts	2011	2012	2013	2014	2015	1 YR	1 YR	5 YR
						Chg	% Chg	% Chg
Columbus	56,064	56,867	56,387	57,466	57,379	-87	-0.2%	2.3%
Lima	1,530	1,306	1,131	1,077	1,036	-41	-3.8%	-32.3%
Mansfield	1,405	1,388	1,265	1,204	1,204	0	0.0%	-14.3%
Marion	1,816	1,525	1,273	1,259	1,161	-98	-7.8%	-36.1%
Newark	2,562	2,677	2,390	2,315	2,325	10	0.4%	-9.3%
ATI	700	666	612	643	656	13	2.0%	-6.3%
<b>Grand Total</b>	<b>64,077</b>	<b>64,429</b>	<b>63,058</b>	<b>63,964</b>	<b>63,761</b>	<b>-203</b>	<b>-0.3%</b>	<b>-0.5%</b>

Regional campuses, which account for 10% of the university's enrollment, continue to be negatively impacted by several factors including the semester conversion, continued poor economic conditions in the communities they serve, the decreasing number of high school graduates and the competition from community and technical colleges. As a result, fiscal year 2015 enrollments are projected to decline an average of 1.8% over fiscal year 2014 levels.

**Undergraduate Fees** - Resident instructional fees will not increase in fiscal year 2015 at all of the Ohio State campuses. Also, the general and mandatory fees, including the recreation fee, student activity, student union facility fee, and COTA bus fee will again not change in fiscal year 2015.

**Graduate and Professional Fees** - Masters and PhD instructional fees will not increase in fiscal year 2015. Some graduate and professional students pay a higher or differential instructional fee based principally on market demand and market pricing. Revenue generated from these increases is earmarked to support the graduate and professional programs that generate the fee income. Most differential fees are expected to increase 2%, while some are budgeted to increase between 3% and 6% in fiscal year 2015.

**Non-Resident Surcharges** - Effective Autumn term fiscal year 2015, the non-resident surcharge will increase 5.0% for most undergraduate, graduate, and most professional programs at each campus. Exceptions to this include the Colleges of Law and Optometry, which will see no increase, four graduate business programs, an on-line FAES program and an on-line Engineering Program that charge a flat non-resident surcharge.

**Program, Technology, and Other Fees** - Several colleges and academic programs have established additional fees to support specific programs and initiatives. These include program fees designed to provide financial support for specific programs, technology fees, international student fees, and course fees and distance education fees.

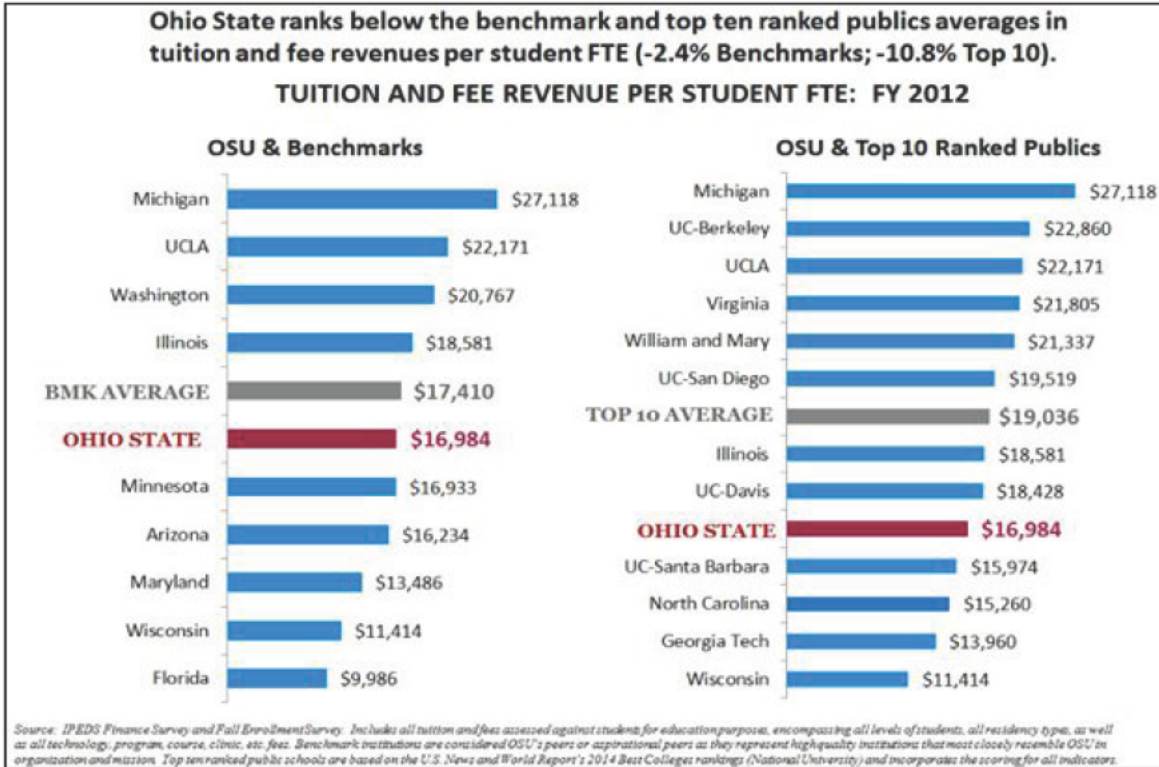
**Comparison with Selective Ohio Peers** - Among Ohio's public universities, Ohio State ranks highest in academic reputation, yet has the second lowest undergraduate student fees among Ohio's six public four-year universities with selective admissions. Given the continued commitment to keep tuition affordable by not raising resident undergraduate rates in the 2014-15 academic year, Ohio State will continue to have one of the lowest student fees among the selective public institutions. This makes Ohio State an excellent value for students and taxpayers.

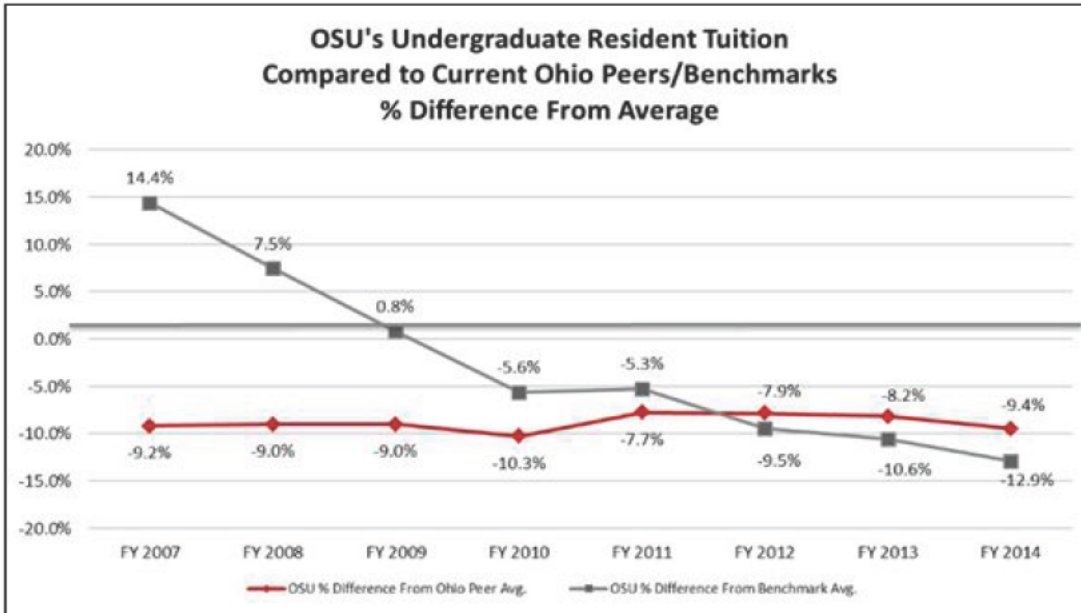
<b>UNDERGRADUATE RESIDENT FRESHMEN TUITION &amp; FEES - AY 2014 &amp; AY 2015</b>				
<b>FULL-TIME RATES FOR OHIO SELECTIVE PEER INSTITUTIONS</b>				
Ohio Peer	US News Rank*	2014	2015 (Est.)	% Change
Miami	71	\$13,748	\$14,015	1.9%
Cincinnati	117	\$10,784	\$11,000	2.0%
Ohio University	101	\$10,446	\$10,602	1.5%
Bowling Green	166	\$10,590	\$10,590	0.0%
<b>Ohio State</b>	<b>33</b>	<b>\$10,037</b>	<b>\$10,037</b>	<b>0.0%</b>
Kent State	182	\$9,816	\$10,012	2.0%
Average		\$10,903	\$11,043	1.3%

Sources: Ohio Board of Regents Fall Survey of Student Charges (AY 2014); campus representatives and campus websites (AY 2015). FY 2014 Tuition and Fees are the published institution rate for resident new freshmen.  
\*UG Academic Reputation Rank (formerly known as the Peer Assessment Rank) is based on scores from the U.S. News and World Report's 2014 Best Colleges Rankings.



**Comparison with Benchmarks and Top Public Schools** - In comparing Ohio State with our peer institutions on tuition and fees (latest data available is fiscal year 2012), revenues per student FTE were 2.4% below the average of OSU's benchmark institutions and 10.8% below the top 10 ranked public institutions' average.





Sources: AAUDE, IPEDS, & Ohio Board of Regents

Again, even among other highly ranked institutions across the nation, Ohio State continues to be an excellent value for students.

### State Share of Instruction (SSI)

The SSI allocation is the State of Ohio's primary funding support for enrollments and degree completions at its colleges and universities. SSI funds campuses on the basis of several criteria including successful course completions, indexed by financially and academically at-risk students, degree completions with added funding for degree completions by at-risk students, research activity, and a number of other criteria intended to advance the goals of the State.

In total, the State is appropriating approximately \$1.82 billion for SSI in fiscal year 2015, an increase of \$28.5 million or 2% over fiscal year 2014. In total the university will receive \$354 million in SSI funding for fiscal year 2015. This is roughly \$1.4 million below fiscal year 2014; driven by the reduction in State stop-loss funding for regional campuses.

In the fall of 2012, Governor Kasich asked former President Gee to chair a committee comprised of the presidents from Miami University, Ohio University, Wright State University, and Shawnee State University to recommend changes to the State Share of Instruction (SSI) formula to better align it with the goals of the state. The committee was tasked with finding ways to use the formula to support the following objectives:

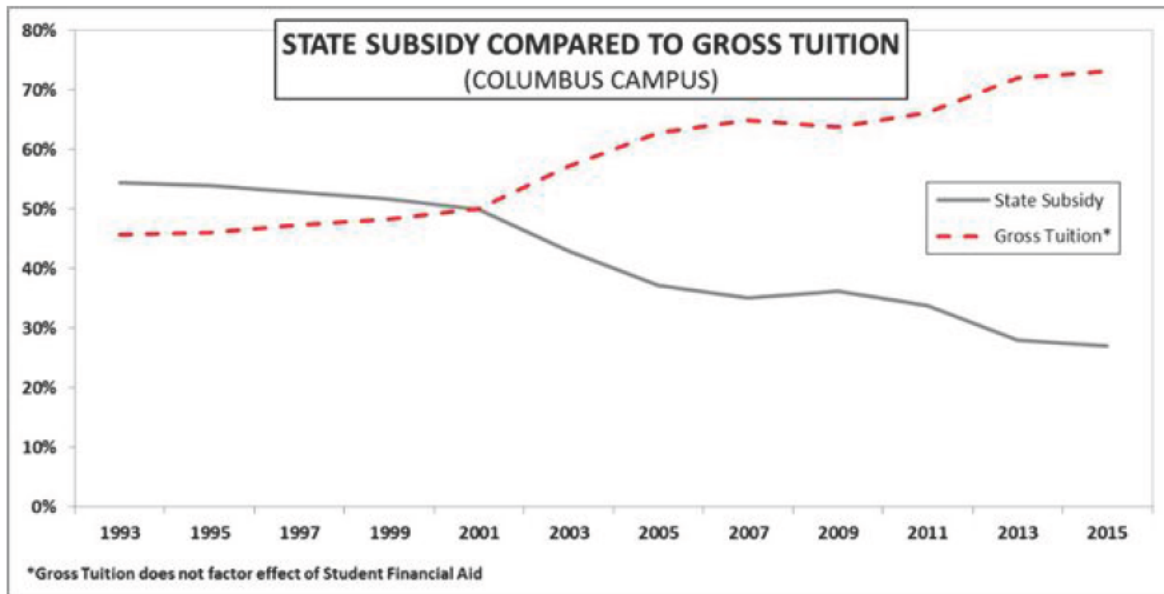
- Increase participation rates
- Encourage the best and brightest to attend
- Improve graduation rates
- Make higher education more affordable
- Graduate students with the skills they need
- Encourage graduates to stay in Ohio



In fiscal year 2014, the first year of implementation, the formula shifted to rewarding degree recipients, adopted a universal three year average as the basis of calculation for the distribution of the allocations, adopted STEM weights to degree completions, and removed the re-allocation of funds from campuses to those whose allocations had dropped below a certain threshold.

In fiscal year 2015 the formula will combine the regional campus allocations with the main campuses, award proportional degree credits for transfer students, award associate degree credits for all campuses, and implement degree credits for out of state graduates that remain in the state. In the next biennium the formula will remove all remaining earmarks currently in the formula.

The university is assessing the impact of the funding changes on its campuses and is engaged in discussion with the Interuniversity Council of Ohio and the Board of Regents on ways that the funding formula can better meet the needs of the State.



### State Line Item Support

In addition to SSI funding, the university also receives funding directed to specific purposes. In fiscal year 2015 the university expects to receive \$ 86.6 million in line item funding. This is roughly flat to our fiscal year 2014 projections.

In total SSI and line item support to the university are expected to be down \$1.5 million from fiscal year 2014. On an inflation-adjusted basis, State funding per resident student continues to trail historical levels.

### Capital Appropriations

The university also receives capital appropriations from the state to improve the physical infrastructure of the university. The state capital budget process occurs in the off years from the state budget process. The fiscal year 2015-16 capital process allocated approximately \$99.2 million to the university, of which approximately \$45 million is expected to be received in fiscal year 2015 and will be used to fund such projects as the renovations of Oxley and Pomerene Halls to support Discovery Theme recruitment, renovations at the regional campuses and other infrastructure projects.

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## Grants and Contracts

For fiscal year 2015, revenue from grants and contracts is planned at \$674 million, essentially flat from the fiscal year 2014 forecast. Grants and contracts revenue is administered in two ways: recorded by individual units in segregated grants and contracts funds, or as sponsored projects administered by the Office of Sponsored Projects.

Of the \$674 million, \$487 million is administered by the Office of Sponsored Projects and \$187 million is administered directly by colleges and support units. Projects administered by the Office of Sponsored Projects typically have more stringent process and documentation requirements than projects that are directly administered through the colleges and support units.

## Sponsored Research Programs

The university secures funding for sponsored research programs from a variety of external sources. External grants are awarded by federal, state and local agencies along with private foundations and corporate sponsors. Revenue for sponsored research programs administered by the Office of Sponsored Projects is expected to decrease slightly by \$3 million, from \$490 million projected in fiscal year 2014 to a budget of \$487 million in fiscal year 2015. This is due primarily to decreased governmental funding and elimination of ARRA funds.

The sponsored research revenues discussed above include facilities and administrative (F&A) recoveries which are projected to be \$99 million, a \$2 million, or 1.5%, decrease from fiscal year 2014 levels. F&A costs are recovered from most sponsored programs to offset the cost of maintaining the physical and administrative infrastructure that supports the research enterprise at the university. Because some direct cost expenditures do not recover F&A, direct and indirect cost expenditures do not necessarily align when comparing expected revenue streams.

Agencies differ in how they award funds to the university. Some sponsors will provide all spending authority at the beginning of a multi-year award whereas others tend to fund in annual increments; therefore, awards and expenditures do not necessarily track together.

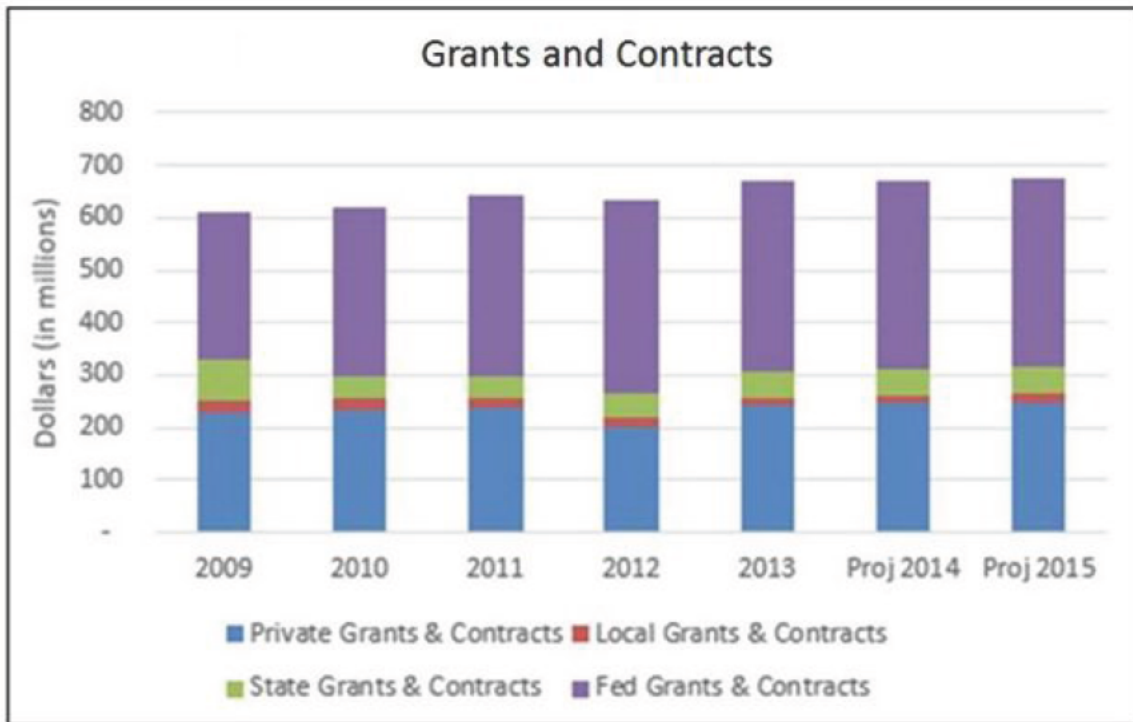
Not unexpectedly, awards from not-for-profit entities that provide grants from funds they raise from charitable donations (e.g. American Cancer Society) are also trending downward. In addition, State funding is also being redirected toward private enterprises and not toward research development at universities.

The university is working to mitigate ongoing downward trends using two primary strategies. First, we are actively focusing on increasing the competitiveness of researchers through activities internal to the university, including facilitating multidisciplinary research to take advantage of the breadth of expertise at the university; establishing new centers focused on current and emerging research challenges; creating a proposal development center; and establishing and maintaining cutting edge core facilities to support our growing community of research-intensive faculty. The second strategy involves building external relationships that will help grow the university's portfolio of federally-funded research, expand strategic partnerships with industry and promote and develop the Ohio Technology Consortium (OH-Tech).

## College / Support Unit Administered Grants and Contracts

Revenue for grants and contracts administered directly by individual colleges and support units is expected to increase slightly from \$184 million projected for fiscal year 2014 to \$187 million budgeted for fiscal year 2015.

The following graph represents the trend for each component of Grants and Contracts since fiscal year 2009.



## Sales and Service Revenues

**Sales and Services of Educational Departments** - Sales and services of educational departments are expected to remain flat versus fiscal year 2014. This revenue consists largely of clinical revenue in colleges such as Optometry and Veterinary Medicine and non-college departments such as Recreational Sports and OARNET.

**Sales and Services of Auxiliary Enterprises** - Student Life and Athletics comprise the majority of sales and services of auxiliary enterprises. Operating Revenue from sales and services of auxiliary enterprises are expected to increase \$14 million, or 6.1%. Athletics revenue is budgeted to increase \$10 million driven largely by increased football revenue from ticket sales (\$3.6M), incremental Big Ten bowl revenue (\$2.4M) and guaranteed payment for the away game with Navy (\$1.8M).

Student Life increase in Sales and Services is primarily driven by room and board revenue from planned fee increases averaging 4.2% on most services in fiscal year 2015. The increase is necessary to cover increased debt payments associated with the new North Residential District and to cover basic inflation for supplies and services. University leadership has asked the Office of Student Life to reduce costs, beginning in fiscal year 2015, with a target to reduce on-going costs by \$1.8 million.

## UNIVERSITY BUDGET: EXPENSE

### Salaries and Benefits

**Salaries** - Salary expense is expected to increase by \$41 million or 3.1% over fiscal year 2014 projections. Faculty and staff salary guideline increases of up to 2.0% have been included in the budget for fiscal year 2015.

Salaries expense is planned to increase by \$28 million in colleges, including guidelines increases and a \$7.5 million investment in the Data Analytics Discovery Theme. The remaining \$13 million increase is attributable to support units, including guideline increases and investments in areas such as proposal development and compliance efforts in the Office of Research, OSU Online, Advancement and a full year of fully staffed Office of Integrity and Compliance.

In an effort to drive increased efficiency and ensure that funding is maximized to support the core academic mission, The university has indicated that it will only fund 50% of any net increase to salary and benefits within support units through the current budget allocation model. For instance, if a support unit proposes an aggregate 2.0% increase, the unit will have to fund 50% of that dollar value, effectively 1.0%. It is expected that the unit will deliver cost savings in order to offset the other 50%.

Consistent with prior years, the approved salary guidelines take into consideration the financial condition of the university as well as statistics of the current labor market. The university continues to employ its philosophy of setting faculty salaries at a level that will maintain or advance Ohio State's position nationally for the highest quality faculty, and to set staff salaries to be competitive with the local employment markets.

**Benefits** - Benefit costs are expected to increase by \$19 million or 4.8% over fiscal year 2014. Benefits are driven by the 2% salary guideline increase, which directly affects the retirement plan contribution expenses and a 7% average rate increase on other benefit plans combined. Benefits include the university's contribution to employee retirement plans, various medical, dental, vision, life and disability plans, employee and dependent tuition plans and university expense related to compulsory plans, such as workers' compensation and unemployment compensation.

**Retirement Plans** - University employees are covered by one of three retirement systems. The university faculty is covered by the State Teachers Retirement System of Ohio (STRS Ohio). Substantially all other employees are covered by the Public Employees Retirement System of Ohio (OPERS). Employees may opt out of STRS Ohio and OPERS and participate in the Alternative Retirement Plan (ARP) if they meet certain eligibility requirements. Under each of the plans, the university contributes 14% of the employee's pay to the plan annually, while the employees contribute 10%. Vesting varies by plan.

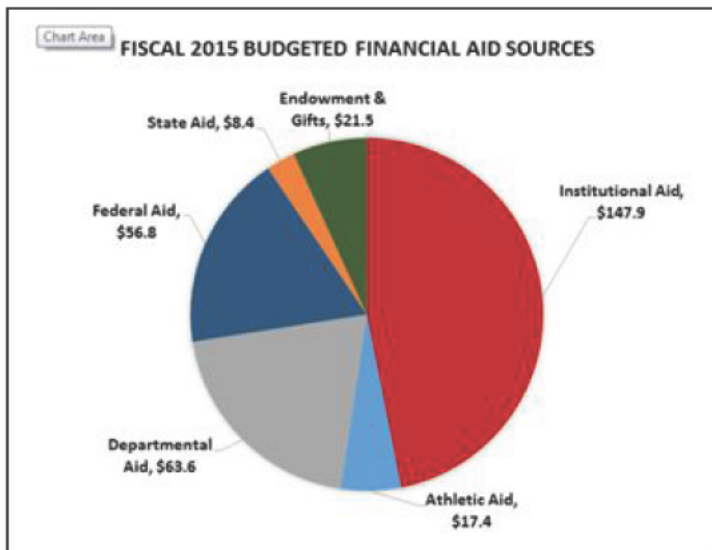
**Medical Plan** - The university is self-insured for employee health insurance. Fiscal year 2015 medical plan costs are budgeted based on historical cost trend data, projected employee eligibility, and expected plan changes associated with governmental regulations. Given these factors, we are projecting a 7% increase for fiscal year 2015 across all medical plans. The university will continue to monitor the impact the new health care laws will have on the university as an employer as legislation and regulations evolve.



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## Student Financial Aid

Financial aid is a critical investment of resources that keeps the cost of education manageable for students. The Ohio State University engages both the federal and state governments in conversations to stress the importance of financial aid and reasonable loan programs for students. Interactions with donors also stress the importance of gifts that support financial aid.



The financial aid plan seeks to advance two specific goals for the university: to invest in the quality, quantity and diversity of students in order to continue to move Ohio State towards its goal of being in the top ten public universities in the country; and to invest in students to fulfill our role as the land grant university for the State of Ohio, whereby access to college is afforded to those students with limited resources. The university continues to work to support both goals and continues to develop the appropriate balance in moving the university towards eminence. Fundraising efforts are also underway through various initiatives including the Ohio Challenge in which all 88 Ohio counties are raising funds to recruit students from each county to attend Ohio State.

Ohio State expects to distribute a total of \$315 million of financial aid, excluding graduate fee authorizations, to students in fiscal year 2015. Sources for the aid include institutionally funded aid, federal and state programs, and gifts and endowments. The university financial statements present a portion of financial aid, in accordance with GASB accounting requirements, as an allowance against gross tuition and, in the case of Athletic scholarships, an allowance against Auxiliary sales. For fiscal year 2015, \$169 million of the \$315 million of financial aid has been presented as allowances.

Institutionally funded financial aid is expected to increase by \$9.4 million, or 6.8%, in fiscal year 2015 to a total of \$147.9 million. These increases are driven by further investments in financial aid to support the Enrollment Plan, funding for need-based financial aid, funding for the Eminence Financial Aid program for high-performing students, and for the inflationary costs of room and board.

Federal financial aid, which consists primarily of Pell and some Supplemental Educational Opportunity Grant (SEOG) grants, is expected to increase \$0.9 million, or 1.6%, to \$56.8 million in fiscal year 2015. State financial aid is expected to hold steady at approximately \$8.4 million in fiscal year 2015 and is driven by funding levels for programs such as the Ohio College Opportunity Grant (OCOG). Donor and other funds are also expected to remain flat in fiscal year 2014 at \$21.4 million.

Athletic scholarships are planned to remain roughly flat at \$17.4 million. The remaining \$63.6 million in financial aid is administered directly by colleges for graduate fellowships and departmental awards.

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## Fee Authorizations

Fee Authorizations are an additional component of student aid directed toward graduate student appointments. Total University Fee Authorization expense is expected to increase by \$2.2 million or 2.3% in fiscal year 2015. This is driven by a larger number of planned graduate appointments versus fiscal year 2014 and by the incremental cost to fund this aid for some resident and non-resident students.

## Supplies & Other Expenses

Supplies and Other Expenses are projected to increase \$19.1 million or 3.1% versus fiscal year 2014. However, fiscal year 2014 Other Expenses include a one-time \$10 million insurance payment for tornado damage at Wooster. Once fiscal year 2014 costs are adjusted for this one-time proceed, costs are planned to increase by \$9.1 million or 1.5%. The primary drivers are a \$7.8 million increase in utilities cost versus fiscal year 2014. Other increases include \$1.0 million to support development of OSU On-line programs, \$0.8 million for new programs in the College of Public Health and \$1.4 million to develop a marketing plan and implement new software in the Office of Enrollment Services.

**Utilities** - Columbus campus utilities expense is expected to increase by \$7.8 million, or 8.1%, in fiscal year 2015 to \$103 million. The increase is driven primarily by increases in debt service associated with utilities projects, such as the addition of more efficient cooling plants, and increases in purchased power costs. The university's internal budget model contains a mechanism to smooth changes in rate, both increases and decreases, charged to colleges and units in order to provide for less volatility in annual funding and facilitate planning.



The Wexner Medical Center and major auxiliaries such as Student Life and Athletics are not charged for utilities by the assignable square foot but are directly billed for specific utilities based on meter data. This direct billed revenue is deducted from the total utilities expenses in calculating the rate per assignable square foot paid by other units.

The university has contracted with Johnson Controls for a pilot project to install energy conservation measures in five energy-intensive buildings: Biomedical Research Tower, RPAC/McCorkle Aquatics Pavilion, Scott Lab, Physics Research Building, and the Veterinary Hospital. The total minimum guaranteed energy savings for these buildings will be \$1 million annually after the project is completed.

**Building Maintenance and Custodial Services** - Services provided include repairs resulting from normal wear and tear, including plumbing, central HVAC and electrical systems, elevator repair and maintenance, and maintenance of the building envelope, including windows, foundations, walls, and floors. Maintenance expenses are expected to increase by \$400,000, or 2.0%, in fiscal year 2015 to \$32.3 million. The increase is driven primarily by increased salaries and benefits for university maintenance staff.

Custodial expenses are expected to decrease by \$200,000, or 0.2%, in fiscal year 2015 to \$16.5 million. For fiscal year 2015, contract services will provide custodial services for approximately 56% of Columbus campus buildings.

**Maintenance and Renewal** - In an effort to keep pace with maintenance needs for newer buildings and prevent additions to the deferred maintenance backlog, the POM rates provide annual funding for a preventative maintenance pool and a second fund for a deferred maintenance endowment. Annual funding set aside for preventative maintenance pool will remain at \$4 million in fiscal year 2015.

The deferred maintenance endowment was established to provide funding for future maintenance on buildings constructed after 2000. \$6 million will be added during fiscal year 2015 to the quasi endowment established for this purpose. The addition in fiscal year 2015 will increase the principal balance to

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approximately \$43 million. Distributions of up to \$1.5 million from this fund will be expendable beginning in fiscal year 2015 for any in-scope deferred maintenance.

## University Overhead

Overhead is charged to non-general funds units to help fund centrally-provided services. In fiscal year 2015, \$73 million is expected to be allocated via internal charges to fund centrally-provided services, an increase of \$1 million from fiscal year 2014. Since overhead is an intra-university allocation, entries are eliminated in the financial statement consolidation process.

Specific expense categories comprising the overhead rates include Facilities Support, Administrative Support, and Specialized Support (Health Administration and Student Services). Different overhead rates are calculated based on participation in the different expense categories. The base rate includes all expense categories; other rates are calculated to include only those expenses applicable to those units. For example, the regional campus rate includes only the insurance, academic administration, and central support expense categories. For fiscal year 2015, the rates ranged from 2.8% for the Wexner Medical Center to 5.7% for most earnings operations.

For all units except the Wexner Medical Center, overhead is calculated based on the overhead percentage times net revenue. Net revenue is defined as revenue less direct pass through costs. The Wexner Medical Center's overhead is charged a dollar amount based on actual prior year expenses, in order to be compliant with federal Medicare reimbursement policies. The calculated overhead rates for fiscal year 2015 are stable compared with fiscal year 2014 rates, reflecting moderate growth in both revenues and allocated overhead costs.

## Advancement

The university launched the public phase of its \$2.5 billion *But for Ohio State* campaign in October 2012. The fundraising campaign invites those who believe in Ohio State to invest in our students, our faculty, and our potential. By supporting Ohio's land-grant institution, alumni, friends, parents and partners can help us secure educational opportunities for futures generations of students and meet the enormous challenges we face as a society. Campaign proceeds will be used to fund scholarships to attract the most promising students, elevate faculty, create modern learning environments, promote multidisciplinary research, and drive high-impact innovation.



In fiscal year 2015, the university expects to raise aggregate fundraising dollars of \$390 million, including pledges and certain private contracts, by engaging a variety of constituents, including students, faculty and staff, alumni, friends, corporate partners and private foundations. The Advancement strategic plan focuses on aligning fundraising with communications and alumni/constituent engagement to use innovative funding approaches with Ohio State's partners across all facets of the university.

The Advancement related line items of the fiscal year 2015 financials exclude pledges of \$58 million where we do not expect to receive cash in fiscal year 2015. In addition, \$106 million of the \$390 million of expected fundraising is recognized in grants and contracts within the fiscal year 2015 budget.

## Financial Services and Investments

The Office of Financial Services manages cash, short and intermediate term investments and other funds totaling over \$2.0 billion. They also oversee a debt portfolio of \$2.5 billion. In performing these functions,

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the office serves as internal bank to the university taking deposits, issuing debt, investing operating funds and approving loans. The internal bank is a framework for coordinating these activities and providing a consolidated view of the associated assets, liabilities, revenues and expenses.

The Office of Investments manages the Long Term Investment Pool (LTIP), which totals over \$3.4 billion and includes gifted endowment funds, designated funds and a significant portion of operating funds. Through a partnership with external managers, the Office of Investments has adopted an asset allocation model for the LTIP that groups assets into four broad categories. This model enables the investment team to build a portfolio of specialized investment teams around the world to implement our strategic allocation and to be responsive to changing market conditions.

**Investment Income** - Investment income on cash, short and intermediate term investments is budgeted at \$12.0 million, a \$1.0 million increase over our fiscal year 2014 forecast. The fiscal year 2015 budget reflects the continued low interest rate environment.

The LTIP is budgeted to return \$278 million, at an 8.0% return, in fiscal year 2015. The LTIP has produced a 10.6% return, or \$333 million in the first 10 months of fiscal year 2014, net of investment expenses. This compares to an 11.6% return or \$319 million for the full fiscal year 2013.

**Debt** - The proceeds of past debt issuance have been utilized to fund major construction projects including the Wexner Medical Center expansion and dormitory refurbishments, as well as significant campus infrastructure improvements .

The debt is comprised of a mix of tax exempt and taxable bonds. Over 82% of the outstanding debt balance is comprised of fixed rate obligations ranging between 1.2% and 4.85%. The remainder is variable rate agreements. The variable rates, most of which are subject to change every seven days, averaged 0.05% through the first ten months of fiscal year 2014 and have a 15 year average of 1.5%. Under the terms of the variable rate agreements, the rates cannot exceed 8% or 12%, depending on the issue.

In fiscal year 2015, we plan to issue approximately \$300 million of new debt to complete the funding of the Wexner Medical Center expansion. The university expects to incur approximately \$95 million of interest expense on plant debt in fiscal year 2015, an increase of \$10 million over fiscal year 2014 projected levels. Approximately \$19 million will be capitalized resulting in a net expense of \$76 million for fiscal year 2015.



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## Health System

<i>\$ in Thousands</i>	Fiscal 2014 Projected	Fiscal 2015 Budget	\$ Change	% Change
<b>Operating Revenues</b>				
Inpatient Services Revenue	\$ 3,772,520	\$ 3,814,830	\$ 42,310	1.1%
Outpatient Services Revenue	3,124,178	3,206,653	82,475	2.6%
Deductions from Patient Revenue	(4,824,240)	(4,849,093)	(24,853)	0.5%
Other Operating Revenue	65,811	84,807	18,996	28.9%
<b>Total Operating Revenues</b>	<b>\$ 2,138,269</b>	<b>\$ 2,257,198</b>	<b>\$ 118,929</b>	<b>6%</b>
<b>Operating Expenses</b>				
Salaries	\$ 717,436	\$ 766,293	\$ 48,857	6.8%
Benefits	222,543	243,397	20,854	9.4%
Professional Fees	103,733	106,453	2,720	2.6%
Supplies	264,325	269,585	5,260	2.0%
Drugs & Pharmaceuticals	155,070	180,568	25,498	16.4%
Services	275,116	277,807	2,691	1.0%
Residents	47,995	48,833	838	1.7%
University Overhead	48,358	49,808	1,450	3.0%
Depreciation & Amortization	77,739	104,107	26,368	33.9%
Interest	9,448	26,647	17,199	182.0%
<b>Total Operating Expenses</b>	<b>\$ 1,921,762</b>	<b>\$ 2,073,498</b>	<b>\$ 151,736</b>	<b>7.9%</b>
<b>Operating Gain (Loss)</b>	<b>\$ 216,507</b>	<b>\$ 183,699</b>	<b>\$ (32,807)</b>	<b>-15.2%</b>
Net Non-Operating Revenue	1,017	1,607	590	58.0%
<b>Excess of Revenue over Expenses</b>	<b>\$ 217,524</b>	<b>\$ 185,306</b>	<b>\$ (32,217)</b>	<b>-14.8%</b>
Medical Center Investments	(118,174)	(100,000)	18,174	-15.4%
<b>Change in Net Assets</b>	<b>\$ 99,350</b>	<b>\$ 85,306</b>	<b>\$ (14,043)</b>	<b>-14.1%</b>

The 2015 OSU Wexner Medical Center Health System (Health System) operating budget generates margins and cash flows sufficient to meet or exceed the Health System's three strategic financial targets. The first goal is to earn an EBIDA margin of at least 12%. The fiscal year 2015 budget generates a 14% EBIDA margin. The second goal is to increase the number of days of cash on hand by three days. The fiscal year 2015 budget results in a three day increase from \$339 million to \$374 million. The final target is to achieve a debt service coverage ratio of 4:1. The budget results in a 4.3:1 debt service coverage ratio.

## Cancer and Critical Care Tower Opening



The opening of the new James Cancer Hospital and Critical Care Tower (CCCT) scheduled in December 2014 represents one of the final phases of the \$1.1 billion dollar Medical Center Expansion project. This twenty one story, one million square foot facility will open 348 new beds, will contain 14 operating rooms, expanded radiation therapy units, and over 100 ambulatory exam rooms. The CCCT has been designed to provide state of the art care to patients, support teaching and research activities close to the bedside and provide a comfortable and nurturing environment for families.

The opening of the CCCT poses financial challenges in 2015 that will be alleviated in 2016 as the Health System anticipates return to normal day to day operations. The opening of the CCCT frees beds currently used in the existing James facility and in Doan Hall. When James patients move to the new facility, a backfill plan is in place that will make more beds available for University Hospital, while also reconfiguring space to house the Brain and Spine Hospital, privatizing some existing dual occupancy rooms and decompressing faculty office space.

The impact of the opening on both University Hospital (UH) and The James are significant and will be discussed below. The expense of opening the building will begin early in the fiscal year, likely depressing traditional margin levels in the first six months. Upon opening, The James is projected to fill beds quickly and is expected to reach planned operating levels in the fourth quarter. Critical care cancer patients currently treated by University Hospital will transfer to the new tower, lowering revenues and some expenses to UH. UH backfill is expected to occur over a slightly longer period. Due to historic bed constraints across the health system, physician referral patterns to the Medical Center may take time to build.

## Revenue Drivers



Overall revenue is budgeted to increase approximately 5.5% compared with the current year rate of 5.8%. Activity increases account for approximately 3.2% and rates account for 2.3% of fiscal year 2015 growth. Outpatient activity growth is expected to be consistent over the fiscal year, while the majority of inpatient growth will occur when beds become available in the second half of the fiscal year.

Medicaid Expansion has been favorable for the Health System as patients previously covered under charity programs now have coverage. Medicaid rates have been cut to offset the large increase in enrollment, but the

2015 budget anticipates positive outcome from this increased volume. Overall charity care write offs will drop significantly if this trend continues. The impact of federal insurance exchanges continues to remain unclear. There is significant risk that new enrollment is heavily skewed toward high deductible plans, which will drive all hospitals' bad debt costs to unprecedented levels. Overall, management believes that exchanges will not have a significant impact on the Health System in 2015.

Medicare rates will decrease slightly in certain service areas. The 2% federal sequestration reduction on Medicare payments is expected to remain in effect. Some federal cuts legislated under ACA have been deferred, although the Health System experienced a sizable cut in state funds intended to support safety net hospitals. Managed care arrangements are negotiated through the end of 2015 and in some cases

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into 2016. The payment increases for managed care contracts provides most of the 2.3% rate growth noted above. There are no planned price increases in this budget.

## Expense Drivers

Expenses before interest and depreciation will grow by 5.9% compared to the current year growth of 5.7%. The fiscal year 2015 budget includes estimated one time expenditures of \$17 million for the CCCT opening. Excluding those costs, expenses will grow at approximately 4.8%, of which 3.2% will be activity driven and 1.6% rate driven. Increases under the ONA contract provide a 3% salary growth for nursing. Salary increases averaging 2% overall will be given to employees earning less than \$250,000. Excluding pharmaceutical costs and increases for a new retail pharmacy, non-salary costs will decrease after accounting for volume increases.

Extensive expense reduction is anticipated in the 2015 budget. Some interventions are fully implemented such as improved coding, new staffing models in the hospitals, centralized imaging to increase throughput and improve patient satisfaction, and reducing pharmacy costs. We continue to focus on growth initiatives in the areas of cancer, outreach/hospital affiliations, ambulatory expansion, neurosciences and primary care in order to protect the value of our franchise. Many additional interventions are in implementation or will be launched soon including increasing physician productivity requirements, reducing the cost of unfunded research faculty, evaluating organizational span of control and layers of management, embracing and implementing a "true" shared services model for clinical and administrative shared services, and aggressively overhauling our supply chain activities.

## EBIDA and Profitability

With the opening of the CCCT, depreciation and interest expense will increase from \$87 million to over \$131 million and debt service will exceed \$90 million. The increase in depreciation and interest expense reduces the 2015 operating margin. Knowing that the opening of the building would have material impact on operating margin, the Health System has historically utilized EBIDA (Earnings before Interest, Depreciation, and Amortization) as a metric to provide comparability across fiscal years. The Health System set an aggressive target to grow 2015 EBIDA by 3% while it faces the challenges of bringing the new building on line. Although margin decreases from \$216.5 million in 2014 to \$183.7 million in 2015, EBIDA increases from \$304 million to \$314 million, indicative that the clinical engine will continue to produce cash for the university.

## Cash Management

Although EBIDA is expected to grow 3%, that will not be sufficient to service the increased debt, grow cash by three days and fund other working capital needs. Therefore, funds available for program and capital investment are being reduced. The Health System will lower its support for clinical and academic activities by \$20 million in 2015 and will maintain its capital budget at \$68 million, the same as 2014 levels. These reductions will be offset by improved productivity. As 2015 unfolds, cash growth will be monitored closely; should estimates of revenue and expenses result in unfavorable cash flow, further reductions in operations or investments will be considered.

2015 will be one of the most challenging and potentially unpredictable budgets in recent years. Uncertainty in the hospital industry and the midyear opening of a \$1.1 billion facility combine to create a difficult forecasting process. However, this budget is predicated on our fundamental financial strength, our ability to control costs, and the strength that the OSU Wexner Medical Center brand carries locally and state wide. Although it is aggressive, it is certainly achievable.

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## OSU Physicians, Inc.

<i>\$ in Thousands</i>	Fiscal 2014 Projected	Fiscal 2015 Budget	\$ Change	% Change
<b>Operating Revenues</b>				
Net Patient Revenue	\$ 264,232	\$ 301,106	\$ 36,874	14.0%
Other Operating Revenue	47,026	46,186	(840)	-1.8%
<b>Total Operating Revenues</b>	<b>\$ 311,258</b>	<b>\$ 347,292</b>	<b>\$ 36,034</b>	<b>11.6%</b>
<b>Operating Expenses</b>				
Staff Salaries and Benefits	\$ 73,095	\$ 76,419	\$ 3,324	4.5%
Supplies and Pharmaceuticals	25,531	28,227	2,696	10.6%
Purchased Services, Management Fees, Other	31,973	36,357	4,384	13.7%
Occupancy and Utilities	8,063	8,849	786	9.7%
Depreciation	4,438	4,662	224	5.0%
Interest	513	452	(61)	-11.9%
General Administrative Overhead	8,090	10,313	2,223	27.5%
<b>Total Operating Expenses</b>	<b>\$ 151,703</b>	<b>\$ 165,279</b>	<b>\$ 13,576</b>	<b>8.9%</b>
Provider Expenses	198,695	214,286	15,591	7.8%
<b>Excess of Revenue over Expenses after Provider Expenses</b>	<b>\$ (39,140)</b>	<b>\$ (32,273)</b>	<b>\$ 6,867</b>	<b>-17.5%</b>
Net Non-Operating Revenue	3,779	2,557	(1,222)	-32.3%
Medical Center Investments	36,019	29,716	(6,303)	-17.5%
<b>Change in Net Assets</b>	<b>\$ 658</b>	<b>\$ -</b>	<b>\$ (658)</b>	<b>-100.0%</b>

OSU Physicians, Inc. is a multi-specialty faculty practice bringing outpatient care to Central Ohio communities with physicians focusing on personalized healthcare, patient satisfaction, research and education.

The fiscal year 2015 budget for OSU Physicians, Inc. includes an increase in operating revenue of \$36 million, or 11.6%, based on an expected 13% increase in volume, as measured by work relative value units (WRVUS), a system for measuring physician productivity. Provider related expenses are budgeted to increase \$15.6 million, or 7.8%, due to 62 new physicians that either recently started in fiscal year 2014 or will start in fiscal year 2015.



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## University Budget Process

### THE BUDGET PROCESS AT THE OHIO STATE UNIVERSITY

For the Fiscal Year 2015 Budget Plan, the university continued to implement a revised budgeting process that encompasses all funds of the university. This approach affords a holistic view of all operations of the university in an easily understood format that will enable the university to highlight the evolution of funding sources. This will allow leadership to make informed strategic decisions in a timely manner.

This all funds, total operating budget will provide the base framework for evaluating the activities of all academic and support units within the university, allowing proactive responses to changing economic issues as they arise.

#### Budget System

The university uses a budget system that is comprised of two components: a modified Responsibility Center Management (RCM) model and the strategic investment of central funds. This structure allows for decentralized decision making and control of financial resources at the colleges and support units. The modified RCM budget model assigns substantial control over resource decisions to individual colleges and support units. The underlying premise of the university's decentralized budget model is entrusting academic and support unit leaders with significant control over financial resources, leading to more informed decision making and better results and outcomes for the university as a whole. Through this decentralized model, colleges in particular are incentivized to increase resources by teaching more credit hours and increasing research activity.

The OSU Health System and OSU Physicians, Inc. prepare their budgets based upon projected activity and associated costs. External factors, such as government regulations and reimbursements rates, as well as contractual agreements with health care payers also play an integral part in developing the health system's budget.

#### Fund Accounting

The university's budget is developed and managed according to the principles of fund accounting. We manage over 19,000 active expendable funds and over 4,800 endowment principal funds through a robust accounting system. Revenue is segregated into a variety of fund types, the use of which is governed by the restrictions of the specific fund. Some fund types are unrestricted, including general funds and some earnings funds. Others have restrictions derived from the source of the revenue, including grants and contracts received from government agencies, foundations, and other outside sponsors. Individual funds are set up to ensure strict adherence to the terms of the grant or contract that governs these funds.

Endowments are another type of restricted fund, where separate funds are set up to preserve the corpus or principal of the gifts. As those funds earn investment returns, annual income distributions are made out of the endowment fund and into a current fund for spending in accordance with the donors' restrictions. The segregation of each gift allows the university to ensure the funds are spent appropriately and to enable reporting to donors on the activities that their funds support.

Although emphasis was placed on including all university funds in the fiscal year 2015 budget process, general funds continue to remain a key component of the budget. General funds can generally be used for any university purpose whereas restricted funds are more specifically targeted. These funds play a major role in the budget, as they cover many expenses in the colleges and support units for which it is

**“As the university's sources of funding continue to evolve, it has become evident that a consolidated view of all sources of funding received and monies spent is necessary to make informed decisions in a timely manner.”**

difficult to raise money. The main sources of general funds are tuition and other student fees, state support of instruction, indirect cost recovery, and overhead charged to earnings units.

## Allocation of Funds

Each college and support unit receives a portion of general funds in support of both academic and administrative functions. The process for allocating the funds is administered through the Office of Financial Planning & Analysis under the guidance of the Chief Financial Officer and Provost. General funds are allocated to colleges and support units on a marginal basis under an established set of criteria. In other words, increases (or decreases) in the pool of general funds available each budget year are allocated back to colleges and support units as increases (or decreases) to their base general funds budgets.

Marginal changes in revenue are allocated to colleges based on three primary funding formulas. The first funding formula for colleges utilizes a model to distribute undergraduate marginal tuition and state support. Sixty percent of the funding is allocated based on total credit hours taught, while forty percent is allocated based on the cost of instruction. This budget allocation method takes into account the fact that some courses have a higher cost for delivery and are, thus, allocated a greater share of the funding. The other two primary funding formulas allocate graduate tuition and state support based on credit hours in fee-paying categories (tuition) and type of course taught based on cost of instruction (state support). As a college teaches more of the share of total credit hours, it receives a larger share of the incremental funding. Conversely, if a college's share of the hours taught declines, the college's allotted share of incremental funding will correspondingly decline. Colleges will receive their share of revenue on indirect research cost recovery, based upon the college's share of research revenue. Fee revenue from learning technology, course and program fees are provided directly to colleges based upon course.

Support units are funded through a combination of central tax, specific activity-based assessments charged to colleges and an overhead rate charged to auxiliary and earnings units. The central tax, assessments and overhead charges are designed to provide the funds necessary to maintain support services such as payroll services, central human resource services, and student life services. Support units are generally ineligible for marginal revenue changes because the funding formulas rely on credit hours taught; instead, support units must request additional funding during the annual budget process to support new services or mandates.

Auxiliaries and earnings units are expected to operate at a break even or better margin and generally do not receive general fund support. One exception is the Office of Student Life which does receive general fund support via special Student Activity, Ohio Union and Recreational Facility fees that were enacted to specifically advance the student experience.

Regional campuses develop their own individual campus budgets primarily based on the student tuition and fees received from the regional campus students, the State Share of Instruction they expect to collect and costs directly incurred to operate those campuses.

University-wide initiatives and special requests by colleges and support units are funded through the formal budget process or through central reserves established to fund campus-wide projects that benefit the entire population or advance the mission of the university.

**Medical Center Initiatives Scorecard**  
FY2014 Year End

Metric	FY 13 Actual	FY14 YE Target	FY14 Actual	Performance	FY19 Target	
<b>A. Strategic Growth</b>						
1.	Medical Center Expansion:* Total Construction Cost since inception Current Year Construction Cost	\$698M \$221M	\$887M \$188M	\$887M \$188M	↑	
2.	Medical Center Expansion: Total Construction Time (% complete)	70.8%	91.0%	90.0%	▬	
3.	Percent of Faculty Integrated Into Faculty Group Practice	93.9%	100.0%	100.0%	↑	
4.	Admissions (including observation patients)	72,808	73,940	73,522	▬	79,425
5.	Outpatient Visits	1,485,147	1,460,775	1,593,519	↑	1,860,208
<b>B. Long Range Financial Plan</b>						
1.	Operating EBIDA Margin	14.5%	14.1%	14.4%	↑	12.8%
2.	Days Cash on Hand	64.1	67.1	69.0	↑	82.1
3.	Debt Service Coverage	6.7	5.8	6.1	↑	3.9
4.	Operating Revenue per Adjusted Admission	\$19,906	\$20,266	\$20,294	↑	21,659
5.	Expense per Adjusted Admission	\$17,904	\$18,270	\$18,207	↑	20,278
6.	Gain from Operations	\$204.1M	\$208.1M	\$218.6	↑	\$163.5M
7.	Development Dollars: Philanthropic Activity** Private Grants (OSP) Total	\$95.1M \$32.0M \$127.1M	\$100.0M \$31.9M \$131.9M	\$89.8M \$37.9M \$127.7M	▬	\$1.1B
<b>C. Academic and Research Excellence</b>						
1.	Total Research Awards***	\$245.8M	\$221.1M	\$250.5M	↑	Strategic Plan
2.	Total NIH Awards***	\$119.6M	\$140.9M	\$135.5M	↓	Strategic Plan
3.	US News and World Report Best Medical Schools Rank	#38	#37	#34	↑	Strategic Plan
4.	Entering Medical School Student GPA/MCAT	3.73/11.24	3.80/11.31	3.70/11.20	↓	Strategic Plan
<b>D. Patient Care, Quality, and Satisfaction (^)</b>						
1.	US News and World Report Best Hospitals: Number of specialties ranked	10 specialties ranked 2 in top 20	11 specialties ranked 3 in top 20	5 specialties ranked 1 in top 20	↓	Strategic Plan
2.	Readmissions (all cause)	12.40%	11.20%	11.88%	▬	<10%
3.	Inpatient Mortality	0.77	0.65	0.63	↑	Top 5 UHC Hospital
4.	Patient Satisfaction (Inpatient)	74.3%	78.0%	73.8%	↓	Top Decile
5.	Patient Satisfaction (Outpatient)	90.9%	93.0%	91.0%	↓	Top Decile

\*Data through June 2014; Medical Center Expansion total current budget = \$1.1B

\*\*Philanthropic activity includes pledges, planned gifts, outright gifts and events such as Pelotonia and Up On the Roof. Performance evaluated at YE.

\*\*\*OSUWMC award data through June 2014 (includes CCC awards for COM faculty). NCH Total awards data through May (\$52.5M), NIH (\$26.8M).

^ FY14 readmission data is through April 2014; mortality rate is through May 2014; patient satisfaction through June 2014

Note: All financial data through June 30, 2014. FY19 financial targets subject to change due to new tower opening and healthcare reform analysis currently in process.

Current figures take into account expense reductions in order to maintain three days cash growth per year throughout the model.



# The Ohio State University Wexner Medical Center

Expansion Project Update

August 2014



Improving People's Lives  
Through Innovations in  
Personalized Health Care



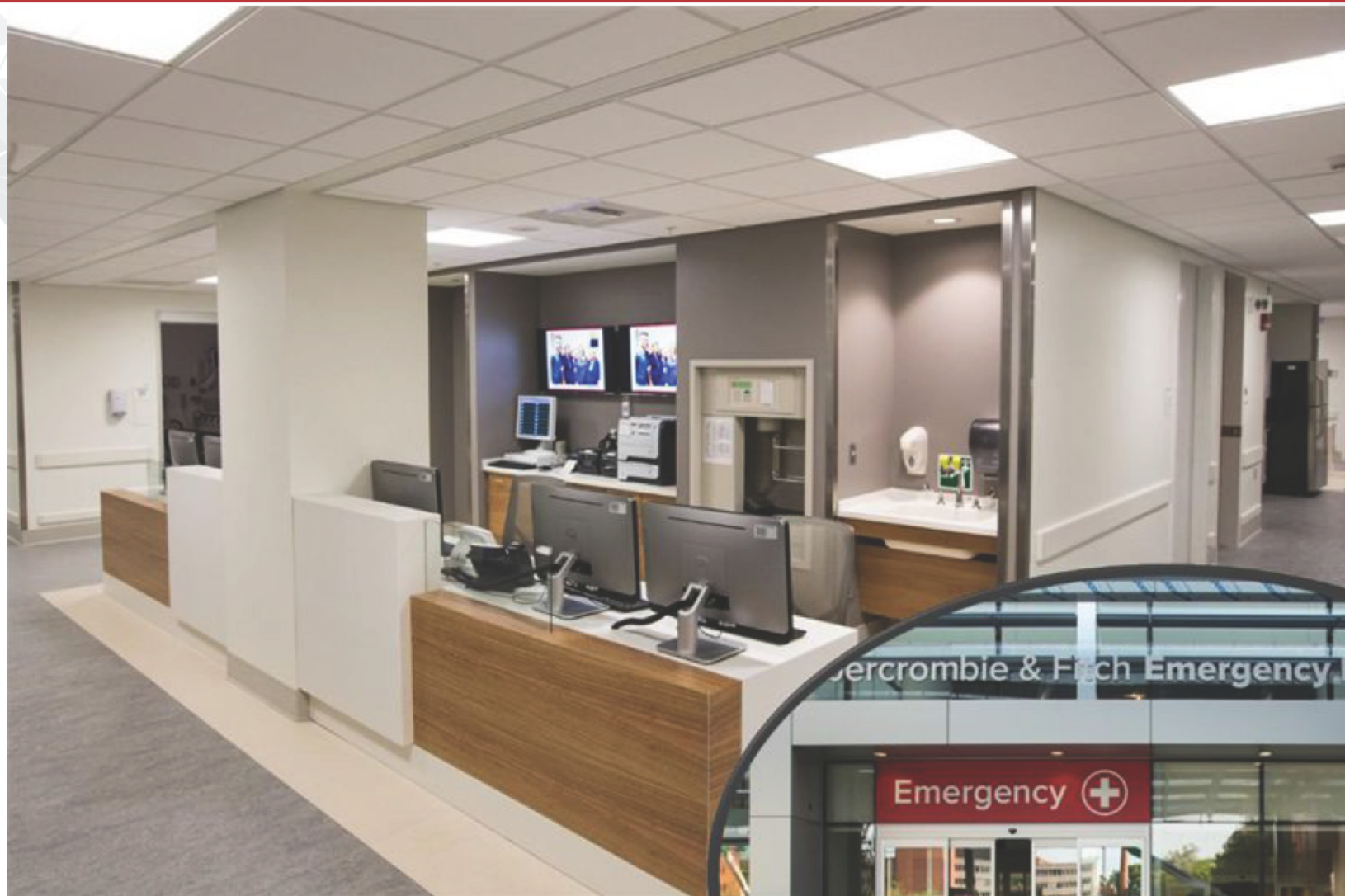




## Jones Legacy Park

Park and Forecourt substantially complete.  
GSW Play area work continues.  
Sod installation is complete.





**Abercrombie & Fitch  
Emergency Department**  
First Patient August 3, 2014





**Fit-Out Underway on floors  
5,14,15,16,17,and 18**

## Major Medical Equipment Installation as of August 12, 2014

Installed	To Be Installed
Scrub Sinks (19 rooms)	Angiography Suites (3)
OR Cabinets (15 rooms)	CT's (4)
Hoods and Bio Safety Cabinets (27)	PET CT
OR Lights and Booms (15 rooms)	SPECT CT
ICU Booms (72)	Mammography
Linear Accelerators (6)	Digital X-Ray
MR's (4)	Surgical Video Integration
CT's (2)	Physio Monitoring (7 floors)
PET CT	Brachytherapy Imaging (Relocated from James 12/14)
Digital Fluoroscopy	Linear Accelerator (Relocated from James 2/15)
Digital X-Ray (2)	
Physiological Monitoring (4 floors)	

# Vendor Spaces

Vendor	Location	Space	Construction Schedule	Ready for November Opening Events	Operational for December Patient 'Go Live'
	Lobby	300 sqft	Aug '14- Nov '14		
	Conference Level	Retail Branch / 1,500 sqft and ATM / 20 sqft	Aug '14- Nov '14		
	Conference Level	3,100 sqft	Aug '14- Nov '14		



# Expansion Project Commitments Thru July 2014

<b>Project Element ( \$ in millions)</b>	<b>Funding Released By Board</b>	<b>Contract Commitments to Date</b>	<b>Spent to Date</b>
<b>Cancer &amp; Critical Care Tower (CCCT)</b>	<b>\$ 750.1</b>	<b>\$ 718.0</b>	<b>\$ 561.0</b>
<b>Infrastructure &amp; Roadways (I&amp;R)</b>	<b>\$ 89.7</b>	<b>\$ 89.4</b>	<b>\$ 83.4</b>
<b>Spirit of Women Park (SoWP)</b>	<b>\$ 5.5</b>	<b>\$ 5.5</b>	<b>\$ 5.5</b>
<b>Rhodes, Doan, James, Cramblett Mechanical Electrical Plumbing (RDJC-MEP)</b>	<b>\$ 46.0</b>	<b>\$ 44.9</b>	<b>\$ 44.2</b>
<b>Demolition &amp; Decommissioning (Demo)</b>	<b>\$ 18.4</b>	<b>\$ 16.8</b>	<b>\$ 16.4</b>
<b>Support &amp; Project Contributions</b>	<b>\$ 190.3</b>	<b>\$ 179.9</b>	<b>\$ 176.3</b>
<b>Total Project</b>	<b>\$ 1,100.0</b>	<b>\$ 1,054.5</b>	<b>\$ 886.8</b>
<b>Development Funded Enhancements</b>	<b>\$ 1.4</b>		
<b>Total w/ Development Enhancements</b>	<b>\$ 1,101.4</b>		



# Expansion Project Contingency Summary

Total Contingencies Remaining

\$ 8.0M



## Potential Contingency Use

Future Design/Consulting/Administrative Costs	\$ ( 2.0- 2.7) M
Pending Change Order Requests – CCCT	\$ ( 2.0- 2.7) M
Pending Change Order Requests – Other Projects	\$ ( 0.0- 0.1) M
Potential Future Change Orders – CCCT	\$ ( 0.0- 0.1) M
<b>Total Potential Contingency use</b>	<b>\$ ( 4.0- 5.6) M</b>

**Contingencies Remaining After Potential Use**

**\$ 3.2M**

# Edge Participation

Source: EOD Report, June 2014

## The Ohio State University

Construction Reform Edge Summary (Board of Regents Approved \$758M)  
Report Data as of 6/30/2014

	Edge Contracted Amount	Edge Contracted %*	Edge Payment Amount	Edge Payment %*
Wexner Medical Center Expansion Project (WMCEP)	\$ 213,280,149	28.1%	\$ 207,248,090	27.3%
South Campus Chiller Plant Project	\$ 6,974,561	0.9%	\$ 6,862,195	0.9%
<b>Total Construction Reform</b>	<b>\$ 220,254,710</b>	<b>29.1%</b>	<b>\$ 214,110,285</b>	<b>28.2%</b>

\* Percentage based on total Board of Regents Approved \$758M construction reform pilot project

**Ohio Participation % for Turner/Bovis Construction Contracts\*\***

**87%**

\*\*Based on information provided by Turner Lend Lease for CMR Contracts only

# Questions ?

# Update on Upper Arlington Ambulatory Care Center



**THE OHIO STATE UNIVERSITY**

WEXNER MEDICAL CENTER

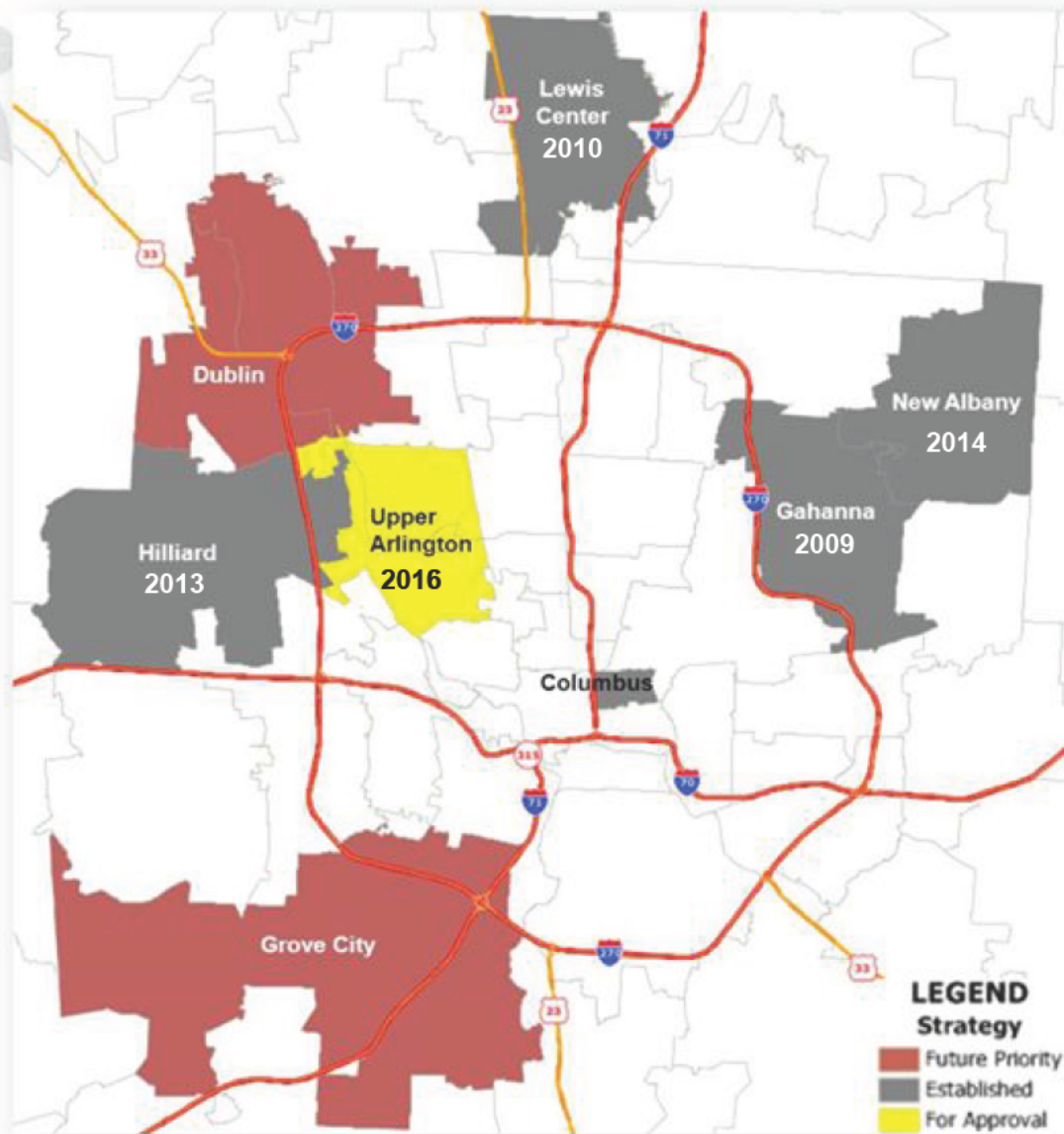
## Questions from June 4<sup>th</sup> OSU Wexner Medical Center Board Meeting

1. Why is an ambulatory presence important to the Medical Center?
2. What are the key attributes of the Upper Arlington proposal?
3. Why was Ohio State's Upper Arlington proposal selected over competitor proposals?
4. What are the financial projections and payback period for Upper Arlington?
5. How do the projections change if key drivers are varied?
6. How does the proposed Upper Arlington investment compare to our other ambulatory facilities?
7. What are the Medical Center's next ambulatory priorities?

## Why is an ambulatory presence important to the Medical Center?

- Provides better patient experience
  - ✓ Improved access
  - ✓ Improved quality
  - ✓ Lower costs
- Aligns with payer expectations
  - ✓ Geographic alignment with payer members
  - ✓ Lower cost
- Improves medical center operating performance
  - ✓ Avoid using higher cost space on main campus for ambulatory services
  - ✓ Target growth for priority clinical programs
  - ✓ Target growth in attractive markets
  - ✓ Align ambulatory management with consistent performance standards
- Reinforces teaching & research missions by providing high-quality facilities
- Improves competitive performance in local markets
- Increases brand identity and reputation, community partnerships

## Priority Communities and Major Ambulatory Presence



### Selection Criteria

- Population/demographics and growth
- Competition
- OSUWMC market capture rate
- OSU Health Plan presence

### Statistics

- 35% of OSU Health Plan members live in these zip codes
- 15% of our patients with commercial payors come from these zip codes



## What are the key attributes of the Upper Arlington proposal?

- A health care partnership with the City of UA, UA residents, UA schools, and UA employers
- 5-story, 100,000 square foot building to be developed by Continental on Zollinger Road
- 80,000 square feet to be initially occupied to allow for future growth
- Move building closer to curb to match original code and create one primary entry point
- Covered patient drop off
- Ensure adjacent and free parking that does not cross access roads – improve safe ingress and egress
- Multi-purpose conference/education and office space in building for use by city, schools, and residents
- Potential first floor retail space to draw in public and provide a building amenity



## Medical Services Provided at Upper Arlington

- **Primary Care**
  - *Family Medicine*
  - *General Internal Medicine*
  - *Behavioral Health*
- **Women's Health**
  - *OB/GYN*
  - *High Risk Obstetrics*
  - *Center for Women's Health*
- **Heart and Vascular**
  - *Cardiology*
  - *Vascular Medicine*
  - *Cardiac Rehab*
- **Internal Medicine Specialty Suite**
  - *Dermatology*
  - *Endocrinology*
  - *Rheumatology*
  - *GI (Digestive Health)*
  - *Allergy*
- **General Surgery Clinic**
- **Ancillary Services**
  - *Lab (blood draw)*
- **Imaging**
  - *X-Ray*
  - *Bone density*
  - *Mammography*
  - *Ultrasound*
  - *Heart imaging (echo, nuclear, doppler)*
- **Space for future growth**
  - *Dentistry?*
  - *Optometry?*

# Ambulatory Success

## Eye and Ear Institute

June 2009



- 138,000 SF (leased)
- Ophthalmology
- ENT
- Plastic Surgery
- Hand Center
- Urology
- Outpatient Surgery Center

## CarePoint Gahanna

December 2009



- 56,000 SF (owned)
- Cardiovascular Medicine
- Primary Care
- Imaging
- Neurology
- OBGYN
- Orthopedics/Sports
- Physical Therapy

## CarePoint Lewis Center

November 2010



- 30,000 SF (leased)
- Cardiovascular Medicine
- Spine Care
- Imaging
- Primary Care
- Pediatrics
- Orthopedics/Sports
- Physical Therapy

## CarePoint East

June 2011



- 120,000 SF (owned)
- Orthopedics
- Cardiac Rehab
- Spine Center
- Primary Care
- Internal Med Specialties
- Occupational Medicine
- Physical Therapy

### Planned Investment (up front capital):

\$7.6M

\$5.7M

\$5.0M

\$13.4M

### Planned Payback in Years:

3.0

3.9

5.2

3.7

### Actual Payback in Years:

3.4

2.1

3.2

4.1

### Average Daily Visits:

724

660

230

874

**AGENDA SUMMARY**

**FRIDAY, AUGUST 29, 2014**  
**LONGABERGER ALUMNI HOUSE**  
2200 OLENTANGY RIVER ROAD

9:00-10:00am **Wexner Medical Center Board Meeting** (Sanders Grand Lounge)

10:30am **Board Meeting Reconvenes** (Sanders Grand Lounge)

Student Recognition Awards

President's Report

Committee Reports

Consent Agenda

1. Resolutions in Memoriam
2. Ratification of Committee Appointments 2014-2015
3. Ratification of Appointments to the Ohio State University Wexner Medical Center Board
4. Personnel Actions
5. Revocation of Degree
6. University Foundation Report
7. Naming of Internal Spaces
8. Naming of Career Management Administrative Office
9. Naming of Spaces in the Pre-Clinic
10. Naming of West Lawn and Forecourt Garden
11. Fiscal Year 2015 Capital Investment Plan
12. Fiscal Year 2015 Budget
13. Modification of Asset Classes and Allocations and Benchmarks for the Long-Term Investment Pool
14. Approval to Enter Into Professional Services and Construction Contracts
15. Approval to Enter Into a Joint Use Agreement
16. Sale of Real Property

**RESOLUTIONS IN MEMORIAM**

Synopsis: Approval of Resolutions in Memoriam, is proposed.

BE IT RESOLVED, That the Board of Trustees approves the following Resolutions in Memoriam and that the President be requested to convey copies to the families of the deceased.

Robert B. Hightshoe

The Board of Trustees of The Ohio State University expresses its sorrow upon the death on March 8, 2014, of Robert B. Hightshoe, Associate Professor Emeritus in the School of Music.

Professor Hightshoe was a graduate of North High School in Columbus, Ohio, where he first garnered attention as winner of the Ohio auditions for Leopold Stokowski All American Youth Orchestra. He was awarded the Walter Damrosch Scholarship and attended The Ohio State University, receiving his BS and MA degrees in Music Education. For over 40 years, he worked in the field of music education at Everett Jr. High, Lancaster, and in several Upper Arlington schools. He completed his career at The Ohio State University as Associate Professor of Trumpet and Assistant Dean in the College of the Arts, retiring in 1985.

A pillar of the Central Ohio musical community, he was principal trumpet and a charter member of the Columbus Philharmonic Orchestra, the Columbus Little Symphony, and the Columbus Symphony Orchestra, and later organized and led the CSO Brass Quintet. Professor Hightshoe was a frequent freelancer in the area and often performed in pit orchestras, including those for the summer theatre productions of the well-known Kenley Players. He served as assistant director and section leader of the All Ohio Youth Band and Orchestra, was a life member of the International Trumpet Guild, and a charter member of the Columbus Brass Band.

Professor Hightshoe was an active member of the Clinton Heights Lutheran Church; the Columbus Federation of Musicians, Local 103; The Ohio State University Alumni Association; The Ohio State University Retirees Association; the 95<sup>th</sup> Bomb Group Association; the Old North High Club; the International Trumpet Guild; and the Brass Band of Columbus.

On behalf of the University community, the Board of Trustees expresses to the family of Professor Robert B. Hightshoe its deepest sympathy and sense of understanding of their loss. It is 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.

Carol J. Keith

The Board of Trustees of The Ohio State University expresses its sorrow upon the death on July 17, 2014, of Carol J. Keith, Associate Professor Emeritus in the College of Nursing.

Professor Keith served in the United States Army from 1951 to 1958, resigning with the rank of First Lieutenant. During her Korean War service she earned a BA degree in Nursing from San Jose State College in 1956, and a MS degree in Nursing from The Ohio State University in 1958.

**RESOLUTIONS IN MEMORIAM** (cont'd)

Professor Keith subsequently taught at The Ohio State University College of Nursing, co-authoring a standard nursing text titled *Nursing Care in Eye, Ear, Nose, and Throat Disorders*. She also wrote several articles for professional nursing journals, project grants, and workshop/seminar presentations.

A 25-year member of the Sigma Theta Tau professional sorority, Professor Keith also received several outstanding teacher awards and the Chris Award of excellence for a series of teaching films during her tenure at The Ohio State University. Professor Keith retired as Associate Professor Emeritus in 1984. On behalf of the University community, the Board of Trustees expresses to the family of Professor Carol J. Keith its deepest sympathy and sense of understanding of their loss. It is directed that this resolution be inscribed upon the minutes of the Board of Trustees and that a copy be tendered to her family as an expression of the Board's heartfelt sympathy.

Richard E. Larew

The Board of Trustees of The Ohio State University expresses its sorrow upon the death on April 29, 2014 of Richard E. Larew, Associate Professor Emeritus in the Department of Civil, Environmental, and Geodetic Engineering in the College of Engineering.

Professor Larew held a BS degree in Engineering from the University of Iowa. After graduation, he served as an officer in the U.S. Army Corps of Engineers. From 1955 to 1971 he operated a design and construction company, Red Ball Engineering, with his brother Eugene. He was a licensed professional engineer and land surveyor.

Professor Larew returned to the University of Iowa in 1971 to pursue graduate studies earning his MS and PhD degrees in Industrial Management Engineering in 1973 and 1975. He joined the faculty of The Ohio State University, College of Civil and Environmental Engineering in 1975 where he developed the construction management program. Professor Larew created and taught new courses in this field and advised many senior undergraduate and graduate students during his tenure.

Professor Larew served on national committees of several professional societies including the Association for the Advancement of Cost Engineers, the American Society of Civil Engineers, the National Society of Professional Engineers and the Project Management Institute. He was a construction consultant and expert witness for thirty years. He served on the development council with the University of Iowa, College of Engineering and the advisory committee of the Department of Civil and Environmental Engineering.

On behalf of the University community, the Board of Trustees expresses to the family of Professor Richard E. Larew its deepest sympathy and sense of understanding of their loss. It is 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.

**RESOLUTIONS IN MEMORIAM** (cont'd)

Wendell W. Litt

The Board of Trustees of The Ohio State University expresses its sorrow upon the death on June 9, 2014, of Wendell W. Litt, Assistant Professor Emeritus of The Ohio State University Extension Service.

Wendell was born May 30, 1926, in Mt Vernon, Ohio. He completed his BS degree in 1950, in Agricultural Education, and the MS degree in 1973, in Extension Education at The Ohio State University.

His Extension career in Ohio began on June 16, 1956 as the Associate County Extension Agent in Muskingum County. He left employment on September 30, 1958 and returned on August 16, 1967 as the County Extension Agent, 4-H in Tuscarawas County. Professor Litt transferred to Guernsey County on October 1, 1968 as the 4-H Agent. He became the County Extension Agent, Agriculture in Guernsey County, June 1, 1973 and held this appointment until his retirement on August 31, 1983.

Professor Litt was recognized for his leadership in 4-H and agricultural educational programming. He was a member of the National Association of County Agriculture Agents and served on Extension committees during his career. He was awarded the Public Information Award from NACAA in 1983 prior to his retirement.

On behalf of the University community, the Board of Trustees expresses to the family of Professor Wendell W. Litt its deepest sympathy and sense of understanding of their loss. It is 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.

James L. Moore

The Board of Trustees of The Ohio State University expresses its sorrow upon the death on June 12, 2014, of James L. Moore, Associate Professor Emeritus in the School of Music.

Professor Moore held BA and MA degrees from the University of Michigan and a PhD degree from The Ohio State University. He spent three years in the United States Army, and was an instructor in the Armed Forces School of Music. From there he became a percussionist in the Indianapolis Symphony Orchestra and taught at Butler University. It was in 1963 that Professor Moore was recruited to become the first full time percussion teacher at The Ohio State University, where he remained on the faculty until 1992. Jym was a devoted educator and mentor to his students in the School of Music for 30 years and even after his retirement he continued to serve The Ohio State University for 12 more years. From 1981 until 2004, he served as percussion instructor and assistant band director of TBDBITL, The Ohio State University Marching Band, where his musical influences are felt to this day.

His summer teaching included the National Music Camp at Interlochen, Michigan, the International Music Camp at the International Peace Garden in North Dakota/Manitoba, and The Ohio State University Marimba/Vibes Camp, which he founded and directed for 13 years.

He was an early member and advocate for the Percussive Arts Society (PAS) and started one of its earliest publications, *Percussive Notes*, which has become an important journal for the society and for the art of percussion. His devotion to the profession was recognized in 2005 with the Lifetime Achievement Award at the annual Percussive Arts Society International Conference (PASIC).

**RESOLUTIONS IN MEMORIAM** (cont'd)

Professor Moore wrote his doctoral thesis on the acoustics of bar percussion (keyboard) instruments, and he was instrumental in the development of synthetic materials for marimbas and xylophones, which was key to the growth and development of percussion. He was an educational consultant for Ludwig Industries and Hal Leonard Publishing and his passion for education and the search for new and better music for the growing field of percussion led Professor Moore to start *PerMus* Publications in 1979. *PerMus* developed and distributed new percussion literature and featured music written by Professor Moore, among many other well-known composers.

An active performer his entire career, Professor Moore was principal percussionist of the Columbus Symphony Orchestra and the Brass Band of Columbus for 17 years. His retirement took him to Florida, where he continued to perform with the Port Charlotte Symphony Orchestra, the Naples Concert Band, and he even sang in the choir at the First Presbyterian Church of Bonita Springs.

Professor Moore was a key figure in the growing field of percussion during his years at The Ohio State University. His devotion to the art of percussion, his students, the School of Music, The Ohio State University Marching Band, the entire University community, and his family was exemplary. His gracious and kindly demeanor will be missed but his legacy lives on in the hundreds of students he impacted and the tradition for excellence he promoted and displayed.

On behalf of the University community, the Board of Trustees expresses to the family of Professor James L. Moore its deepest sympathy and sense of understanding of their loss. It is 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.

Ethelrine Shaw-Nickerson

The Board of Trustees of The Ohio State University expresses its sorrow upon the death on June 24, 2014, of Ethelrine Shaw-Nickerson, Associate Professor Emeritus in the College of Nursing.

Professor Shaw-Nickerson, PhD, RN, FAAN, was a highly respected educator, administrator, and consultant in maternal child health nursing at The Ohio State University for 30 years. She received her BS degree in nursing in 1955 from The Ohio State University.

Professor Shaw-Nickerson was the first African American to be President of the American Nurses Foundation (1985-89) and was a founding member of the National Black Nurses Association. She initiated The College of Nursing Minority Scholarship in 1985 at The Ohio State University. She established the Ethelrine Shaw-Nickerson Award for Affirmative Action by the Ohio Nurses Association in 1987.

She was honored with the prestigious Mary Mahoney Award in 1990, which was established in 1936 by the National Association of Colored Graduate Nurses and is now awarded by the American Nurses Association. Professor Shaw-Nickerson received the Distinguished Alumni Award from The Ohio State University College of Nursing Alumni Society (1974), the Distinguished Affirmative Action Award from Ohio State (1985), and the Distinguished Service Award from the American Nurses Foundation (1990). She was named an Alumni Transformer in Nursing and Healthcare during The Ohio State University College of Nursing Centennial celebration in 2014.

**RESOLUTIONS IN MEMORIAM** (cont'd)

Professor Shaw-Nickerson played an important role in enhancing the academic mission and quality of The College of Nursing and The Ohio State University. Her pioneering work in affirmative action for the university and nursing was vital to diversity and serves as a landmark for continued growth and development.

On behalf of the University community, the Board of Trustees expresses to the family of Professor Ethelrine Shaw-Nickerson its deepest sympathy and sense of understanding of their loss. It is directed that this resolution be inscribed upon the minutes of the Board of Trustees and that a copy be tendered to her family as an expression of the Board's heartfelt sympathy.



**RATIFICATION OF COMMITTEE APPOINTMENTS 2014-2015**

BE IT RESOLVED, That the Board of Trustees hereby approves that the ratification of committee appointments for 2014-2015 are as follows:

**Academic Affairs and Student Life Committee:**

Alex Shumate, Chair  
Linda S. Kass, Co-Chair  
Cheryl L. Krueger, Vice Chair  
Algenon L. Marbley  
Janet B. Reid  
Clark C. Kellogg  
Timothy P. Smucker

**ABIGAIL S. WEXNER**

Alan VanderMolen  
Steven M. Loborec  
Janet Box-Steffensmeier (faculty member)  
Jeffrey Wadsworth (ex officio)

**Finance Committee:**

Michael J. Gasser, Chair  
Ronald A. Ratner, Co-Chair  
Brent R. Porteus, Vice Chair  
W.G. "Jerry" Jurgensen  
Erin P. Hoeflinger  
**ALEX R. FISCHER**  
G. Gilbert Cloyd  
Corbett A. Price  
Stacie E. Seger  
Jo Ann Davidson  
Jeffrey Wadsworth (ex officio)

**Advancement Committee:**

Janet B. Reid, Chair  
Erin P. Hoeflinger, Vice Chair  
Linda S. Kass  
Clark C. Kellogg  
Timothy P. Smucker  
Cheryl L. Krueger  
Brent R. Porteus  
**ALEX R. FISCHER**  
**ABIGAIL S. WEXNER**  
G. Gilbert Cloyd  
Corbett A. Price  
Alan VanderMolen  
Stacie E. Seger  
John W. Kessler  
Nancy Kramer  
Christopher A. Ito (Alumni Assn member)  
Larry Moore (Alumni Assn member)  
Keith D. Monda (Foundation Board member)  
Daniel J. Wampler (Foundation Board member)  
Jeffrey Wadsworth (ex officio)

**Audit and Compliance Committee:**

W.G. "Jerry" Jurgensen, Chair  
Michael J. Gasser, Vice Chair  
Ronald A. Ratner  
Steven M. Loborec  
Lawrence A. Hilsheimer  
Amy Chronis  
Craig S. Morford  
Jeffrey Wadsworth (ex officio)

**Governance Committee:**

Timothy P. Smucker, Chair  
Alex Shumate, Vice Chair  
Algenon L. Marbley  
Linda S. Kass  
Janet B. Reid  
Erin P. Hoeflinger  
G. Gilbert Cloyd  
Alan VanderMolen  
Stacie E. Seger  
Jeffrey Wadsworth (ex officio)

**RATIFICATION OF APPOINTMENT TO  
THE OHIO STATE UNIVERSITY WEXNER MEDICAL CENTER BOARD**

Synopsis: Ratification of appointments to The Ohio State University Wexner Medical Center Board, is proposed.

WHEREAS the Ohio State University Board of Trustees approved the bylaws for the creation of the new Ohio State University Wexner Medical Center Board; and

WHEREAS the University Wexner Medical Center Board bylaws stipulate that up to five members of the University Board of Trustees shall be appointed annually to the University Wexner Medical Center by the Chair of the University Board of Trustees; and

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby ratify the following appointment to the University Wexner Medical Center Board effective August 29, 2014, for the term specified below:

Trustee Members

W.G. "Jerry" Jurgensen, term ending May 13, 2015

Cheryl L. Krueger, term ending May 13, 2015

Corbett A. Price, term ending May 13, 2015

Janet B. Reid, term ending May 13, 2015

**ABIGAIL S. WEXNER, term ending May 13, 2015**

BE IT FURTHER RESOLVED, That the Board of Trustees hereby approves that the appointment of each member entitles the members to any immunity, insurance, or indemnity protection to which officers and employees of the university are, or hereafter may become, entitled.

**PERSONNEL ACTIONS**

BE IT RESOLVED, That the Board of Trustees hereby approves the personnel actions as recorded in the Personnel Budget Records of the University since the June 6, 2014, meeting of the Board, including the following Appointments, Reappointments, Appointment/Reappointment of Chairpersons, Faculty Professional Leaves, Faculty Professional Leave Cancellation, Emeritus Titles, Promotion and Tenure.

Appointments

Name: JOHN V. CAMPO  
Title: Professor (The Charles F. Sinsabaugh Chair in Psychiatry)  
College: Medicine  
Effective: June 1, 2014 through May 31, 2018

Name: JENNIFER E. COWLEY  
Title: Vice Provost for Capital Planning and Regional Campuses  
Office: Academic Affairs  
Term: August 15, 2014 through June 30, 2019

Name: SKYLER CRANMER\*  
Title: Associate Professor (The Carter Phillips and Sue Henry Professorship in Political Science)  
College: Arts and Sciences - Division of Social and Behavioral Sciences  
Term: August 16, 2014 through August 15, 2019

Name: SONIA A. DUFFY\*  
Title: Professor (The Mildred E. Newton Professorship)  
College: Nursing  
Term: September 15, 2014 through September 14, 2019

Name: CHRISTOPHER M. FAIRMAN  
Title: Professor (The C. William O'Neill Professorship in Law and Judicial Administration)  
College: The Michael E. Moritz College of Law  
Term: September 1, 2014 through August 31, 2019

Name: BERNARD S. GAUDI  
Title: Professor (The Thomas Jefferson Chair for Discovery and Space Exploration)  
Office: Academic Affairs  
Effective: September 1, 2014 through August 31, 2019

Name: CHARLENE D. GILBERT  
Title: Dean and Director  
College: The Ohio State University - Lima  
Term: August 11, 2014 through June 30, 2019

Name: ANDREW H. GLASSMAN  
Title: Professor-Clinical (The Frank J. Kloenne Chair in Orthopedic Surgery)  
College: Medicine  
Term: January 1, 2014 through June 30, 2017

\* New to University

**PERSONNEL ACTIONS (cont'd)**

Name: STEVEN F. HUEFNER  
 Title: Associate Professor (The Moritz College of Law Alumni Society Designated Professorship in Law)  
 College: The Michael E. Moritz College of Law  
 Effective: September 1, 2014 through August 31, 2019

Name: GARRY W. JENKINS  
 Title: Associate Professor (The John C. Elam/Vorys Sater Professorship)  
 College: The Michael E. Moritz College of Law  
 Effective: September 1, 2014 through August 31, 2019

Name: LARRY M. JONES  
 Title: Associate Professor – Clinical (The American Electric Power Foundation Chair in Burn Care)  
 College: Medicine  
 Term: July 1, 2014 through June 30, 2018

Name: USHA MENON  
 Title: Professor (Centennial Professor of Nursing)  
 College: Nursing  
 Term: August 29, 2014 through June 30, 2019

Name: BERNADETTE A. MINTON  
 Title: Professor (The Arthur E. Shepard Endowed Professorship in Insurance)  
 College: The Max M. Fisher College of Business  
 Term: September 1, 2014 through August 31, 2019

Name: ANTOINETTE C. MIRANDA  
 Title: Associate Professor (The William H. and Laceryjette V. Casto Professorship in Interprofessional Education in Honor of Henry and Ruth Leuchter and Van Bogard and Geraldine Dunn)  
 College: Education and Human Ecology  
 Term: September 1, 2014 through August 31, 2017

Name: ABHAY R. SATOSKAR  
 Title: Professor (The University Pathology Services Anatomic Pathology Professorship)  
 College: Medicine  
 Term: July 1, 2014 through June 30, 2018

Name: DANIEL P. TOKAJI  
 Title: Professor (Charles W. Ebersold and Florence Whitcomb Ebersold Professorship)  
 College: The Michael Moritz College of Law  
 Term: September 1, 2014 through August 31, 2019

Name: ALEXANDER E. WENDT  
 Title: Professor (Ralph D. Mershon Professorship)  
 Center: Mershon  
 Term: July 1, 2014 through June 30, 2019

**PERSONNEL ACTIONS (cont'd)**

Reappointments

Name: GREG M. ALLENBY  
 Title: Professor (The Helen C. Kurtz Chair in Marketing)  
 College: The Max M. Fisher College of Business  
 Term: October 1, 2014 through September 30, 2019

Name: JAIDEEP ANAND  
 Title: Professor (William H. Davis Chair in the American Free Enterprise System)  
 College: The Max M. Fisher College of Business  
 Term: September 1, 2014 through August 31, 2019

Name: ROBERT R. BAHNSON  
 Title: Professor (The Dave Longaberger Endowed Chair in Urology)  
 College: Medicine  
 Term: July 1, 2014 through June 30, 2018

Name: ANNETTE L. BEATTY  
 Title: Professor (The Deloitte and Touche Chair in Accounting)  
 College: The Max M. Fisher College of Business  
 Term: October 1, 2014 through September 30, 2019

Name: JOHN B. CASTERLINE  
 Title: Professor (Robert Lazarus Professorship in Population Studies)  
 College: Arts and Sciences – Division of Social and Behavioral Sciences  
 Term: July 1, 2014 through June 30, 2019

Name: LARRY J. COPELAND  
 Title: Professor (The William Greenville Pace III and Joann Norris Collins-Pace Chair for Cancer Research)  
 Center: Comprehensive Cancer Center – The Arthur G. James Cancer Hospital and Richard J. Solove Research Institute  
 Term: July 1, 2014 through June 30, 2018

Name: GLENN S. DAEHN  
 Title: Professor (The Dr. Mars G. Fontana Professorship in Metallurgical Engineering)  
 College: Engineering  
 Term: July 1, 2014 through June 30, 2019

Name: JOHN C. FELLINGHAM  
 Title: Professor (The H.P. Wolfe Chair in Accounting)  
 College: The Max M. Fisher College of Business  
 Term: October 1, 2013 through September 30, 2018

Name: RONALD L. HARTER  
 Title: Professor (The Jay J. Jacoby MD, PhD Chair in Anesthesiology)  
 College: Medicine  
 Term: July 1, 2013 through June 30, 2017

**PERSONNEL ACTIONS** (cont'd)

Name: TINA M. HENKIN  
 Title: Professor (Robert W. and Estelle S. Bingham Designated Professorship)  
 College: Arts and Sciences – Division of Natural and Mathematical Sciences  
 Term: August 16, 2014 through August 15, 2019

Name: WAEL N. JARJOUR  
 Title: Associate Professor – Clinical (The Martha Morehouse Chair in Arthritis and Immunology Research)  
 College: Medicine  
 Term: July 1, 2013 through June 30, 2017

Name: BARBARA L. KEYFITZ  
 Title: Professor (The Dr. Charles Saltzer Professorship in Mathematics)  
 College: Arts and Sciences – Division of Natural and Mathematical Sciences  
 Term: October 1, 2014 through August 31, 2019

Name: BARBARA I. KIEFER  
 Title: Professor (The Charlotte S. Huck Professorship in Children’s Literature)  
 College: Education and Human Ecology  
 Term: October 1, 2013 through May 31, 2018

Name: DOUGLAS M. LAMBERT  
 Title: Professor (The Raymond E. Mason Chair in Transportation and Logistics)  
 College: The Max M. Fisher College of Business  
 Term: July 1, 2014 through September 30, 2019

Name: LEA M. MCGEE  
 Title: Professor (The Marie Clay Endowed Chair in Reading Recover and Early Literacy)  
 College: Education and Human Ecology  
 Term: October 1, 2011 through December 31, 2014

Name: MICHAEL J. MILLS  
 Title: Professor (Taine G. McDougal Professorship in Engineering)  
 College: Engineering  
 Term: July 1, 2014 through June 30, 2019

Name: HENRI MOSCOVICI  
 Title: Professor (The Alice Louise Ridenour Wood Chair in Mathematics)  
 College: Arts and Sciences – Division of Natural and Mathematical Sciences  
 Term: October 1, 2014 through August 31, 2019

Name: RAYMOND A. NOE  
 Title: Professor (Robert and Anne Hoyt Designated Professorship in Management)  
 College: The Max M. Fisher College of Business  
 Term: October 1, 2014 through September 30, 2019

**PERSONNEL ACTIONS (cont'd)**

Name: LYNNE E. OLSON  
Title: Faculty Ombudsman  
Office: Academic Affairs  
Term: September 1, 2014 through August 31, 2015

Name: STEVEN A. RINGEL  
Title: Professor (The Neal A. Smith Chair in Electrical Engineering)  
College: Engineering  
Term: July 1, 2014 through June 30, 2019

Name: WOLFGANG SADEE  
Title: Professor (The Dr. Samuel T. and Lois Felts Mercer Professorship of Medicine and Pharmacology)  
College: Medicine  
Term: July 1, 2014 through June 30, 2018

Name: DANIEL D. SEDMAK  
Title: Professor (The Donald A. Senhauser, MD, Chair in Pathology)  
College: Medicine  
Term: September 1, 2014 through August 31, 2018

Name: ODED SHENKAR  
Title: Professor (The Ford Motor Company Chair in Global Business Management)  
College: The Max M. Fisher College of Business  
Term: May 1, 2014 through April 30, 2019

Name: MICHAEL F. TWEEDLE  
Title: Professor (The Stefanie Spielman Chair in Cancer Imaging)  
Center: Comprehensive Cancer Center – The Arthur G. James Cancer Hospital and Richard J. Solove Research Institute  
Term: July 1, 2013 through June 30, 2015

Name: HANUMANTHA R. UNNAVA  
Title: Professor (The W. Arthur Cullman Professorship in Marketing)  
College: The Max M. Fisher College of Business  
Term: October 1, 2014 through September 30, 2019

Name: YUAN F. ZHENG  
Title: Professor (The Howard D. Winbigler Designated Chair in Engineering)  
College: Engineering  
Term: July 1, 2014 through June 30, 2019

Name: DONGPING ZHONG  
Title: Professor (The Robert Smith Endowed Professorship in Physics)  
College: Arts and Sciences – Division of Natural and Mathematical Sciences  
Term: October 1, 2014 through August 31, 2019

**REVOCATION OF DEGREE**

Synopsis: Revocation of a Bachelor of Science degree, is proposed.

WHEREAS a panel of the committee on academic misconduct constituted according to rule 3335-5-48.7 of the Administrative Code request that the Board of Trustees effectuate the revocation of the Bachelor of Science degree of Jiarui Huang; and

WHEREAS the request was concurred with by the Executive Vice President and Provost; and

WHEREAS the request was further concurred with by the Academic Affairs and Student Life Committee; and

WHEREAS the appropriate bodies and administrative officer of the university have fully complied with applicable procedures and in accordance with those procedures:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves that the Bachelor of Science degree of Jiarui Huang, granted on December 15, 2013, pursuant to paragraph (E) of rule 3335-1-06 of the Administrative Code, is hereby revoked immediately.



**UNIVERSITY FOUNDATION REPORT**

Synopsis: Approval of the University Foundation Report as of July 31, 2014, is proposed.

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 The Donald G. and Mary A. Dunn Designated Chair in Modern Military History, The Mary E. and John W. Alford Research Chair in Head and Neck Cancer, The Sylvan G. Frank Chair in Pharmaceuticals and Drug Delivery Systems, The Frank E. and Virginia H. Bazler Chair in Business Law, the Centennial Professor of Nursing, The Dr. Lee Hebert Endowed Professorship in Nephrology, the FloAnn Sours Easton Endowed Professorship in Child and Adolescent Health, the Charles W. Ebersold and Florence Whitcomb Ebersold Professorship, The Ohio Research Scholars Program Endowed Fund, the establishment of thirty-one (31) named endowed funds, and the revision of five (5) named endowed funds:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves The Ohio State University Foundation Report as of July 31, 2014.

**NAMING OF INTERNAL SPACES**

**In The Ohio State University Comprehensive Cancer Center –  
Arthur G. James Cancer Hospital and Richard J. Solove Research Institute**

Synopsis: Approval for naming of the internal spaces at the new The Ohio State University Comprehensive Cancer Center – Arthur G. James Cancer Hospital and Richard J. Solove Research Institute, located at 460 West Tenth Avenue on the Wexner Medical Center campus, is proposed.

WHEREAS this expansion of the Wexner Medical Center's campus is the largest project in Ohio State's history, increasing world-class cancer care in Central Ohio; and

WHEREAS this 21-level hospital will help revolutionize the way cancer prevention and care are provided in this nation, with world-class oncologists and cancer researchers working side-by-side to unlock the mysteries of why we get cancer and, using those discoveries, move from treating cancer to preventing it from even occurring; and

WHEREAS the donors listed below have provided significant contributions to the building fund for the new James Cancer Hospital and Solove Research Institute:

- Celebration for Life
- Tween Brands, Inc.
- The Wasserstrom Companies
- Herbert J. Block Memorial Tournament
- Up on the Roof
- W.W. Williams Company
- Ellen and David J. Ryan
- Hinson Family Trust
- Patricia and Steven Gabbe
- Schnipke Family LLC, Ellie and William Halter, Dolores and Eric Johnson, and M.J. and Ronald J. Schnipke
- Joyce and Michael Hallet
- Carole and David Schuller
- Jan Minton Wood
- Shelley and Urban Meyer
- Ellen and James Bachmann
- Betty Cohen
- William Randolph Hearst Foundation
- Angie and Donald Ward
- Kathy and Alec Wightman
- Stephen Kimpel
- Cindy and Larry Hilsheimer
- Jon Ricker
- Beatrice and Alan Weiler
- Donna and Daniel Benhase
- Irene Levine and Lee Hess
- Judy and Michael Thomas
- Ketchum & Walton Company
- Lynnda and Steven Davis
- Diane and George McCloy

**NAMING OF INTERNAL SPACES** (cont'd)

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves in accordance with paragraph (F) of rule 3335-1-08 of the Administrative Code, that the internal spaces in The Ohio State University Comprehensive Cancer Center – Arthur G. James Cancer Hospital and Richard J. Solove Research Institute be named the following:

- Room D920F: Sue Haggerty Executive Assistant Suite
- Ground Level: Celebration for Life Conference Center
- Level 2: Justice / Tween Brands Pediatric Radiation Oncology Suite
- Room L035: Wasserstrom Family Conference Room
- Level 1: Herbert J. Block Memorial Tournament Hematology & Transplant Clinic
- Level 5: Up on the Roof Clinical Treatment Suite
- Room A2130: Up on the Roof Patient Room
- Room A2108: Up on the Roof Patient Room
- Room A2122: Up on the Roof Patient Room
- Room C2104: Up on the Roof Patient Room
- Room C2120: Up on the Roof Patient Room
- Room C2128: Up on the Roof Patient Room
- Room D2102: Up on the Roof Patient Room
- Room D2112: Up on the Roof Patient Room
- Room D2118: Up on the Roof Patient Room
- Level 1: The W.W. Williams Company Bone Marrow Transplant Cell Laboratory
- Ellen & David J. Ryan Pavilion
- Room A400C: Charleen & Charles W. Hinson Visitor Lounge
- Room L045: Patricia & Steven Gabbe Conference Room
- Room D101: Pauline & Leonard Schnipke Sanctuary
- Room A200B: Yessenow-Hallet Radiation Oncology Visitor Lounge
- Room B2102: Carole, Dave, Rebecca, and Mike Schuller Visitor Lounge
- Room C431: John Peter Minton, MD, PhD Metabolic Tissue Imaging Suite
- Room B2002: Gisela & Urban Meyer Visitor Lounge
- Room B1902: Ellen & James Bachmann Visitor Lounge
- Room A1518: Lewis M. Cohen, MD Care Team Education Center
- Room A2118: William Randolph Hearst Foundation Care Team Education Center
- Room B2114: Kelly Ward Lancaster Care Team Education Center
- Kathy & Alec Wightman Respite Area
- Stephen Kimpel Respite Area
- Room D920E: Cindy & Larry Hilsheimer Conference Room
- Lisa H. Ricker Respite Area
- Room C100: Beatrice & Alan Weiler Radiology Visitor Lounge
- Benhase Family Respite Area
- Room D900: Levine / Hess Conference Room
- Room B502: Judy & Michael Thomas Clinical Treatment Laboratory
- Room A401: Ketchum & Walton Company Consultation Room
- Room A405: Lynnnda & Steve Davis Family Consultation Room
- Room A407: Diane & George McCloy Consultation Room

**NAMING OF CAREER MANAGEMENT ADMINISTRATIVE OFFICE**

**In the Veterinary Medicine Academic Building,  
College of Veterinary Medicine:  
Bartels Career Management Administrative Office**

Synopsis: Approval for the naming of the Career Management Administrative Office in Room 127P in the Veterinary Medicine Academic Building, located at 1900 Coffey Road on The Ohio State University Veterinary Medicine campus, as the Bartels Career Management Administrative Office, is proposed.

WHEREAS the Veterinary Medicine Academic Building is a four story multi-purpose building that houses the dean's suite, teaching labs, study rooms, research space, and faculty offices and the Career Management Administrative Office houses the assistant director of the program who runs one of four career management offices currently in existence at a College of Veterinary Medicine; and

WHEREAS the program provides support to students looking for employment, as well as opportunities for networking, professional development, and career exploration and the program also helps alumni with job postings, on-campus interviews with students, and establishing relationships via our mentoring program; and

WHEREAS the program has assisted over 500 students and alumni via career consultation meetings, job interviews, mentoring opportunities, and online networking groups and the Class of 2014 was the first class to have a full year's access to the Office of Career Management and 94% of the class reached out for support or guidance; and

WHEREAS the program has significantly increased the effectiveness of the interactions between our alumni and our students and the preparedness of our students entering the workforce; and

WHEREAS Dr. Donald Bartels and Dr. Harry Bartels have provided contributions to the College of Veterinary Medicine to the Career Services Endowment and for the support of career and financial service activities within the Office of Student Affairs within the College of Veterinary Medicine; and

WHEREAS Dr. Harry Bartels has provided significant contributions to the College of Veterinary Medicine in the College of Veterinary Medicine Career Services Support Fund, Bartels Vet Practice Management Fund, Vet Med Building Fund, and Vet Med 1954 Scholarship:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves in accordance with paragraph (F) of rule 3335-1-08 of the Administrative Code, that the Career Management Administrative Office in Room 127P in the Veterinary Medicine Academic Building be named the Bartels Career Management Administrative Office.

**NAMING OF SPACES IN THE PRE-CLINIC**

**In Fry Hall,  
College of Optometry**

Synopsis: Approval for naming of the pre-clinic spaces in Fry Hall, located at 352 West Tenth Avenue on the main campus, is proposed.

WHEREAS the College of Optometry Pre-Clinic provides a new and technologically updated facility in which students receive education on how to provide a comprehensive eye examination, how to use basic optometric equipment, and attend lectures; and

WHEREAS the College of Optometry is dedicated to providing eminence in optometric education, vision research, and eye care; and

WHEREAS the donors listed below have provided significant contributions to the College of Optometry Pre-Clinic:

- Drs. John and Cheryl Archer
- Dr. and Mrs. Timothy Kime, in honor of Emeritus Dean Frederick Hebbard
- Dr. and Mrs. Robert Layman
- Dr. and Mrs. Bruce Manning
- Dr. Michael Polasky and Mrs. Wendy Clark

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves in accordance with paragraph (F) of rule 3335-1-08 of the Administrative Code, that the pre-clinic spaces in Fry Hall be named the following:

- Room 204, the Drs. John and Cheryl Archer Student Lounge
- Room 235, the Fred Hebbard Classroom, generously donated by Dr. and Mrs. Timothy Kime
- Room 221, the Dr. and Mrs. Robert Layman Examination Room
- Room 212, the The Manning Family Examination Room
- Room 234, the Dr. Michael Polasky and Mrs. Wendy Clark NBEO Examination Room

**NAMING OF WEST LAWN AND FORECOURT GARDEN**

**At the new James Cancer Hospital and Solove Research Institute,  
Wexner Medical Center:  
Phyllis A. Jones Legacy Park**

Synopsis: Approval for the naming of the west lawn and forecourt garden in the new James Cancer Hospital and Solove Research Institute, located at 460 West Tenth Avenue on the Wexner Medical Center campus, as the Phyllis A. Jones Legacy Park, is proposed.

WHEREAS the new James Cancer Hospital and Solove Research Institute is the largest project in Ohio State's history, increasing world-class cancer care in central Ohio; and

WHEREAS Phyllis A. Jones has provided contributions to the James Cancer Hospital and Solove Research Institute to the James Cancer Center Expansion Fund; and

WHEREAS Mrs. Jones, former president and CEO of Fiesta Salons, is creating the Jones Legacy Park in honor of her late husband who was among the first patients treated for lung cancer at The James when it opened in 1990; and

WHEREAS in fulfilling her promise, Mrs. Jones is providing a restful, peaceful garden where patients, visitors and staff can seek comfort and solace during many hours spent at The James through an outdoor area for patients and a children's play area:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves in accordance with paragraph (F) of rule 3335-1-08 of the Administrative Code, that the west lawn and forecourt garden in the new James Cancer Hospital and Solove Research Institute be named the Phyllis A. Jones Legacy Park.

**FISCAL YEAR 2015 CAPITAL INVESTMENT PLAN**

Synopsis: Authorization of the Capital Investment Plan for the fiscal year ending June 30, 2015, is proposed.

WHEREAS the university has presented the recommended capital expenditures for the fiscal year ending June 30, 2015; and

WHEREAS the recommended capital expenditures are the result of the university's comprehensive annual capital planning process; and

WHEREAS only those projects outlined in these recommendations will be approved for funding:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves that the Capital Investment Plan for the fiscal year ending June 30, 2015, as described in the accompanying documents, be approved; and

BE IT FURTHER RESOLVED, That any request for authorization to proceed with any project contained in these recommendations or for university funds for any such projects must be submitted individually by the university for approval by the Board of Trustees, as provided for by Board policy.

**FISCAL YEAR 2015 BUDGET**

Synopsis: Approval of the Budget Plan for the fiscal year ending June 30, 2015, is proposed.

WHEREAS the State of Ohio Biennial Budget for State Fiscal Years 2014 and 2015, including funding levels for State institutions of higher education, has been signed into law; and

WHEREAS tuition and fee increases for the Columbus and regional campuses for the fiscal year ending June 30, 2015 were approved at the June 6, 2014 Board of Trustees meeting; and

WHEREAS the President now recommends approval of the Budget Plan for the fiscal year 2015 ending June 30, 2015:

NOW THEREFORE

BE IT RESOLVED, The Board of Trustees hereby approves that the university's Budget Plan for the fiscal year ending June 30, 2015, as described in the accompanying Fiscal Year 2015 Budget Plan Book, be approved, with authorization for the president to make expenditures within the projected income; and

BE IT FURTHER RESOLVED, That if the implementation of the new funding model State Subsidy for fiscal year 2015 impacts the anticipated funding levels or programs at The Ohio State University and regional campuses, the Board provides authorization for the president to make the necessary changes in the Fiscal Year 2015 Budget Plan and to report such changes to the Board of Trustees prior to the next meeting.



**MODIFICATION OF ASSET CLASSES AND ALLOCATIONS AND  
BENCHMARKS FOR THE LONG-TERM INVESTMENT POOL**

Synopsis: Modifying the university's Investment Policy #5.90 (approved August 30, 2013) to update asset classes and allocations for the university's Long-Term Investment Pool, and adopting modified benchmarks for the university's Long-Term Investment Pool, is proposed.

WHEREAS The Ohio State University Board of Trustees previously adopted the Investment Policy #5.90 in August 2013 to govern various aspects of the management of the university's investment portfolios; and

WHEREAS there is a desire to modify such Investment Policy to update the asset classes and allocations for the Long-Term Investment Pool; and

WHEREAS the chief investment officer has recommended to the senior vice president for business and finance certain modifications to the Investment Policy to update the asset classes and allocations for the Long-Term Investment Pool; and

WHEREAS the senior vice president for business and finance has reviewed the proposed modifications to the Investment Policy to update the asset classes and allocations for the Long-Term Investment Pool, has determined that it is appropriate and in the best interest of the university that such modifications be adopted, and has recommended such modifications to the Finance Committee; and

WHEREAS the Finance Committee has approved such modifications to the Investment Policy to update the asset classes and allocations for the Long-Term Investment Pool; and

WHEREAS the Finance Committee hereby recommends such modifications to the Investment Policy to update the asset classes and allocations for the Long-Term Investment Pool to The Ohio State University Board of Trustees; and

WHEREAS the chief investment officer has recommended to the senior vice president for business and finance modifications to the existing benchmarks for the Long-Term Investment Pool to evaluate the investment performance of the Long-Term Investment Pool and a new benchmark, the Sharpe ratio, for the Long-Term Investment Pool to evaluate the risk-adjusted investment performance of the Long-Term Investment Pool; and

WHEREAS the senior vice president for business and finance has reviewed such modifications to the existing benchmarks and the new benchmark, has determined that such modifications and the new benchmark are appropriate and in the best interest of the university, and has recommended such modifications and the new benchmark to the Finance Committee; and

WHEREAS the Finance Committee has approved such modifications to the existing benchmarks and the new benchmark; and

WHEREAS the Finance Committee hereby recommends such modifications to the existing benchmarks and the new benchmark for the Long-Term Investment Pool to The Ohio State University Board of Trustees; and

**MODIFICATION OF ASSET CLASSES AND ALLOCATIONS AND  
BENCHMARKS FOR THE LONG-TERM INVESTMENT POOL (cont'd)**

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves that the attached Investment Policy with updated asset classes and allocations for the Long-Term Investment Pool be ratified as having been in effect from July 1, 2014; and

BE IT FURTHER RESOLVED, That the modified benchmarks for the Long-Term Investment Pool set forth below for the purposes of evaluating the investment performance of the Long-Term Investment Pool be ratified as having been in effect from July 1, 2014 and shall remain in effect until further modified as provided for in the university's Investment Policy:

<u>Asset Class</u>	<u>Range</u>	<u>Benchmark</u>	<u>LTIP Benchmark Weighting</u>
Global Equities	40-80%	MSCI All Country World Index (ACWI)	60%
Global Credit	10-50%	Barclays U.S. Aggregate Bond Index	30%
Real Assets	5-20%	U.S. Consumer Price Index (CPI) +5%	10%

BE IT FURTHER RESOLVED, That the use of the Sharpe ratio as the benchmark to evaluate the total risk-adjusted performance of the Long-Term Investment Pool be ratified as having been in effect from July 1, 2014 and shall remain in effect until further modified as provided for in the university's Investment Policy.

**APPROVAL TO ENTER INTO PROFESSIONAL SERVICES  
AND CONSTRUCTION CONTRACTS**

**APPROVAL TO ENTER INTO PROFESSIONAL SERVICES CONTRACTS**

Cannon Drive Relocation – Phase 1  
Fire System Replacements  
Golf Course – Irrigation System and Pump House  
Marion – Science and Engineering Building  
Mount Hall Renovation  
Newark – Adena Hall Renovation  
Pomerene and Oxley Halls Renovation

**APPROVAL TO ENTER INTO CONSTRUCTION CONTRACTS**

Fire System Replacements  
Golf Course – Irrigation System and Pump House  
Newark – Adena Hall Renovation

Synopsis: Approval to enter into professional services and construction contracts, as detailed in the attached materials, is proposed.

WHEREAS in accordance with the attached materials, the university desires to enter into professional services contracts for the following projects; and

	Design Approval Requested	Total Project Cost	
Cannon Drive Relocation – Phase 1	\$1.9M	\$37.7M	Local funds Leveraged Partnerships
Fire System Replacements	\$0.7M	\$5.3M	State appropriations
Golf Course – Irrigation System and Pump House	\$0.5M	\$4.3M	Auxiliary funds
Marion – Science and Engineering Building	\$1.4M	\$15.0M	Local funds Development funds
Mount Hall Renovation	\$1.9M	\$15.0M	Local funds
Newark – Adena Hall Renovation	\$0.6M	\$4.0M	State appropriations
Pomerene and Oxley Halls Renovation	\$7.1M	\$58.9M	State appropriations Auxiliary funds

WHEREAS in accordance with the attached materials, the university desires to enter into construction contracts for the following projects:

	Const. Approval Requested	Total Project Cost	
Fire System Replacements	\$4.6M	\$5.3M	State appropriations
Golf Course – Irrigation System and Pump House	\$3.8M	\$4.3M	Auxiliary funds
Newark – Adena Hall Renovation	\$3.4M	\$4.0M	State appropriations

**APPROVAL TO ENTER INTO PROFESSIONAL SERVICES  
AND CONSTRUCTION CONTRACTS (cont'd)**

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves that the president and/or senior vice president for administration and planning be authorized to enter into professional services and construction contracts for the project listed above in accordance with established university and State of Ohio procedures, with all actions to be reported to the Board at the appropriate time.

**APPROVAL TO ENTER INTO A JOINT USE AGREEMENT**

**BETWEEN THE OHIO STATE UNIVERSITY,  
THE REEB AVENUE CENTER AND THE CITY OF COLUMBUS, OHIO**

Synopsis: Approval to enter into a Joint Use Agreement with the Reeb Avenue Center, an Ohio nonprofit agency, and the City of Columbus, Ohio to document the value and permit the release of funds appropriated in the State Capital Bill for improvements to the former Reeb Elementary School, is proposed.

WHEREAS the Reeb School Renewal was allocated \$2,000,000 in the 2015 State Capital Bill; and

WHEREAS the Reeb Avenue Center, in partnership with the City of Columbus, will utilize funds to restore the historic Reeb Elementary School to house a number of nonprofit agencies all of which will holistically address the needs of residents in Columbus and Franklin County, Ohio; and

WHEREAS the Reeb Avenue Center restoration will promote the university's mission to address issues and problems of global dimension that are affecting the quality of the human condition; and

WHEREAS before the state capital appropriation may be released to the Reeb Avenue Center and the City of Columbus, the Ohio Board of Regents requires that a Joint Use Agreement between the university, the Reeb Avenue Center and the City of Columbus be signed to document the value of the appropriation to OSU and to ensure the benefits to the university will continue for a minimum period of twenty years; and

WHEREAS the Reeb Avenue Center commits to providing educational and research opportunities to students and faculty of The Ohio State University providing them with first-hand experience in addressing the public health, educational and social welfare needs of Columbus area families for the term of the agreement:

NOW THEREFORE

BE IT RESOLVED, The Board of Trustees hereby approves that the president and/or senior vice president for administration and planning be authorized to take any action required to effect the Joint Use Agreement containing terms and conditions deemed to be in the best interest of the university.

**SALE OF REAL PROPERTY**

**UNIMPROVED LAND IN FRANKLIN COUNTY, OHIO, FOR HIGHWAY PURPOSES**

Synopsis: Approval to sell 0.1 acres of unimproved property owned by the Board of Trustees of The Ohio State University located in Franklin County, Ohio along State Route 33, is proposed.

WHEREAS the affected property is located at the intersection of Shier Rings Road and Wilcox Road in Dublin, Ohio; and

WHEREAS the Ohio Department of Transportation (ODOT) has requested the Board of Trustees transfer in fee 0.1 acres of property to ODOT to support the State Route 33 widening project; and

WHEREAS an appraisal of the property was completed by ODOT in March 2014 and indicated a market value of the 0.1 acres at \$17,675; and

WHEREAS ODOT will cover all expenses related to the transfer of said property; and

WHEREAS appropriate university offices have determined that sale of the 0.1 acres is in the best interest of the university and recommend this action:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves that the president and/or senior vice president for business and finance be authorized to take any action required to effect the sale of the property for a purchase price of no less than 90% of the current appraised value and to negotiate a purchase contract containing terms and conditions deemed to be in the best interest of the university.