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

Columbus, Ohio, February 1, 2008

The Board of Trustees met at its regular monthly meeting on Friday, February 1, 2008, at The Ohio State University Longaberger Alumni House, Columbus, Ohio, pursuant to adjournment.

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Minutes of the last meeting was approved.

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The Chairman, Dr. Cloyd, called the meeting of the Board of Trustees to order on Friday, February 1, 2008, at 9:00 am. He requested the Secretary to call the roll.

Present: G. Gil Cloyd, Chairman, Karen L. Hendricks, John D. Ong, Brian K. Hicks, John C. Fisher, Robert H. Schottenstein, Alan W. Brass, Algenon L. Marbley, Ronald A. Ratner and Debra J. Van Camp.

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Dr. Cloyd

In a moment we will be taking a roll call vote to go into executive session. The Board will reconvene this afternoon at 12:15 pm. I hereby move that the Board recess into executive session for the purposes of discussing personnel matters regarding compensation, the sale and acquisition of property, and to discuss matters required to be kept confidential by State Statute.

Upon motion of Dr. Cloyd, seconded by Mr. Brass, the Board of Trustees adopted the foregoing motion by unanimous roll call vote, cast by Trustees Cloyd, Hendricks, Ong, Hicks, Fisher, Schottenstein, Brass, Marbley and Ratner.

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Dr. Cloyd reconvened the meeting on Friday, February 1, 2008, at 12:15 pm.

Present: G. Gil Cloyd, Chairman, Karen L. Hendricks, John D. Ong, Leslie H. Wexner, Walden W. O'Dell, Brian K. Hicks, John C. Fisher, Robert H. Schottenstein, Alan W. Brass, Algenon L. Marbley, Ronald A. Ratner, Christopher A. Alvarez-Breckenridge and Debra J. Van Camp.

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Dr. Cloyd:

Good afternoon. First of all, please join me in welcoming our newest Board Member Mr. Ronald A. Ratner, who was appointed to the Board by Governor Ted Strickland for a term ending May 13, 2015. Mr. Ratner is from Cleveland Ohio and is President and CEO of Forest City Residential Group and Executive VP and Director of its parent company Forest City Enterprises of Cleveland. We are delighted, Ron, to have you joining us and we look forward to working with you.

I would also like to note that another one of our Trustees, Mr. Doug Borrer, had surgery this week. He is home now and recovering nicely and he sends all of us his best regards and we wish Doug a very speedy recovery.

Next, I would like to discuss a topic that is certainly important to everyone in Ohio and that's the fiscal challenges that the state is under right now and the response we have seen from the state leadership. And what I want to read into the record of this board meeting is a letter that President Gee sent to the faculty and staff regarding what has transpired this week and this was sent out yesterday.

Earlier today Governor Strickland announced a series of decisions aimed at closing the significant budget deficit confronted by Ohio. In that announcement the Governor reaffirmed his commitment to higher education and to Ohio State by preserving funding for universities and colleges while making difficult choices in other areas of state government. I would like to personally thank Governor Strickland, Chancellor Fingerhut, and the leaders of the Ohio General Assembly for their continuing support for affordable and excellent public higher education. The

Governor's decisions demonstrate a real commitment to ensuring Ohio's long term economic health through investment in Ohio State and other state-supported universities and colleges.

We at Ohio State have a substantial responsibility. We must continue to attract and maintain the best and brightest students and faculty, provide a world class education, conduct cutting edge research, attract outside investment, and partner with other institutions, businesses and industry to turn innovative ideas into real world solutions for public good. And we must do so while being wise guardians of our resources. I believe we represent Ohio's best opportunity for a prosperous future. Today's announcement is a vote of confidence in that belief, and I look forward to all of us working together to fulfill Ohio State's enormous promise and responsibility to the citizens of Ohio.

This is a terrific message and the Board of Trustees of Ohio State is fully supportive of everything contained in this letter. First of all, we have deep appreciation for the governor, the chancellor, and the Ohio General Assembly for standing steadfast in their commitment to continue to invest in higher education. Also, we recognize the special responsibility that we carry here at The Ohio State University to fulfill the promise of what the Governor and the General Assembly wants. So with that, President Gee, I want to thank you because I thought that was a wonderful message and I would now like to turn to you for your report.

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PRESIDENT'S REPORT

President Gee:

Thank you very much, and let me just add to that by saying that I sent a note last evening to the Governor and to the Chancellor and to the legislative leadership, all of whom have been very supportive to this University and for higher education, indicating that I personally pledged -- and I know that my college joined me -- that we will do anything possible to be worthy and that we will continue to be worthy of their support, but we realize that we have a high level of opportunity as well as responsibility and that we will fulfill that. The leadership role for this University at this time and in this state, nationally, and internationally is a powerful opportunity and we will do everything possible to make that leadership role a reality. So I just wanted to be on the record in that regard.

A lot has happened since we last met. First of all, I made it home from the Bowl game alive. I want you to know -- barely. This is the first time I have ever been chased by a man with an inflatable Buckeye head. And you know something, I didn't know that Brutus could swear, but he does. Some fans were understandably disappointed by our loss, but I was literally awestruck by the number of our fans in the Big Easy. Sixteen thousand were at our Buckeye Bash. The game was watched by 23.1 million people and, by the way, I will say this to our team, we had the best band, we had the best fans, we had the best ads on television, and we didn't have to go back to Baton Rouge LA, so we really did win! I hope we don't play LSU next year. I hope I am not invited back down there!

So anyway football does provide a wonderful platform for our team, for our band, for the spirit of the University. I would like to make one note and this is a note of pleasure. You know we had 13 football players eligible for the draft, all of whom would have gone very high, and only one chose to leave Ohio State. James Laurinaitis who is our great All American defensive back made a very moving statement about the value of this University, about the value of education, about the spirit of the place, and that I think to my colleagues over here is what it's about. It's about students achieving whatever they achieve and I think that that was such an important affirming moment for us. And I take great pleasure in that. So it is a testament to all of us.

For my part, I spent much of the last month continuing to harness and cultivate that great spirit of Ohio State, strengthen our network from campus working with our neighbors in Columbus and with our friends at the statehouse and throughout the state.

I thought I should tell the board we've had a faculty and staff recognition lunch for those who have dedicated their lives and careers to the mission of Ohio State, in that lunch we celebrated 17,000 cumulative years of service to the University. One of the things that has struck me -- and let me just say to everyone here -- what struck me is the intense loyalty among our faculty and staff at this institution. They have much more loyalty to the University than the University has to them, and we need to make sure that we are great partners with our faculty and staff. I must say that I was very taken with that service.

And then we are trying to make students and their families feel a part of Ohio State. Tomorrow -- and you are all welcome, although we do not have any room -- I have rented out Gateway Theaters. I have rented them all and we've invited the graduate students with their families to come and join me in watching the latest version of the *Wizard of Oz*. I'm taking everyone to see the *Wizard of Oz* tomorrow. So you should all come, how does that sound? And then next week I am taking the undergraduates to see *Napoleon Dynamite*, so if you want to have fun and spend an evening with me you can do that, otherwise you can have a life.

We've been helping recruit the best and brightest to come to this University and the quality of our applications continue to improve substantially, and that was evidenced by the large number of students coming to our scholars days. Tomorrow we have another group coming in.

I can't fail to mention something else. Coach Tressel was honored by his colleagues as Ohio coach of the year and Jim Foster won his 650th victory as a basketball coach. Jim Foster by the way has the longest standing graduation rate of 100% among any standing coaches in the country. That is something we should note.

In the Community Bucks for Charity drive, Ohio State employees raised almost \$1.2 million for local non-profits including Habitat for Humanity, United Negro College Fund, Girls Scouts, and Legal Aid Society. Our faculty and staff program, in support of the community, is one of the largest, if not the largest in this country in terms of the contributions they make. That is a great statement about the fact that we believe that we cannot have a great university unless we live in a great city and in a great community.

We met with the local K-12 schools superintendents to deepen Ohio State's collaboration with Franklin County Schools and we are opening our urban art space in the old Lazarus Building downtown. This is a statement that we are planting our flag in the center of the city. You know our campus is not simply bound by High and Lane. Our campus is a city and our campus is a state, and this is just another effort in that regard.

At the same time, I've started to travel around the state. My goal is to be in all 88 counties this year. I am having my picture taken in front of these county signs. I was out in front of this county sign, which county was it? Athens County, I should have figured that out. Athens County, and it was about 20 degrees and I am standing out there getting my picture taken. What I don't do for this university, anyway! I've spoken to the Akron Round Table and the Athens Rotary Club. We visited ATI and Wooster to have a chance to see the programs there. The chairman and I spent a good deal of our time in Cincinnati with the Alumni Parents and students and we also had an opportunity to go to Cleveland to spend some great time there.

The most exciting news I would like to announce today is that one of Ohio's best cooperate citizens has chosen wonderful timing for an extraordinarily generous gift. I am pleased to announce that Abercrombie & Fitch has donated \$10 million to our University. This money will support research and patient care both in women's oncology at the James Cancer Hospital and Solove Research Institute and inflammatory bowel and digestive diseases at the Medical Center. It creates endowed funds split evenly between those two areas. Abercrombie & Fitch's generous investment in Ohio State raises our current total of the Medical Center's Power to Change Lives fund raising campaign to more than \$385 million. It's a fitting gift I would say at a fitting time as this company continues to thrive and expand overseas. Abercrombie is demonstrating uncommon support for its hometown university.

So I am going to ask some friends to join me. First, Tom Lennox, please stand. Now I want you to know Tom is dressed up for an Abercrombie guy. He is actually wearing shoes instead of Birkenstocks! Tom is Abercrombie & Fitch's vice president for cooperate communications. With him is Dr. Souba the university's interim senior vice president of health sciences; Dr. Hagop Mekhjian – Hagop, please stand -- the chief medical officer of the University health systems; and Dr. David Schuller, who is our vice president for the medical center expansion and outreach. Together they made a great thing happen and for that we are grateful. Will you please tell all your colleagues at A&F how delighted we are with this and it's going to make a significant difference. Gentlemen, thank you for making this happen on behalf of this University. Let's give them all a round of applause.

Would you like to say anything?

Tom Lennox: I really didn't prepare anything. We just appreciate the opportunity to partner with one of the best institutions in the country. This will be great for Columbus and beyond Ohio. So thank you.

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COMMITTEE REPORTS

Dr. Cloyd:

Thank you. At this time we will hear committee reports. I would like to begin with Medical Affairs Committee. Mr. Brass...

Mr. Brass:

Good afternoon and thank you Mr. Chairman. What a great way to start off the Medical Affairs report with a great gift like that. What else can I say! We had a fantastic medical affairs committee meeting yesterday. An awful lot is happening and I would like to share with the board today. Dr. Souba started us off with a number of items that are happening at the Medical Center. Since our last board meeting we have hosted a very large technology symposium here in which we had some 200 people from other major health systems -- which we took a leadership role in -- and again, it just brings an awful lot of good comments to our Ohio State University.

The Anthem Insurance organization also gave us an award as the best in class as it relates to diabetes. That says an awful lot for a lot of our different programs. We moved up the financial report to the beginning of the committee report just to make sure we had a really good handle on the finances. And I'm happy to tell you, as it relates to the economics of a very large piece of our University, they are really looking very, very, very good. On the down side, our admissions are down a little bit; our surgeries are up quite a bit; and overall our operation gain is exceeding budget and over last year.

Now we look at a number of different things to determine whether we are in good stead. And those of us who manage these types of things look at our IBIDA rates, we look at our debt service rates, and we take a look at our day's cash on hand very closely. And I'm telling you we are in good stead with all of them and getting better. The weakest one is a day's cash on hand, but we are getting better everyday. Our debt service rate is looking great and our IBIDA is looking great. So statistically things are looking good, and I think that is important to know.

One of the things that we have to pay attention to, as it relates to this large project coming forward for the expansion, is to make sure we keep an eye on the trends. As a Board we will be watching that very carefully with the executive team. The two that I want the Board to be aware of is we have got to keep track of the mix. By that I mean the type of insurances that in fact are paying the bills and the self-pay patients coming through, because we have an obligation to take care of patients that come for care.

I think as we gain momentum with the planning process, our executive team is working better than ever as it relates to this large plan which takes us out -- it used to be 2012 and now it's 2014. We've moved it out a little bit. We have engaged Deloitte to really help us, arm and arm, to look at the strategic plan and that is coming together very well. At our April Board Meeting both at the committee level as well as the full board we will be spending quite a bit of time putting an awful lot of information forward as it relates to where that strategic plan is. Deloitte has done a wonderful job along with the executive team. Specifically we are looking at the financial forecast, we are looking at the signature programs, we're looking at the core strategy of this long term plan, we are looking at the risk factors that could be coming at us so that we have a real good sensitivity analysis done, and we are also taking a look at the implementation plan. So those 5 big areas are focus points for us as it relates to recasting, revalidating, and re-verifying the strategic plan as we go forward.

Dr. Gee is very busy as it relates to recruitment within the Medical Center for our top executive. That's going very, very well. We are taking a look at the PPS exemption in detail as it relates to the cost flow of dollars there, so we are making sure we maximize our returns.

There are three other parts we talked about and I just wanted to mention them quickly today. One is the philanthropy as a part of a large structural expansion and we are thinking about that both programmatically as well as for the facility. Philanthropy will be a very important part, and that has to be fine tuned as it relates to how large that capital campaign will be as part of this plan. Second, is the ambulatory care structure. The strategic plan related to ambulatory care both on site and off site has got to be built into this plan, and we have a lot of work going on with that. And the last one is that our Medical Center right now is operating 1,110 beds. That's what we could physically count if you walk through all the corridors. As part of this plan, we are estimating that we are at least 200 beds short to meet the critical needs right now. That then relates back to dollars and relates to meeting the needs of our patients, our faculty, and so on as part of the short-term plan and the long-term plan. The short-term plan is that the staff has figured out a way to bring on 65 additional beds in the near future. Now that does not sound like a lot but that is in fact a lot when you think about the critical care beds, med/surge beds. We still have additional work to do there both on a short term and on a longer term basis, but it is important for us to know that. In addition to that we will be opening up 60 new beds over in our heart hospital and 12 additional critical care beds. So when you put it all together and you think about short term and long term we are talking about probably being able to solve about 100 beds on a short term basis. We will still end up with a couple hundred beds short on the long term, which has to be met either through new construction or through some creative way of moving things around.

We had a great meeting. The synergy that is coming forward from the executive team of our Medical Center, the finances, the strategy, our outside consultants, both Deloitte and others, are really working together very, very well.

The committee was very pleased with the progress we are making and I believe over the next few months additional progress will be made around those 5 subject areas I highlighted earlier. I think this board along with this executive team will be in a position to make some very exciting decisions in the near future. So unless there are some questions, I will end my report. It was a good meeting.

Dr. Cloyd:

Thank you Mr. Brass

Mr. Wexner:

I've asked this question and I guess I assume I will get an answer this time. About how many days of cash do we have on hand and what should be our target?

Mr. Brass:

Well I can answer with exactness how many we have on hand, which is just a little over 54 days on hand. And as far as how many we should have on hand in an academic center, that's a question I have asked Deloitte to give us in April.

I could give you specifically what it should be for AA rating in a large complex tertiary care center and that would be about 150 days. I can go up from that and I can go down with that. In an academic center it is a little different. And, the reason for that is you have the financial strength of the university as a whole backing up the university medical center, and the cash position within the university that has to be taken into account and therefore the days cash on hand are not as important as they would be in an institution that is not backed up.

The question is how many more should we need.

Mr. Wexner:

You know how many you had at Michigan?

Mr. Brass:

Sure. And Michigan has a very large endowment backed up by the university and we were running about 150.

Dr. Cloyd:

Are there any other questions or comments for Mr. Brass? Thank you very much. We will next have the report from the Audit and Compliance Committee, Mr. Schottenstein.

Mr. Schottenstein:

Thank You, Mr. Chairman. The Audit and Compliance Committee met yesterday. There were no specific action items, but we did hear a number of reports. With the expansion of the name of the committee from just the "Audit Committee" to the "Audit and Compliance Committee," it is now our goal at each meeting to make certain that in addition to our regular audit reports that at least one, if not more than one, major compliance area is reviewed.

In accordance with that, at this particular meeting the compliance matter that was presented relates to Athletics, and it was an excellent report. As you talked about a few minutes ago, Dr. Gee, we love to win on the field. I think I speak for all the members of the Audit and Compliance Committee that listened to the report yesterday when I say that we are winning off the field as well. We have a very robust compliance department. It's probably one that is the envy of most other universities. We take it very seriously and I think that in any compliance matter perhaps the most important thing is the tone at the top. And I know that the members of the Audit and Compliance Committee felt that we have an outstanding tone at the top beginning with our Athletic Director, and all the individuals who play a role in this important area.

In addition to the athletics compliance report we also received an update from Mr. Shkurti on the implementation of some of the recommendations that have come out of the Price Waterhouse Cooper's operational audit. Beyond that there were just several other minor things, but as I said no action items. So unless there are questions that would conclude my report

Dr. Cloyd:

Thank you, Mr. Schottenstein. Questions or comments on this committee report? Thank you. We will next have a report from the Academic and Student Affairs Committee chair, Ambassador Ong.

Ambassador Ong:

Thank you Mr. Chairman. As I reported last month, our committee, working with the provost, has defined a 6 meeting 2008 agenda. In each of our meetings we are seeking to address one of the major strategic issues facing the academic enterprise of the University, all of which have been sighted as priorities by President Gee.

Yesterday we addressed the subject of student housing, which Gordon has made an important priority for him as part of his drive to improve the student experience at the University. Today we have 9,850 students living in campus housing. And the plans had been put underway some time ago -- and this board has approved those plans -- to improve and expand those facilities over the next several years. President Gee however, since coming on board, has urged -- and the provost and his minions have accepted the fact that this plan needs to be somewhat refined and more

importantly accelerated. So we are now talking about a revised schedule which will complete the items that had been planned about 2 years earlier than originally conceived.

The committee was very impressed by the fact that the provost in approaching this subject addressed a question that often is not asked in matters of this kind. Mainly, why do this at all? And he gave a very convincing defense or explanation of the importance of increased student housing on campus. Looking at just the latest cohort, the 2004 cohort, those who have lived in residence halls in the 1st year, 91% return for the second year and 86% returned for the third year. If you look at those who are not living in residence halls, only 81% returned for the second year and 75% for the third year. So there is a great difference in terms of continued effort between resident and non-resident students.

Likewise, the provost had looked at grade point average and resident hall students have the highest grade point average in the university, 3.33, and the next highest are those students who live within walking distance. Clearly geography has a little bit to do with this, but again, the highest grade point average is earned by those who are in residence halls.

There was also some surveying done about the attitude of students who are living in residence halls and the attitude of students living elsewhere. That satisfaction level was well over 90% for those living in residence halls and just a bit under 80% with those living in other kind of facilities. It's also the case that the number of students graduating within 4 years is substantially greater among residence hall students compared to non-residence hall students.

The provost then spelled out some other considerations: Student safety and security is enhanced by being on campus in a residence hall. The sense of community is created obviously by that. Convenient access to classrooms and laboratories, academic support services within the residence hall in terms of tutoring, access to the internet, leadership opportunities, and student organizations of one kind or another, clearly are facilitated by living in a residence hall. It is also interesting that we have 6,000 students who are living in living-learning communities -- affinity kind of communities based upon their academic specialty such as an engineering house, a pharmacy house, a human ecology learning community. We have several affinity housing units for honors programs, cultural communities based upon language and culture of various kinds, and this, of course, is something that can only exist within on-campus housing.

We have now 37 buildings on campus in 22 complexes and I said something like 9,800 students. Residential life and housing education programs are administered by professional graduate and paraprofessional staff. Student satisfaction, as I reported earlier, ranges well above that for students not living on campus. The system is financially self-supported through fees. However, the majority of the facilities that we have today were built in the 1950's and 1960's, so maintenance is and will remain a problem.

We have invested about \$200 million in student housing improvements over the last 15 years. Most of this was demand driven and there has not been a carefully thought out long-range plan for addressing this problem, but now we have such a plan. The 2008-12 Capital Plan objectives aim to do several things, first of all modernize and improve aesthetically the residence halls and lower the density. We now have a substantial number of these residential students living in quads and triples and the aim is to reduce that over this period of time so that no one is in over a double occupancy. We want to maintain the capacity of 9,800 beds during the renovation and construction period which is going to take a lot of scrambling around obviously. We want to increase capacity by up to 1,500 beds and perhaps even more. This is an issue which the committee has urged the provost and his staff to take another look at, since the president has an ambition to see the entire sophomore class of undergraduates in residential situations, if possible, as opposed to the entire freshman class and some sophomores. It remains unclear whether there is capacity -- financial or physical -- to do that, but the committee has urged the provost, as I said, to take a very careful look at the president's goal and see whether in fact there are ways to achieve it.

I won't go through the entire chronology of the expansion plan but I can tell you that it will occur between now and 2012. The estimated investment is \$195 million. The administration is looking at 4 different ways of financing this. We have the University build on University land, which is the traditional way that most of our student housing has been acquired in the past. They are also looking at developer build on University land, which has advantages in terms of cost, and yet at the same time gives the University substantial control over the design and the quality of construction. We have University master lease of off campus property and a little of that has been done in the past. And then, finally, just a simple arrangement with developers to build on private land which they would acquire.

The provost very carefully went through the advantages and disadvantages of those 4 options and I think it was a conclusion of the committee that given the realities of our financial capacity, the answer is they will probably use all 4 of these options to some extent, as is most appropriate.

The next steps are basically to gain some consulting insight into several of the issues. In particular, reviewing that one dealing with the amount of capacity that we can increase as opposed to simply replacing dorms, and some further investigation into the various financing alternatives. We expect that the administration will return to us later this year for some further reporting on that and further input on our part. That was the entire meeting except for the usual personnel action approvals.

Dr. Cloyd:

Thank you, Ambassador Ong, I mean it's clearly a very exciting vision relative to the academic experience that can be created. As you noted, there is a very strong case to be made that the success of the students is enhanced by this, but obviously this is a very significant investment. Mr. Brass has just outlined that in April we will be getting to the next stage of what is probably about a \$1 billion investment in the Medical Center, so we have a lot of activities going on. President Gee, I think it would be good if you could provide just a little bit of your thinking of a timetable and how we choreograph all of this and bring it all together into a composite consideration.

President Gee:

We are a University that has infinite appetites and not infinite capacity and so the issue of planning for us is enormously important. And what we are trying to do through this process -- what Mr. Brass is doing, what the Ambassador is doing, what we are doing together is we are now talking about this in the common framework in one University. And that means that we can't plan in a segregated fashion. We can't think about housing as one activity and think about the Medical Center as another activity. We have to think about both and how we plan, how we integrate, how we align our resources, and how we move everything forward together, because there are synergies that can be developed there and opportunities for us to not replicate the activities and opportunities for us to stage ourselves. It is all about alignment and prioritization. The end result is that we cannot be in a position, Mr. Chairman, where we have internal competition for resources which are sort of needed but in which we use our resources as a weapon. We must be sure that we are moving forward the agenda of the institution in an aligned fashion, that's the reason the master plan and concept is so important.

Now I spoke today about the fact that we have got some good external consultants looking very carefully at all of our issues. Obviously we have a huge deficit in terms of deferred maintenance. We have got to take a look at all that we are doing in terms of maintaining the quality of our campus and enhancing it. But it is all about program. The planning concept -- you will hear this today from the provost -- that this University can no longer just build a building. We are building a program and then we will make certain that our physical assets are absolutely aligned with that academic prioritization. For all too often and for all too long universities have built buildings and

then said, "Oh, we'll put something in there." What we are going to do is we're going to create programs and enhance programs and say this is our need and it's all part of a common strategy.

Dr. Cloyd:

Thank you very much, President Gee. Are there any other questions or comments to Ambassador Ong about his report?

We will next hear the report from the Fiscal Affairs Committee, Mr. Hicks

Mr. Hicks:

Thank you Mr. Chairman, Fiscal Affairs Committee met yesterday. We spent a considerable period of time reviewing how we spend our non-infinite resources. Much to the President's delight, we first started out by looking at our annual work plan which is really what the Ambassador did with his committee. We talked about last month to get us a plan of approach to review our financial and our facilities throughout the course of a year, but also to highlight the strategic issues that we really want to pay attention to. So we spent some time doing that.

Mr. Shkurti gave us a mid-year financial report and this is essentially a report in which we have been reviewing our major areas of financial risk. I think Bill had mentioned he tries to keep this to a top 10 list, but it happens to have 12 items on it, right now. We won't review all 12 items but a couple of ones we should highlight here for the broader group would include the state support, which obviously we talked a great deal about already today. And we would express again our appreciation to the Governor and the Chancellor for keeping their commitment to higher education and we do have the responsibility to keep our commitment to manage wisely as well.

We talked in November about our financial aid situation and at that time we were told in November that we had a gap somewhere in the neighborhood of \$14-15 million in FY 08. We needed to come up with additional financial aid resources to meet our obligations and I'm pleased to report that our recovery plan has been developed. One time funds for FY 08 and for FY 09 have been identified. There was also an identification of an ongoing fund of money for the next 5 years which is going to allow us to do what we committed to do, which is to fully fund our commitment on financial aid and achieve all of our recruiting goals. We were pleased with that.

We spent a little bit of time talking about the health system. I won't go into details on that obviously Mr. Brass covered a lot of that as well. We also spent some time talking about what Ambassador Ong just talked about which is how do we pay for all the needs that we have from a student housing stand point. We did talk on balance sheet and off balance sheet and some various ways in which we could meet the demands and do what we need to do in terms of upgrading our student housing given our debt capacity limitation.

The other area that I would highlight in terms of importance on these 12 areas that Bill went over with us is our key affiliates. Medical Center Partners as everyone knows has now been dissolved. We talked a great deal about Campus Partners and we are pleased about their project. We know that we have a long range plan, a business plan and a financial plan that is coming forward within a month or so and we are looking forward to seeing that.

And then I would highlight at this point a document that was in everyone's briefing book from Moody's, which is a very good summary, kind of a global macro trends on higher education, that we thought was very helpful as we think of the broader strategic issues that we are wrestling with right now.

We then spent then some time talking about our financial benchmarks, which is really an annual comparison that we look at. At the beginning of each budget process we would point out, as I think we have in previous years that Ohio State operates on about 14.2% less in resources per

student than some of our aspirational peers. That gap is decreasing and we are pleased to see that. We should also point out that that gap is not on the academic side of the house or the instructional side, if you will, it's more so on the support side, which gets us back into issues of deferred maintenance. But the bottom line on that report is that Ohio State clearly remains a very good bargain for students and an excellent bargain for the Ohio taxpayers.

Lee Walker walked us through the annual reconciliation as we looked at last year's budget relative to our forecasting verses what our actuals were. We were very pleased for the most part; we hit our projections extremely well. Our earnings and our restricted resources were very well within target. Our student fees and state support was 2% above our estimate, so that worked to our favor. And the one area we did spend considerable time talking about yesterday is how we estimate investment income. We have historically estimated investment income in a very conservative way, we thought that made sense. As a result of being conservative in our estimates, there is actually a positive variance of about \$31 million in 2007, and those funds were used for very prudent one time expenditures including some of the capitol repairs and financial aid that I just mentioned.

Where our projections were slightly off, they were off on the positive side as opposed to the negative side of the ledger. We were pleased to see that.

We spent some time hearing from Ms. Bellini about construction metrics. As you know, we have been going through a process to develop phase 1, 2, and 3 construction metrics to ensure that we are monitoring and evaluating the construction projects and the facility improvement projects we're doing relative to other ones. Phase 1 metrics included benchmarking against other similar projects primarily looking at hard costs. Those metrics have been developed. Data is being compiled and collected on those points right now. We are in the development phase of the Phase 2 metrics that will look at the medical space, all the different medical space, clinical office space, etc., that we have on campus and that we will have in the future.

We will also be looking at renovations and significant additions in that Phase 2 metric analysis and we are expecting the early results in, I think, March for the Phase 2. There will be a Phase 3 metric developed in the next fiscal year that will primarily be looking at soft costs, as I understand it.

We also spent some time reviewing the 2007 on budget/on time progress report for construction projects. I am pleased to report that this was very positive. There were 4 projects above \$10 million that were closed out -- one of them completely closed out and three other ones that were occupied in 2007. All of those were on time and one of those was slightly above budget. As we got further into some of the smaller projects, what we looked at was a total of 17 projects above \$200,000 representing about \$171 million of overall construction costs last year. Ninety-four percent of the 17 were on time and on budget. So that means that out of the 17 above \$200,000, we had just one project that was over budget, and only one project that was slightly behind schedule. So I think that is really a tribute to our staff for really focusing on delivering those and we thank them for a very positive report.

We spent some time talking about the transitional work plan. Larry Lewellen and his team talked to us about a very innovative program, a very good program that allows our employees who have temporary disabilities to be put into a job that they can do with their temporary disability for up to 12 weeks rather than just being at home. About 257 employees took advantage of that program last year. We are very pleased that it keeps our employees working productively and it has been a significant cost savings. Now the return on investment of this program is excellent, I think we invested about \$300,000 to develop and implement this program. As a result of that money, last year alone we saved \$2.2 million because of savings in disability and medical savings. That does not count for additional savings for temporary workers that we did not have to hire as a result of this. So this is a very good program, we were very pleased that Larry and his team Tori Weeks and Pam Doseck were with us. It was also significant to note that Tina Kielmeyer with the Ohio

Bureau of Workers Compensation came by to applaud this program and said that this was really a model program. In fact, our team has been meeting with folks at the BWC and other state agencies about how to adopt and use a program similar to this because it's been so good. So we are very pleased at this innovative program working out well.

We have 5 items that we are reporting for the consent agenda. The first one involves a very modest increase in our athletic ticket prices for football, men's basketball and some green fees at the Scarlet and Gray Course. I would point out that within our football program, unlike many of our peers, we have no premium game ticket prices. As we all know, we see a premium team every single week! I would also point out that because of some very good allocation of tickets, we are actually going to be able to allocate an additional 3,500 tickets to students next year. So we will have up to 30,000 students have the opportunity to get tickets for each of the home games. That exceeds by a very significant measure anything that our other universities with big time programs have, so I am pleased that we are doing that.

We are reporting out a change in policy to the facilities improvement projects and some of the real-estate and easement issues that we traditionally see. We are trying to make sure that the board spends its time looking at and reviewing the most important ones, so we will have a different matrix of projects that come in front of us – any project that is \$4 million and above. So what this is going to mean is that we will see fewer projects on our docket, but they will be the most important ones. As a matter of fact, if you look back at the last year, under this new policy we will see just about 3% of all projects, but that equates to about 80% of all the costs. So it really allows us to focus on the quality of those projects that are very, very important to us and have a big price tag.

We are recommending approval for three design contracts, five construction contracts, two easements, and one change to a long- term lease amendment for the varsity crew facility. So that concludes the report; I would be happy to respond to any questions.

Dr. Cloyd:

Thank you, Mr. Hicks. Any questions or comments on the report?

Thank you very much, there is obviously a lot going on at this point in time when there are non infinite resources.

We will next have a report from the Agricultural Affairs Committee, Mr Fisher.

Mr. Fisher:

Thank you Mr. Chairman. The Agricultural Affairs Committee also met yesterday and took the opportunity to look back at some past actions to see how we are doing. Specifically, we heard a very informative update on a Targeted Investment in Excellence program -- the TIE program. The one we looked at was the Public Health Preparedness for Infectious Diseases. Many of you may recall the TIE program and I will quote former Provost Snyder here, "... is one that will provide the greatest return for our investment, not only elevating the University's academic stature, but ultimately the quality of human life." From the report we heard yesterday, that indeed is happening.

In this case the program has 6 partners co-led by the College of Veterinary Medicine and the College of Food, Agricultural, and Environmental Sciences, and also includes the College of Medicine, the College of Biological Sciences, the College of Pharmacy and the College of Public Health. The mission is one of protecting human health, specifically the relationship between animals and humans, and the most recent example that we all hear about is Avian Flu.

I am happy to report this program adds great value not only to the Academic Plan but, President Gee, I think it contributes to each and every one of your six goals in a significant way. So we are very pleased about that.

A part of this in the Food Animal Health area does have some concerns. In this area we happen to have -- and are privileged to have -- internationally acclaimed faculty that are in place, but they are lacking facilities. In this case we are lacking a high security lab, which would be for this work and particularly to house animals. In fact we have lost some research dollars and some faculty because of this. This needed PAAR (Plant and Animal AgroSecurity Research Lab) would be located at OARDC in Wooster. We can't complete this facility soon enough. Work is in progress and it will be very beneficial when we get it done.

Lastly, we are pleased that the 4-H Center is up and operating, directly west of the Schottenstein Center, and would invite all of the board and all our guests here to visit the facility. Hopefully we can make that a part of our April agenda.

I would be happy to answer any questions, Mr. Chairman.

Dr. Cloyd:

Thank you Mr. Fisher. Do they have a target date for a completion of this facility in Wooster?

Mr. Fisher:

I'm not sure about that, can you help me with that Dr. Moser?

Dr. Moser:

We don't have an exact target date yet, we are still working on the money, to raise enough resources to get it done. We do have design that we are starting with and we are working with Bill Shkurti's office to make sure we have all the steps covered. We are developing a business plan, so we are a little ways down the road yet to getting it completed, but as Mr. Fisher said, we can't get it completed fast enough. It's badly needed at the moment.

President Gee:

This is quite remarkable. We have two of the world's leading experts in Wooster, Ohio -- Mo Saif is the leading expert on the Avian Flu. Think about this, everyone when they want to know about Avian Flu, they come to see him. And his wife Linda is the world's expert on another form of influenza, and they are sitting there in this little facility. I went to visit them. I got sick afterwards - - no, I'm just kidding. Sometimes in this vast enterprise we do not recognize two things: 1) that we have these miraculous treasures that exist, and 2) of all we don't recognize. Sometimes I think that one of our challenges in this state, not necessarily in this university, but in this state, is that we engage in a little bit of negative elitism. We don't realize really how good we are, and we always say if we are so damn good, then why are we here? The truth of the matter is we are here and we are very good and we have world class people doing world class things, and this is one of those nuggets that we need to celebrate and support by the way.

Dr. Cloyd:

Other questions for Mr. Fisher?

Ms. Van Camp:

I just wanted to reiterate what president Gee said and I said to the committee yesterday, I mean if you want to talk about a program that is accomplishing President Gee's 6 strategic goals, this is that program. There are 6 colleges collaborating and the World Health Organization -- we're talking international scope -- is part of their funding. It's just a phenomenal program and they need \$5-6 million. So if we want to talk about where should we spend our limited resources and where are we going to get the highest rate of return, this is it. I can't think of a more exemplary program, so thanks.

Dr. Cloyd:

Any other comments or questions?

Thank you very much Mr. Fisher. We will next have a report from the Development and Investment Committee, Mr. O'Dell.

Mr. O'Dell:

Thank you Mr. Chairman. The Development and Investment Committee met yesterday afternoon. Mr. Jeff Kaplan gave the Development Report, and reported on an excellent 6 month period ending December 2007, with total gift receipts up 20% versus prior year, and total net plan gifts are up 16%. This was accomplished in a very challenging period and I want to express the thanks of the whole board for your great efforts, Jeff, and for the work you have done to lead us through this transition period. We now we look forward to Peter Weiler joining us and continuing the great momentum and leading our Development program.

Next we received updates from Mr. Tom Johnson on the rebalancing of the University's long term investment portfolio, and the appointment of several new investment managers. That concluded the Development and Investment Committee meeting, and concludes my report of both the Development Report and the investment manager approval on the consent agenda.

Dr. Cloyd:

Thank you, Mr. O'Dell. Any questions or comments on this report?

Alright, the Consent Agenda is now before the trustees, and I would like to call on President Gee to present it to the board.

CONSENT AGENDA – INSERT RESOLUTIONS

UNIVERSITY HOSPITALS EAST BOARD APPOINTMENT

Resolution No. 2008-73

Synopsis: Approval of an appointment to the University Hospitals East Board is recommended.

WHEREAS in accordance with University Hospitals Board Bylaw (3335-104-01) all members of a specialized board shall be appointed by The Ohio State University Board of Trustees in consultation with the vice president for health services, the senior vice president for health sciences, and the president of the University:

NOW THEREFORE

BE IT RESOLVED, That the following individual be appointed as follows:

University Hospitals East Board

Denvy A. Bowman, effective February 1, 2008, through January 31, 2011 (1st Term)

**AMENDMENTS TO THE *MEDICAL STAFF BYLAWS OF
THE OHIO STATE UNIVERSITY HOSPITALS***

Resolution No. 2008-74

Synopsis: The amendments to the *Bylaws of the Medical Staff of The Ohio State University Hospitals* are recommended for approval.

WHEREAS The Ohio State University Hospitals Board pursuant to bylaw 3335-101-04 of the *Hospitals Board Bylaws* is authorized to recommend to the Board of Trustees the adoption of amendments to the *Bylaws of the Medical Staff of The Ohio State University Hospitals*; and

WHEREAS these amendments were approved by the University Hospitals Board on January 15, 2008:

NOW THEREFORE

BE IT RESOLVED, That the attached amendments are hereby adopted, effective immediately.

HONORARY DEGREES

Resolution No. 2008-75

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

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

Koffi Annan	Doctor of Public Service
Charles K. Brain	Doctor of Science
Francis S. Collins	Doctor of Science
Jules Pretty	Doctor of Science
Gloria Steinem	Doctor of Humane Letters

NOW THEREFORE

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

DEGREES AND CERTIFICATES – WINTER QUARTER COMMENCEMENT

Resolution No. 2008-76

Synopsis: Approval of Degrees and Certificates for Winter Quarter is proposed.

WHEREAS pursuant to paragraph (E) of rule 3335-1-06 of the Administrative Code, the Board has authority for the issuance of degrees and certificates; and

WHEREAS the faculties of the colleges and schools shall transmit, in accordance with rule 3335-9-29 of the Administrative Code, for approval by the Board of Trustees, the names of persons who have completed degree and certificate requirements:

NOW THEREFORE

BE IT RESOLVED, That the degrees and certificates be conferred on March 16, 2008, to those persons who have completed the requirements for their respective degrees and certificates and are recommended by the colleges and schools, and that the names of those persons awarded degrees and certificates be included in the minutes of this meeting.

PERSONNEL ACTIONS

Resolution No. 2008-77

BE IT RESOLVED, That the personnel actions as recorded in the Personnel Budget Records of the University since the December 7, 2007 meeting of the Board, including the following Appointments, Concurrent Appointment, Reappointment, Professional Improvement Leaves, Emeritus Titles, and Promotion, be approved; and

BE IT FURTHER RESOLVED, That the Medical Staff Appointments and Reappointments of The Arthur G. James Cancer Hospital and Richard J. Solove Research Institute, approved on December 4, 2007, by the James Board, be ratified.

Appointments

Name: RUSTIN M. MOORE
Title: Professor (The Bud and Marilyn Jenne Designated Professorship in Equine Clinical Sciences and Research)
College: Veterinary Medicine
Term: November 1, 2007 through October 31, 2010

Name: PETER B. WEILER
Titles: Senior Vice President for Development/President, The Ohio State University Foundation
Office: Development
Term: March 4, 2008 through January 31, 2013

Concurrent Appointment

Name: MICHAEL A. CALIGIURI
Title: Chief Executive Officer, The Arthur G. James Cancer Hospital and Richard J. Solove Research Institute
Term: November 1, 2007 through June 30, 2012
Concurrent Titles: Director, Comprehensive Cancer Center; Professor of Internal Medicine; and The John L. Marakas Nationwide Insurance Enterprise Foundation Chair in Cancer Research

Reappointment

Name: RICHARD A. HOLLINGSWORTH
Title: Vice President for Student Affairs

Office: Student Affairs
Effective: January 1, 2008

RESOLUTIONS IN MEMORIAM

Resolution No. 2008-78

Synopsis: Approval of Resolutions in Memoriam is proposed.

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

Charles W. Hoffmann

The Board of Trustees of The Ohio State University expresses its sorrow upon the death on October 29, 2007, of Charles W. Hoffmann, Professor Emeritus in the Department of Germanic Languages and Literatures.

Professor Hoffmann held a bachelor's degree from Oberlin College and M.A. and Ph.D. degrees in German literature from the University of Illinois. He taught at the University of California at Los Angeles from 1956-64 before accepting a position as an Associate Professor at The Ohio State University in 1964. In 1966 he was promoted to the rank of full Professor and taught at OSU for a total of 28 years until his retirement in 1992. He served as chairperson of the Department of Germanic Languages and Literatures from 1969-77 and again in the academic year 1986-87. Professor Hoffmann was one of the founders of the University Senate and received the Nemzer Award of the American Association of University Professors in 1983 in recognition of his tireless engagement for faculty rights and academic freedom. Other awards include the UCLA Distinguished Teaching Award, a Phi Beta Kappa scholarship, and a two-year Fulbright fellowship.

Dr. Hoffmann's teaching interests and scholarly publications include anti-Nazi poetry, the works of Bertolt Brecht, Max Frisch, Rudolf Hagelstange, Carl Zuckmayer, Erich Maria Remarque, and others, as well as film in the Weimar and Nazi periods. He was an enthusiastic and dedicated teacher who, though he set high expectations, was extremely devoted to his students.

Professor Hoffmann served his profession at the highest level and was an active member of the University community. He served on and often chaired numerous department, college, and University committees, including the Faculty Council, the Arts and Sciences Senate, several search committees for deans of the College of Humanities, Department and Program Review committees, the Film Studies Committee, the Study Abroad Committee, the Fulbright Fellowship Selection Committee, the Library Council, and many others. He also chaired the Honorary Member Committee of Phi Beta Kappa and served in various positions for the American Association of Teachers of German, the Modern Language Association of America, and the American Association of University Professors, for which he served as chairperson of the OSU chapter from 1984-86.

On behalf of the University community, the Board of Trustees expresses to the family of Professor Charles W. Hoffmann 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.

G. Howard Phillips

The Board of Trustees of The Ohio State University expresses its sorrow upon the death on September 24, 2007, of G. Howard Phillips, Professor Emeritus in the Department of Agricultural, Environmental, and Development Economics.

Dr. Phillips attended Atlantic Christian College in Wilson, North Carolina, and then moved to Columbus, Ohio, in 1948 to attend The Ohio State University. While continuing with his education, he worked for the Ohio Agricultural Extension Service in Woodsfield, Ohio. In 1966, he earned a Ph.D. degree in rural sociology from Ohio State, and went on to serve as a professor and associate chairperson in what was then the Department of Agricultural Economics and Rural Sociology, and as the founding director of the National Rural Crime Prevention Center. Dr. Phillips published more than 50 books, book chapters, monographs, and peer-reviewed articles on rural crime, rural sociology, and genealogy. He advised more than 30 doctoral and master's degree candidates.

It is the rare scholar who is credited with pioneering a new and thriving field of research. If not for the work of G. Howard Phillips in the late 1970s and early 1980s, it is unlikely that today's scholarship on rural crime would be so well-developed and so vibrant. Increasingly, this research has taken on a more theoretical, critical, and comparative approach, now challenging mainstream criminological theories and their inability to account for crime beyond the cities and suburbs.

Born June 1, 1926, in Farmville, North Carolina, Dr. Phillips served as a photographer in the United States Navy from 1943-46. He was in London for both VE and VJ days. He married Shirley Brague in Dayton, Ohio, in 1946, and together they raised three sons. Following his retirement in 1982, he remained active in a broad array of research and continuing education endeavors on behalf of the AARP/National Retired Teachers Association, the Ohio Association of Chiefs of Police, the Ohio Farm Bureau Federation, and several churches in the Columbus area. In retirement, he developed a deep interest in genealogical research and published actively in that area. Long after retiring from the University, Howard Phillips remained the consummate scholar, teacher, researcher, and mentor. Indeed, his life and career serves as a model for us all.

On behalf of the University community, the Board of Trustees expresses to the family of Professor G. Howard Phillips 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 A. Provost

The Board of Trustees of The Ohio State University expresses its sorrow upon the death on October 22, 2007, of James A. Provost, Instructor Emeritus in the School of Physical Activity and Educational Services.

Mr. Provost graduated with a bachelor's degree in education from Bowling Green State University in 1949 and earned his master's degree in 1956. At the age of 27, he served as the superintendent of schools in Webster, Ohio. Later he joined the faculty of the School of Physical Activity and Educational Services within the College of Education at The Ohio State University. During his University service, he organized, designed, and established an instructional program for school bus drivers in the state of Ohio and also taught in an initial teacher preparation program. Instructor Provost retired from Ohio State in 1982.

Mr. Provost served in the U.S. Army Air Corps during World War II in Burma, China, and India. He was a member of the Christ United Methodist Church; American Legion; Ohio Retired Teachers Association; the fraternity Sigma Alpha Epsilon; Elks Lodge in Englewood, Florida; and the Jacaranda West Country Club in Florida. He was also an enthusiastic OSU fan and golfer.

On behalf of the University community, the Board of Trustees expresses to the family of Instructor Emeritus James A. Provost 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.

UNIVERSITY DEVELOPMENT REPORT

Resolution No. 2008-79

Synopsis: The University Development Report for December 2007 is presented for Board acceptance.

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

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

WHEREAS this report includes the revision of The Jack C. Geer M.D. Professorship in Pathology; and

WHEREAS this report includes the establishment of fourteen (14) new named endowed funds, the revision of eight (8) endowed funds, and the closure of one (1) named endowed fund:

NOW THEREFORE

BE IT RESOLVED, That the acceptance of the report from The Ohio State University Development Fund and The Ohio State University Foundation during the month of December 2007 be approved.

ATHLETIC TICKET PRICES AND FEES FOR FOOTBALL AND MEN'S BASKETBALL FISCAL YEAR 2009 GOLF COURSE MEMBERSHIP CALENDAR YEAR 2008

Resolution No. 2008-80

Synopsis: Approval of Athletic ticket prices for Fiscal Year 2009 and golf course membership fees for Calendar Year 2008 at the recommended levels is requested.

WHEREAS each year the Athletic Council reviews projections for the coming year's budget and recommends ticket prices and golf course membership fees; and

WHEREAS the Athletic Council has approved increases for football and men's basketball tickets, and for golf course membership fees shown on the attached tables; and

WHEREAS the Athletic Council's recommendations have been reviewed and are recommended by the appropriate University administration:

NOW THEREFORE

BE IT RESOLVED, That the recommended increases for football and men's basketball tickets for Fiscal Year 2009, and for golf course membership fees for Calendar Year 2008, be approved.

**POLICY REGARDING BOARD OF TRUSTEES REVIEW AND APPROVAL
OF FACILITIES IMPROVEMENT PROJECTS AND REAL ESTATE TRANSACTIONS**

Resolution No. 2008-81

Synopsis: Adoption of an approved policy regarding Board of Trustees review and approval of facilities improvement projects and real estate transactions, is proposed.

WHEREAS the Board of Trustees of The Ohio State University has a fiduciary responsibility with respect to the stewardship of University resources and the development of University property and facilities to meet the academic needs of the University; and

WHEREAS except as provided by the Board of Trustees, the Board retains sole authority with respect to University facilities improvement projects and real estate transactions unless otherwise delegated; and

WHEREAS the Board desires to provide for the flexibility needed to ensure the timely completion of facilities improvement projects while ensuring that the Board retains the authority and ability to exercise appropriate oversight regarding the facilities improvement process, especially with respect to major projects; and

WHEREAS in 2003, management of facilities improvement projects was identified as one of six core processes to be reviewed, and several actions since have been taken to streamline the processes involved during the planning, design, and construction phases of facilities improvement projects, resulting in gained efficiencies and cost savings; and

WHEREAS there now is a need to codify the policies and guidelines of the Board and the University regarding review and approval for capital projects, planning studies, and real estate transactions:

NOW THEREFORE

BE IT RESOLVED, That the attached policy regarding Board of Trustees review and approval of facilities improvement projects, planning studies, and real estate transactions be adopted, effective immediately, and that the Senior Vice President for Business and Finance, in consultation with the Office of the Board of Trustees, be responsible for coordination of the implementation of this policy; and

BE IT FURTHER RESOLVED, That under the direction of the Senior Vice President for Business and Finance, the Office of Facilities Operations and Development shall have the responsibility and requisite authority for contracting for the University for any facilities improvement project of any kind (repair, maintenance, renovation, or new construction) estimated to cost \$4 million or more and less than \$10 million in accordance with all applicable laws and regulations.

APPROVAL TO ENTER INTO DESIGN AND CONSTRUCTION CONTRACTS

Resolution No. 2008-82

APPROVAL TO ENTER INTO DESIGN CONTRACTS
POSTLE HALL – REGISTRATION AREA RENOVATION
SOUTH LOW RISE FIRE ALARMS
TAYLOR TOWER – FAN COIL REPLACEMENT

APPROVAL TO ENTER INTO CONSTRUCTION CONTRACTS
FISHER COLLEGE OF BUSINESS – SECURITY UPGRADES
OARDC – POUNDEN HALL RENOVATION
POSTLE HALL – REGISTRATION AREA RENOVATION
SMITH LABORATORY REHABILITATION
UNIVERSITY HOSPITALS – EMERGENCY DEPARTMENT EXPANSION

Synopsis: Authorization to enter into design and construction contracts, as detailed in the attached materials, is requested.

WHEREAS in accordance with the attached materials, the University desires to undertake and enter into design contracts for the following projects:

Postle Hall – Registration Area Renovation (N/A)	\$0.4M	Department general funds
South Low Rise Fire Alarms (09-10 capital request)	\$3.4M	Bond proceeds
Taylor Tower – Fan Coil Replacement (09-10 capital request)	\$3.0M	Bond proceeds

WHEREAS in accordance with the attached materials, the University desires to enter into construction contracts for the following projects:

Fisher College of Business – Security Upgrades (N/A)	\$2.5M	Central funds
OARDC – Pounden Hall Renovation (07-08 capital request)	\$1.5M	Grant funds Department general funds
Postle Hall – Registration Area Renovation (N/A)	\$0.4M	Department general funds
Smith Laboratory Rehabilitation (05-06 capital request)	\$3.4M	State appropriations College general funds
University Hospitals – Emergency Department Expansion (N/A)	\$1.9M	Auxiliary funds

** Parentheses indicates the biennial capital request or other action by the Board of Trustees to authorize the capital project, renovation projects funded by internal office or department funds that are noted as "N/A" have not had separate capital project authorization because of their small size or because they arose unexpectedly between capital planning cycles.*

NOW THEREFORE

BE IT RESOLVED, That the President and/or Senior Vice President for Business and Finance be authorized to enter into design and construction contracts for the projects 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.

AMENDMENT TO LONG-TERM LEASE

Resolution No. 2008-83

**VARSITY CREW FACILITY
INDIAN VILLAGE ROAD
COLUMBUS, OHIO**

Synopsis: Authorization for an amendment to a long-term lease with the city of Columbus, landlord, and The Ohio State University, tenant, for a crew boathouse facility located at the Griggs Reservoir on the Scioto River, Columbus, Ohio, is requested.

WHEREAS the Board of Trustees previously approved the long-term lease of real property consisting of the crew boathouse facility at the July 13, 2007 meeting; and

WHEREAS the Board of Trustees is presented with the need to amend the long-term lease of real property; and

WHEREAS the funds for the lease will be provided by the Department of Athletics:

NOW THEREFORE

BE IT RESOLVED, That the President and/or the Senior Vice President for Business and Finance be authorized to enter into an amendment of the long-term lease with the city of Columbus to increase the rent to an amount not to exceed \$4.87 million and such additional terms as shall be beneficial to the University.

EASEMENTS

Resolution No. 2008-84

CITY OF COLUMBUS - SANITARY SEWER
SOUTH OF WEST LANE AVENUE, COLUMBUS, OHIO

CITY OF COLUMBUS - SIDEWALK
SOUTH SIDE OF WEST LANE AVENUE, COLUMBUS, OHIO

Synopsis: Authorization to grant the city of Columbus, an easement south of West Lane Avenue, Columbus, Ohio to relocate the existing sanitary sewer to accommodate the Lane Avenue Parking Garage and an easement to relocate the existing sidewalk to accommodate a turn lane providing access to the Lane Avenue Parking Garage, is requested.

WHEREAS the city of Columbus has requested an approximately 0.085 acre easement area to relocate the sanitary sewer line, for a term of 25 years, for consideration of \$1.00; and

WHEREAS the city of Columbus has requested an approximately 0.065 acre easement area to relocate the sidewalk, for a term of 25 years, for consideration of \$1.00; and

WHEREAS these easement are necessitated by the need to relocate the existing sanitary sewer line and relocate the sidewalk to accommodate the Lane Avenue Parking Garage. The appropriate University offices have determined that the grant of these easements are in the best interests of the University:

NOW THEREFORE

BE IT RESOLVED, That the President and/or Senior Vice President for Business and Finance be authorized to approve and the Ohio Department of Administrative Services be authorized to process appropriate documents and grant these easements to the city of Columbus upon such terms and conditions as are in the best interests of the University.

Upon motion of Mr. O'Dell, seconded by Mr. Brass, the Board of Trustees adopted the foregoing resolutions by unanimous roll call vote, cast by Trustees Cloyd, Hendricks, Ong, Wexner, O'Dell, Hicks, Fisher, Schottenstein, Brass, Marbley and Ratner.

**APPOINTMENT OF INVESTMENT MANAGERS
AND REALLOCATION OF FUNDS**

Resolution No. 2008-85

Synopsis: The appointment of investment managers and reallocation of funds are proposed.

WHEREAS it is the policy of The Ohio State University to utilize the service of external investment managers and index funds to assist in the management of the University's Long-Term Investment Pool; and

WHEREAS the Development and Investment Committee of the Board of Trustees periodically reviews the results obtained by the external investment managers and the amount of funds assigned to each of them; and

WHEREAS it is prudent practice to reallocate funds assigned to external investment managers as conditions change; and

WHEREAS the number of external Investment Managers and the amount of funds assigned to them shall be determined by the Board of Trustees; and

WHEREAS the Board of Trustees last approved the Appointment of Investment Managers and Reallocation of Funds on December 7, 2007:

NOW THEREFORE

BE IT RESOLVED, That upon the recommendation of the Development and Investment Committee of the Board of Trustees the following external investment manager changes shall be made in conjunction with index fund reallocations as needed to maintain target asset allocations previously approved:

	Allocation as of 11/30/07	Changes	Revised Allocation
<u>US Equity-Mid Cap</u>			
Nicholas Applegate	\$48,380,890	(\$48,380,890)	\$0
Meeder 100	\$43,798,588	(\$43,798,588)	\$0
Meeder Enhanced	\$21,631,278	(\$21,631,278)	\$0
<u>Domestic Fixed Income</u>			
Hughes Capital Management	\$43,195,204	(\$43,195,204)	\$0
Huntington Trust	\$45,143,357	(\$45,143,357)	\$0
JP Morgan	\$45,532,946	\$33,000,000	\$78,532,946
<u>International Fixed Income</u>			
Brandywine	\$22,442,279	(\$22,442,279)	\$0
<u>Absolute Return</u>			
Samlyn Capital	\$0	\$20,000,000	\$20,000,000
Indus Capital Partners	\$0	\$15,000,000	\$15,000,000
Marathon	\$0	\$20,000,000	\$20,000,000
Level Global Investors	\$0	\$20,000,000	\$20,000,000
TPG-Axon Capital Management	\$0	\$20,000,000	\$20,000,000
Glenview Capital GP	\$0	\$15,000,000	\$15,000,000

Pendragon Capital	\$0	\$18,000,000	\$18,000,000
<u>Private Equity</u>			
Summit Sub-Debt IV	\$0	\$15,000,000	\$15,000,000
Summit Europe (EURO)	\$0	\$10,000,000	\$10,000,000
<u>Natural Resources</u>			
Carlyle/Riverstone IV	\$0	\$15,000,000	\$15,000,000

Upon motion of Amb. Ong, seconded by Judge Marbley, the Board of Trustees adopted the foregoing resolution with eight affirmative votes cast by Trustees Cloyd, Hendricks, Ong, Hicks, Fisher, Brass, Marbley and Ratner, and three abstentions cast by Trustees Wexner, O'Dell and Schottenstein.

Dr. Cloyd:

Thank you very much. I'd like to now call on Provost Alutto. He is going to provide a presentation that President Gee referenced earlier on strategic planning, strategic initiatives, and Board governance.

President Gee:

While Joe is sitting down let me just say to all of you. I'd asked Joe to do this and he asked me why? I think it's important, and I say this is sort of like sin and confession in that we have to constantly remind ourselves of this. One of the things that the Provost and I along with my colleagues -- but particularly because the Provost is leading this -- are very devoted to us having a very thoughtful, very progressive, and very aggressive alignment and strategic planning process. We did have an opportunity to talk about that in the Ambassador's committee last board meeting, but I thought it would be useful at the 10,000 foot level for the Board again to understand the complexity of the process and the fact that we now do have an aligned process. We know when X's is happening that Y is aligned with that. We have realigned the way that we manage the University and we now have this institutional process which is run through an integrated financial planning group which is composed of the provost, who chairs it, and the senior vice president for health affairs and the chief financial officer. We now have a common place where these issues are brought together. Joe...

Provost Alutto:

Well, you just made my presentation! Really, it makes it easy. I'd really like to talk about three things. First, to talk to you about some of the discipline that we're now exhibiting in our planning process; and secondly, to talk about the extent which our planning process is allowing the individual silos, chimneys, or whatever metaphor you want to use for our various programs and schools and colleges, to plan more effectively and more rigorously, as President Gee has indicated. I want to give you a sense of the integration mechanisms we are using to make sure we are planning as *one* University. This goes back to a question Chairman Cloyd asked -- the simple question of, "With all these competing financial opportunities we have, how do we make decisions about what we will or will not do?"

This is a slide that should be familiar to you. It was one that Ambassador Ong showed in the past, and it gives you a sense of the overall planning process and cycle for the University. Everything starts with the Academic Plan and President Gee's six strategic goals for the University. So we don't really ask people to go beyond those particular planning documents. They provide the boundaries for some of the planning that takes place. That feeds in obviously to

the Board of Trustees Planning and the activities that you have, and I'll give you just one example of how that gets reflected in reality.

This is the agenda that Ambassador Ong described earlier that we've agreed to with the Committee on Academic and Student Affairs. Each one of these topics flow from the planning activities that are ongoing within the University, either as a result of the Academic Plan or as a result of our efforts to implement the six goals that have been identified by President Gee.

So as you heard, we started with student housing, because that's an issue that has to deal with the student life question which the President has raised. The issue that is flowing from much of the planning documents at the college level is the focus on the importance of enriching the experiences that students have while they are on campus. The doctoral program review is part of the normal process we go through to focus on the quality of our programs and the impact that those programs have on a national and international level. The focus on University centers which will come to the committee is really a translation of the issue the President has raised with transinstitutional mechanisms that will lead the way to the future eminence that we would like for this institution.

Our international programs which are a key to our Academic Plan and our reflection of our ability to play a role not just in this region, not just in this state, but truly on a world wide basis.

The Ohio Innovation Partnership update which will be coming to the committee flows from the focus that we've had on developing our strengths in the STEM area. This is an area we have decided as an academic priority for this institution, also happens to coincide with state priorities in terms of investment.

And the last item which is sort of, "where are we?" We have all had a year of working with this new strategic process and the question is how do we assess this and how do we get some feedback as to what should be changed and what adjustments should be made.

So if I go back now to that overall process diagram. After the Board of Trustees, we go to the question of college strategic multi-year plans. We have been asking colleges to plan within a five year cycle. That is an important piece to keep in mind because not only is there going to be the 5-year review process, but within each and every year there are performance metrics that are being identified, and I'll talk about those briefly.

If you go down the right branch, once the colleges have strategic plans that have been approved we go through the annual assessment process for college process, for college progress. Each of the plans has to identify for us time periods and metrics we can use to assess whether or not progress is being made or what adjustment should be made as a result of our actual experience with implementation.

Then that obviously leads to the performance of individual deans. If we go down the left side branch of that, we begin to see department and program strategic goals which have to be consistent with and aligned with the departments. So we have alignment from the plan to the trustees, to the colleges, to individual departments, and individual initiatives, then of course that leads to assessments of unit progress and the assessment of the performance of the leaders of those units.

The middle box talks about multi-year program reviews. We have to keep in mind that while this planning is going on we have our regular cycles of planning and regular cycles of assessments of individual programs and individual initiatives such as the doctoral program assessment which is going on as we speak, and about which the Board will hear more in the future.

One of the things we have tried to do for each of these planning efforts within the silos is to try to identify the key planning elements that have to be reflected in those plans. They range from

facilities, we've talked about that a little bit today, at the Board level -- we are beginning to raise questions for example about shared facilities. We have proposals and Academic Plans that are being developed for rather significant increases and wet lab space for different colleges. That has led us to ask questions about if we can combine some of that access to wet lab space and have that reflected in our building plans. So we are beginning to ask those kinds of questions about common classroom space and so forth. In the past all of those decisions would have simply been kept at the department or college level and led to a lot of idiosyncratic planning. We are trying to get away from that.

Every unit has to have a financial plan. One of the things we are discovering at the academic level is that every unit we deal with can articulate for us what their long term goals are. That is not an issue. The hard part is telling us where the resources are going to come from in order to achieve those goals, and each unit must have a fairly detailed and specific financial plan for that.

There is a technology plan -- what support must be provided for them to achieve success, what support will be central, what support will be decentralized, etc.

There has to be a development plan because it is clear to all the units that we cannot achieve their goals and objectives just with state support. So we need to see a very detailed plan of how they are going to generate dollars, whether it is through actual development or fund raising, or if it is going to be through indirect costs as a result of external grant generation. All of that has to be specified, and the talent plan -- it's fine to be talking about massive growth if we are in an area of shortage of faculty, where is that talent coming from? Where is the talent coming from for the quality of programs in terms of student attraction?

We heard earlier about the need for financial aid and our plans to make sure we continue to offer adequate levels of financial aid. That is tied in part to the question of are we going to have the level of talent we need in students to accomplish the goals and objectives we have?

So all of the plans that come out of the silos have to have those elements addressed and that is how they are being assessed. And just to give you an overall sense of what we are trying to do for the academic units, it is simply to create a data-driven process in which decisions are made based on alignment with the University goals and the Board of Trustees goals being aligned with the college goals, the college goals being aligned with the department goals, and annual college and department leadership assessments being driven by explicit metrics. It is that alignment that becomes absolutely critical.

The other point I would like to make is that this applies not just to academic units. One of the important issues for us is to make sure that all of our support units are planning in a way that is aligned with our academic goals and objectives. One of the foci of the conversation we had with Ambassador Ong's committee was the issue about whether or not we should increase residence capacity on campus and that should be driven by our academic goals, not simply the question of whether or not we could do it. But we are trying to consistently use our academic goals as a way of driving the goals and objectives of all our support units on campus, and this just tries to visually display that for you.

Up to this point what I've talked about are activities that easily can take place within any silo. There is a limited amount of integration that is forced as a result of what I've just described. Now I want to talk about some of the integration mechanisms that have come about because of activities that President Gee has undertaken.

The first step was the creation of a group that he has described earlier as the Integrated Financial Planning Committee and that consists of three individuals -- myself, the senior vice president of health sciences, and the chief financial officer and senior vice president for business and finance. Our function is to look at these cross unit activities and proposals for resource allocations and begin to make absolutely certain that there is integration that takes place in all of those activities.

But that is not done alone. In addition, we have biweekly meetings of the new Executive Committee that is chaired by the president and includes the provost and a series of vice presidents. That group again begins to both surface and flesh out issues that cut across all the silos of the University, and that is the purpose of that particular committee. We then have weekly meetings off the Senior Management Council that I chair. It includes all the vice presidents and the secretary of the board of trustees. It becomes both an agenda setting committee that looks at a set of issues across the University as a whole and it also does some assessments of implementation. We are beginning to get, as a result of these mechanisms and efforts, a look across all the functions of the institution and make sure that there is consistency.

We also have a series of other issues, and I will go through these very, very quickly. We have the monthly meetings of the President's Council and that has all of the vice presidents, the executive deans, and the faculty senate representatives. That is to do two things: first to make sure that there are consistent messages of information about what is happening and what our goals and objectives are; and second then also to listen to a broader base of individuals with a variety of different perspectives who can ask questions about why we are moving in particular areas, raise questions about implementation plans, as well as the very process of planning that takes place.

We then have monthly meetings of the Council of Deans and those are chaired by the provost. All deans in the University come to those meetings and that is both for problem solving purposes and also for communications purposes. But again the primary effort is to get the deans actively involved in looking at issues across the colleges, not in any one individual college of the institution. We are organized by clusters, as I think you all know, and there are periodical meetings of the cluster deans, where the deans in the health sciences will be getting together, deans in the professional colleges, and deans in the arts and sciences, to talk about common issues across their colleges within their cluster,. They also begin to raise issues that might affect colleges in different clusters. It becomes another way of getting integration just at a lower level within the institution.

There are periodic meetings with all the department chairs. I meet with over a hundred department chairs periodically, again to make sure that I am listening to, and that we are hearing about the issues on the ground from chairs who have to deal with the very real issues, not just the planning, but actual implementation, and they have an opportunity to hear directly from me. We have continual reviews, which we talked about before, of the Office of Academic Affairs in terms of leadership performance. We have periodic meetings of the Faculty Council. We have the Faculty Council representatives here. We meet regularly, again, to raise issues that they begin to see from a very different perspective and that are not silo bound. And of course there are periodic meetings of the Faculty Senate which is a much broader group that again gives us an opportunity to hear across the institution.

So the main message I am trying to convey is that we are trying very hard to get greater discipline in both planning and implementation within silos, because that is a very important part of what we do. But we also want to make absolutely certain that we are beginning to see the integration that must occur across those silos if we are to accomplish our goals and objectives.

I would be happy to answer any questions if there are any?

Dr. Cloyd:

Thank you, Provost Alutto.

It's really terrific to see this activity that can generate the kind of alignment that we know we need to achieve the goals we have set for the University and start to become more of the "one university" that we have talked about. I think its terrific work and compliments to you and all the people who have been involved in this.

I would like to open it up now to the Board for any other trustees that have questions or comments on this report.

Amb. Ong:

A lot of meetings.

Provost Alutto:

A lot of meetings, very focused, and we do run some fairly efficient meetings.

Dr. Cloyd:

Other questions or comments?

Mr. Wexner:

No, I just want to compliment you. I feel humble complementing a business dean, but no this is clear that you have figured out how to do it. The what, the how, and the who, and it is laid out very clear. I think it's a great template for managing things on issues. What are the issues, the what, what you are trying to achieve for us, in our boards and our committees, so we are in the same kind of format. What it is, how are you going to get there, who's going to do it, when, and that was just as complete as I have ever seen, in a concise presentation.

Dr. Alutto:

Thank you.

Dr. Cloyd:

Any other comments?

Thank you, Provost Alutto. The only other item of business that we have today is a short one, and President Gee that is to wish you a happy birthday, one day early. Now I thought about singing happy birthday to you, then when I considered this group -- with the Ambassador having a lovely voice -- I decided that standards of humaneness just would not let that happen. But please take our best wishes for a very happy birthday, and we certainly hope you enjoy the *Wizard of Oz!*

President Gee:

Thank you, I might just -- I was going to do this in my office today. You know, February 2nd is Ground Hog's day, so I thought I would show you what I have (donning a hat with a woodchuck on it)! I don't know what he is going to do, but for me I'm going to be able to see the sun tomorrow.

Dr. Cloyd:

If there is no other business to come before the board, this meeting is adjourned and the next meeting of the board will take place on Friday, April 4th, 2008 at the Longaberger Alumni House.

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Thereupon the Board adjourned to meet Friday, April 4th, 2008 at the Longaberger Alumni House, Columbus, Ohio.

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Attest:

G. Gilbert Cloyd
Chairman

David O. Frantz
Secretary