

**THURSDAY, NOVEMBER 2, 2017
FINANCE COMMITTEE MEETING**

Michael J. Gasser
Brent R. Porteus
W. G. Jurgensen
Jeffrey Wadsworth
Alexander R. Fischer
John W. Zeiger
Lydia A. Lancaster
Alan VanderMolen
Alex Shumate (*ex officio*)

Location: Recreation and Physical Activity Center (RPAC)
Dave Griner Room, B247

Time: 3:00-4:45pm

ITEMS FOR DISCUSSION

- | | |
|--|-------------|
| 1. <i>Fiscal Year 2018 Interim Financial Report - Ms. Devine</i> | 3:00-3:05pm |
| 2. <i>University Financial Scorecard - Ms. Devine</i> | 3:05-3:10pm |
| 3. <i>Regional Campus Update - Ms. Devine</i> | 3:10-3:25pm |
| 4. <i>Long-Term Investment Pool Update - Mr. Lane</i> | 3:25-3:30pm |
| 5. <i>Major Project Status Report - Ms. Readey</i> | 3:30-3:35pm |

ITEMS FOR ACTION

- | | |
|--|-------------|
| 6. Authorizations Regarding Professional Services - Ms. Readey | 3:35-3:40pm |
| 7. Approval for Fiscal Year 2018 Utility System Capital Improvement Projects - Ms. Readey | 3:40-3:45pm |
| 8. Approval of 2017 Progress Report on Ohio Task Force on Affordability and Efficiency Recommendations - Mr. Chatas | 3:45-3:50pm |
| 9. Approval for One-Time Transfer of Principal from Long-Term Operating Fund to Enterprise Project Fund - Mr. Chatas | 3:50-3:55pm |
| 10. Approval of Discounted Rates for Summer Term Tuition and Mandatory Fees - Mr. Chatas | 3:55-4:00pm |
| 11. Authorization for Approval of Athletic Prices and Fees - Mr. Chatas | 4:00-4:05pm |
| 12. Appointment to the Self-Insurance Board - Mr. Chatas | 4:05-4:10pm |
| 13. Purchase of Real Property - Mr. Chatas | 4:10-4:15pm |
| 14. Approval of Multiyear Debt Issuance Program Endowment Fund - Mr. Papadakis | 4:15-4:20pm |
| Executive Session | 4:20-4:45pm |

The Ohio State University
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November 3, 2017

**THE OHIO STATE UNIVERSITY BOARD OF TRUSTEES
FINANCE COMMITTEE**

TOPIC: Fiscal Year 2018 Interim Financial Report - August 31, 2017

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
- Auxiliary Operations

REQUESTED OF THE FINANCE COMMITTEE: No vote required; for information only

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- I. Summary

- II. Financial Statement Review - For the two months ended August 31, 2017
 - A. Interim Financial Statements
 - B. Revenues
 - C. Expenses
 - D. Revenues Less Expenses
 - E. Investments
 - F. Cash Flows
 - G. Cash and Investments

- III. Financial Highlights - For the two months ended August 31, 2017
 - A. State Support Outlook
 - B. OSU Wexner Medical Center
 - C. Enrollment
 - D. Research
 - E. Auxiliary Operations

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I. Summary

Consolidated revenues through the first two months of fiscal year 2018, excluding investment income, were \$991 million, representing an increase of \$49 million, or 5.2% over the same period of fiscal year 2017. The revenue increase is primarily in Healthcare revenues, which were up \$40 million. Additional details on revenue trends are provided below:

- Healthcare revenues for the OSU Health System and OSU Physicians (OSUP) increased \$40 million, or 7.4%, to \$581 million. The Health System accounted for \$36 million of the increase. Total outpatient visits were 3.3% above prior year. Total inpatient visits were 3.3% above prior year and the total number of patients treated in inpatient beds was above prior year by 3.7%.
- University revenues through the first two months of fiscal year 2018 increased by \$17 million to \$389 million compared to the same period in fiscal year 2017.
 - Grant and contract revenues increased \$19 million, or 13.1%, to \$168 million, due primarily to an increase of \$10 million in federal grants from the US Department of Agriculture because of funding delays in fiscal year 2017.
 - Net student tuition and fees increased \$5 million, to \$63 million or 9.5% over the same period of fiscal year 2017. Tuition revenue is allocated between fiscal years and semesters based on credit hours and academic days. The increase in tuition is due primarily to summer enrollment and an earlier start to classes in autumn 2017 by two days.
 - Gifts decreased \$13 million, to \$32 million or 29.5% over prior year due primarily to decreases in current use gifts of \$11 million and decreases in permanent endowment gifts of \$2 million.
- Auxiliary revenues for the first two months of fiscal year 2018 decreased \$8 million, to \$21 million, primarily due to the International Champions Cup (ICC) soccer game held at Ohio Stadium in July 2016 of fiscal year 2017.

Consolidated expenses for the two months ended August 31, 2017 were \$958 million, up \$67 million, or 7.6%, over the same period of fiscal year 2017.

- Healthcare expenses of \$484 million increased \$28 million, or 6.1%, primarily due to increases in operating costs from increases in patient volumes.
- University expenses increased \$40 million to \$428 million for the first two months of fiscal year 2018 compared to the same period of fiscal year 2017, primarily due to expenses associated with the energy concession agreement.
- Auxiliary expenses for the first two months of fiscal year 2018 of \$47 million are flat compared to the same period of fiscal year 2017.

Overall, revenues grew at a quicker pace than expenses driven primarily by the strong performance of healthcare. The year-to-date change in consolidated net position (excluding net investment income and interest expense) decreased by \$17 million, from \$50 million in fiscal year 2017 to \$33 million in fiscal year 2018.

Total cash, restricted cash, and temporary investments increased \$973 million from June 30, 2017 due primarily to the receipt of energy concession proceeds. Gifted endowment and other long-term investments increased \$415 million primarily due to the transfer of \$354 million of the proceeds from the energy concession agreement to the Long Term Investment Pool (LTIP), and fair market value increases of \$81 million, offset by distributions of \$31 million. For the two months ended August 31, 2017 (FYTD), the LTIP earned a net of investment fee return of 1.94% versus a Policy Benchmark of 2.45%, resulting in underperformance of 0.51%. During that period, our Global Equities returned 2.47%, followed by Global Fixed Income at 1.30%, and Real Assets at 0.78%.

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II. Financial Statement Review - For the Two Months Ended August 31, 2017
A. Interim Financial Statements (in thousands)

THE OHIO STATE UNIVERSITY
CONSOLIDATED STATEMENTS OF NET POSITION - UNAUDITED
August 31, 2017 and June 30, 2017

	<u>As of August</u> <u>2017</u>	<u>As of June</u> <u>2017</u>	<u>Increase/Decrease</u>	
			<u>Dollars</u>	<u>%</u>
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$ 1,709,377	\$ 710,647	\$ 998,730	140.5%
Temporary investments	1,642,035	1,654,897	(12,862)	-0.8%
Accounts receivable, net	790,777	623,024	167,753	26.9%
Notes receivable - current portion, net	22,882	22,882	-	0.0%
Pledges receivable - current portion, net	33,718	33,718	-	0.0%
Accrued interest receivable	18,777	20,057	(1,280)	-6.4%
Inventories and prepaid expenses	228,499	103,776	124,723	120.2%
Investments held under securities lending program	9,966	15,949	(5,983)	-37.5%
Total Current Assets	<u>4,456,031</u>	<u>3,184,950</u>	<u>1,271,081</u>	<u>39.9%</u>
Noncurrent Assets:				
Restricted cash	653,606	666,032	(12,426)	-1.9%
Notes receivable, net	44,084	40,820	3,264	8.0%
Pledges receivable, net	72,350	72,350	-	0.0%
Long-term investment pool	4,665,138	4,253,459	411,679	9.7%
Other long-term investments	149,023	145,188	3,835	2.6%
Capital assets, net	5,011,166	5,005,751	5,415	0.1%
Total Noncurrent Assets	<u>10,595,367</u>	<u>10,183,600</u>	<u>411,767</u>	<u>4.0%</u>
Total Assets	<u>15,051,398</u>	<u>13,368,550</u>	<u>1,682,848</u>	<u>12.6%</u>
Deferred Outflows:				
Pension	1,006,750	1,006,750	-	0.0%
Other deferred outflows	21,378	21,378	-	0.0%
Total Assets and Deferred Outflows	<u>\$ 16,079,526</u>	<u>\$ 14,396,678</u>	<u>\$ 1,682,848</u>	<u>11.7%</u>
LIABILITIES AND NET POSITION:				
Current Liabilities:				
Accounts payable and accrued expenses	\$ 461,915	\$ 534,534	\$ (72,619)	-13.6%
Deposits and advance payments for goods and services	808,638	225,598	583,040	258.4%
Current portion of bonds, notes and leases payable	64,570	64,570	-	0.0%
Long-term bonds payable, subject to remarketing	588,360	588,360	-	0.0%
Liability under securities lending program	9,966	15,949	(5,983)	-37.5%
Other current liabilities	100,962	93,357	7,605	8.1%
Total Current Liabilities	<u>2,034,411</u>	<u>1,522,368</u>	<u>512,043</u>	<u>33.6%</u>
Noncurrent Liabilities:				
Bonds, notes and leases payable	2,655,880	2,655,880	-	0.0%
Net pension liability	3,565,744	3,565,744	-	0.0%
Compensated absences	160,845	164,594	(3,749)	-2.3%
Self-insurance accruals	81,042	81,239	(197)	-0.2%
Amounts due to third-party payors - Health System	35,589	38,032	(2,443)	-6.4%
Obligations under annuity and life income agreements	29,969	30,473	(504)	-1.7%
Refundable advances for Federal Perkins loans	31,714	31,714	-	0.0%
Unearned revenue - energy agreement	1,064,530	-	1,064,530	100.0%
Other noncurrent liabilities	124,990	125,268	(278)	-0.2%
Total Noncurrent Liabilities	<u>7,750,303</u>	<u>6,692,944</u>	<u>1,057,359</u>	<u>15.8%</u>
Total Liabilities	<u>9,784,714</u>	<u>8,215,312</u>	<u>1,569,402</u>	<u>19.1%</u>
Deferred Inflows:				
Parking service concession arrangement	434,202	435,807	(1,605)	-0.4%
Pension	16,352	16,352	-	0.0%
Other deferred inflows	19,139	19,139	-	0.0%
Total Deferred Inflows	<u>469,693</u>	<u>471,298</u>	<u>(1,605)</u>	<u>-0.3%</u>
Net Position:				
Net investment in capital assets	2,447,583	2,355,672	91,911	3.9%
Restricted:				
Nonexpendable	1,542,753	1,480,440	62,313	4.2%
Expendable	1,024,440	1,195,515	(171,075)	-14.3%
Unrestricted	810,343	678,441	131,902	19.4%
Total Net Position	<u>5,825,119</u>	<u>5,710,068</u>	<u>115,051</u>	<u>2.0%</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 16,079,526</u>	<u>\$ 14,396,678</u>	<u>\$ 1,682,848</u>	<u>11.7%</u>

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THE OHIO STATE UNIVERSITY
CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES,
AND OTHER CHANGES IN NET POSITION - UNAUDITED

Comparative Year-To-Date

August 31, 2017 and August 31, 2016

	August	August	Increase/Decrease	
	2017	2016	Dollars	%
Operating Revenues:				
Student tuition and fees, net	\$ 62,792	\$ 57,356	\$ 5,436	9.5%
Federal grants and contracts	76,345	62,895	13,450	21.4%
State grants and contracts	17,472	18,348	(876)	-4.8%
Local grants and contracts	4,053	2,948	1,105	37.5%
Private grants and contracts	45,652	39,841	5,811	14.6%
Sales and services of educational departments	30,571	28,971	1,600	5.5%
Sales and services of auxiliary enterprises	21,164	28,901	(7,737)	-26.8%
Sales and services of the OSU Health System, net	501,330	465,068	36,262	7.8%
Sales and services of OSU Physicians, Inc., net	79,837	76,019	3,818	5.0%
Other operating revenues	3,982	5,238	(1,256)	-24.0%
Total Operating Revenues	<u>843,198</u>	<u>785,585</u>	<u>57,613</u>	<u>7.3%</u>
Operating Expenses:				
Educational and General:				
Instruction and departmental research	101,154	99,993	1,161	1.2%
Separately budgeted research	86,236	82,085	4,151	5.1%
Public service	27,443	25,413	2,030	8.0%
Academic support	33,238	31,539	1,699	5.4%
Student services	14,459	15,671	(1,212)	-7.7%
Institutional support	56,824	46,897	9,927	21.2%
Operation and maintenance of plant	25,898	17,287	8,611	49.8%
Scholarships and fellowships	7,197	7,243	(46)	-0.6%
Auxiliary enterprises	46,560	46,874	(314)	-0.7%
OSU Health System	406,801	387,511	19,290	5.0%
OSU Physicians, Inc.	76,764	68,406	8,358	12.2%
Depreciation	63,795	58,580	5,215	8.9%
Total Operating Expenses	<u>946,369</u>	<u>887,499</u>	<u>58,870</u>	<u>6.6%</u>
Operating Loss	(103,171)	(101,914)	(1,257)	1.2%
Non-operating Revenues (Expenses):				
State share of instruction and line-item appropriations	79,444	77,127	2,317	3.0%
Federal subsidies for Build America Bonds interest	1,887	1,887	-	0.0%
Federal non-exchange grants	24,811	24,333	478	2.0%
State non-exchange grants	3	495	(492)	-99.4%
Gifts	23,578	34,499	(10,921)	-31.7%
Net investment income (loss)	102,363	89,151	13,212	14.8%
Interest expense on plant debt	(19,847)	(20,165)	318	-1.6%
Other non-operating revenues(expenses)	(12,127)	(3,673)	(8,454)	230.2%
Net Non-operating Revenue (Expense)	<u>200,112</u>	<u>203,654</u>	<u>(3,542)</u>	<u>-1.7%</u>
Income (Loss) before Other Revenues, Expenses, Gains or Losses	96,941	101,740	(4,799)	-4.7%
Other Changes in Net Position				
State capital appropriations	10,110	7,560	2,550	33.7%
Private capital gifts	990	1,722	(732)	-42.5%
Additions to permanent endowments	7,010	8,561	(1,551)	-18.1%
Total Other Changes in Net Position	<u>18,110</u>	<u>17,843</u>	<u>267</u>	<u>1.5%</u>
Increase (Decrease) in Net Position	115,051	119,583	\$ (4,532)	-3.8%
Net Position - Beginning of Year	5,710,068	5,148,728		
Net Position - End of Period	<u>\$ 5,825,119</u>	<u>\$ 5,268,311</u>		

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THE OHIO STATE UNIVERSITY
STATEMENTS OF CASH FLOWS - UNAUDITED
Years Ended August 31, 2017 and August 31, 2016
(in thousands)

	<u>August 2017</u>	<u>August 2016</u>	<u>Incr/(Decr) to Cash Dollars</u>	<u>%</u>
Cash Flows from Operating Activities:				
Tuition and fee receipts	\$ 345,953	\$ 340,866	\$ 5,087	1.5%
Grant and contract receipts	81,855	118,782	(36,927)	-31.1%
Receipts for sales and services	705,204	638,348	66,856	10.5%
Receipt from energy agreement	1,089,914	-	1,089,914	100.0%
Payments to or on behalf of employees	(449,756)	(409,388)	(40,368)	9.9%
University employee benefit payments	(125,004)	(132,588)	7,584	-5.7%
Payments to vendors for supplies and services	(410,554)	(316,043)	(94,511)	29.9%
Payments to students and fellows	(6,075)	(5,917)	(158)	2.7%
Student loans issued	(4,719)	(4,134)	(585)	14.2%
Student loans collected	1,313	1,734	(421)	-24.3%
Student loan interest and fees collected	286	414	(128)	-30.9%
Other receipts	816	3,423	(2,607)	-76.2%
Net cash provided (used) by operating activities	<u>1,229,233</u>	<u>235,497</u>	<u>993,736</u>	<u>422.0%</u>
Cash Flows from Noncapital Financing Activities:				
State share of instruction and line-item appropriations	79,444	77,127	2,317	3.0%
Non-exchange grant receipts	24,814	24,828	(14)	-0.1%
Gift receipts for current use	23,578	34,499	(10,921)	-31.7%
Additions to permanent endowments	7,010	8,561	(1,551)	-18.1%
Drawdowns of federal direct loan proceeds	127,500	145,000	(17,500)	-12.1%
Disbursements of federal direct loans to students	(148,761)	(150,955)	2,194	-1.5%
Repayment of loans from related organization	70	168	(98)	-58.3%
Amounts received for annuity and life income funds	279	264	15	5.7%
Amounts paid to annuitants and life beneficiaries	(783)	(272)	(511)	187.9%
Agency funds receipts	6,110	4,715	1,395	29.6%
Agency funds disbursements	(4,894)	(4,632)	(262)	5.7%
Net cash provided (used) by noncapital financing activities	<u>114,367</u>	<u>139,303</u>	<u>(24,936)</u>	<u>-17.9%</u>
Cash Flows from Capital Financing Activities:				
State capital appropriations	9,596	6,895	2,701	39.2%
Gift receipts for capital projects	990	1,722	(732)	-42.5%
Payments for purchase or construction of capital assets	(68,144)	(83,929)	15,785	-18.8%
Interest payments on capital debt and leases	(732)	(395)	(337)	85.3%
Net cash provided (used) by capital financing activities	<u>(58,290)</u>	<u>(75,707)</u>	<u>17,417</u>	<u>-23.0%</u>
Cash Flows from Investing Activities:				
Net (purchases) sales of temporary investments	12,862	4,941	7,921	160.3%
Proceeds from sales and maturities of long-term investments	181,389	257,400	(76,011)	-29.5%
Investment income	28,559	11,756	16,803	142.9%
Purchases of long-term investments	(521,816)	(289,341)	(232,475)	80.3%
Net cash provided (used) by investing activities	<u>(299,006)</u>	<u>(15,244)</u>	<u>(283,762)</u>	<u>1861.5%</u>
Net Increase (Decrease) in Cash	<u>986,304</u>	<u>283,849</u>	<u>\$ 702,455</u>	<u>247.5%</u>
Cash and Cash Equivalents - Beginning of Year	<u>1,376,679</u>	<u>1,352,044</u>		
Cash and Cash Equivalents - End of Period	<u>\$ 2,362,983</u>	<u>\$ 1,635,893</u>		

B. Revenue

Consolidated revenues through the first two months of fiscal year 2018, excluding investment income, were \$991 million, representing an increase of \$49 million, or 5.2% over the same period of fiscal year 2017. The breakdown of comparative year-to-date revenues between the University, Auxiliary, and Healthcare (the OSU Health System hospitals and OSUP) follows.

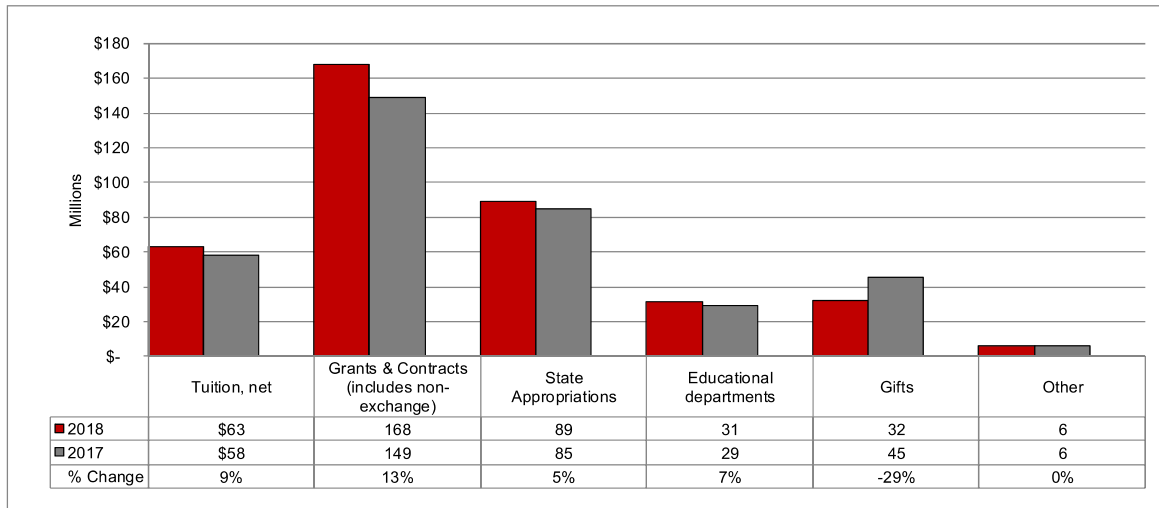
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University

University revenues for the first two months of fiscal year 2018 were \$389 million, up \$17 million compared to the first two months of fiscal year 2017. Major components of university revenues were as follows:

University Revenue YTD First Two Months Fiscal Year 2018 vs. Fiscal Year 2017



Net student tuition and fees increased \$5 million, to \$63 million or 9.5% over the same period of fiscal year 2017. Tuition revenue is allocated between fiscal years and semesters based on credit hours and academic days. The increase in tuition is due primarily to summer enrollment and an earlier start to classes in autumn 2017 by two days.

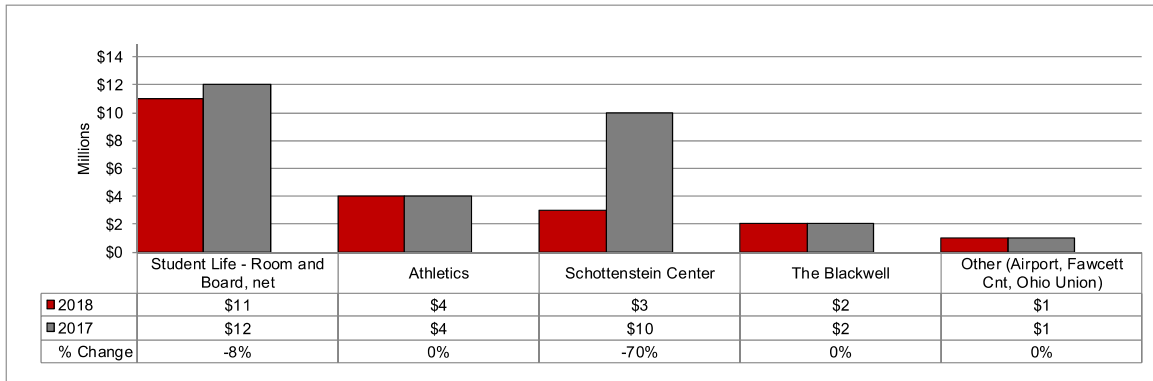
Grant and contract revenues increased \$19 million, or 13.1%, to \$168 million, due primarily to increases in federal grants from the US Department of Agriculture because of funding delays in fiscal year 2017.

Gifts decreased \$13 million, to \$32 million, a 29.5% decrease over the prior two months ended August 31, 2016, reflecting decreases in current use gifts of \$11 million and decreases in permanent endowment gifts of \$2 million.

Auxiliary

Auxiliary revenues for the first two months of fiscal year 2018 decreased \$8 million, to \$21 million, compared to the first two months of fiscal year 2017. Major components of auxiliary revenues were as follows:

Auxiliary Revenues YTD First Two Months Fiscal Year 2018 vs. Fiscal Year 2017

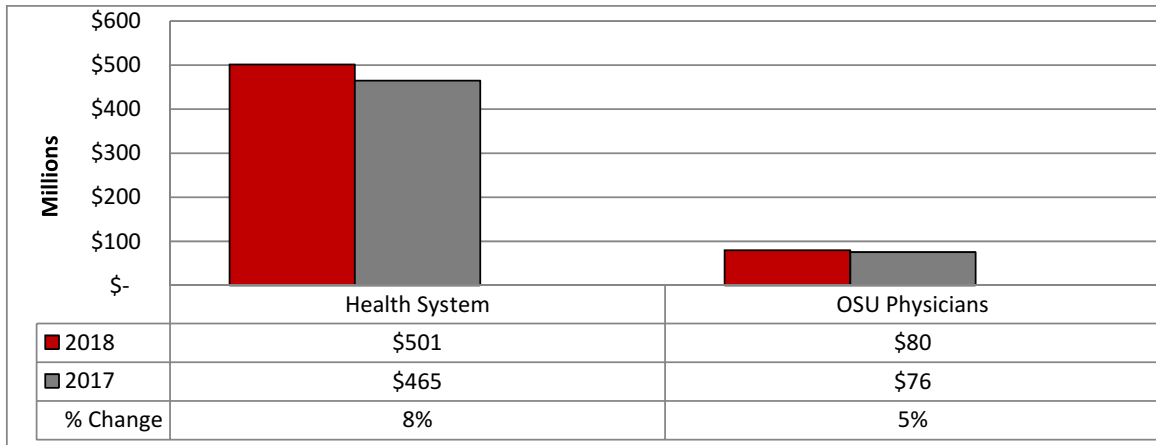


Schottenstein Center revenues decreased \$7 million due primarily to the International Champions Cup (ICC) soccer game held at Ohio Stadium in July 2016 of fiscal year 2017.

Healthcare

Total healthcare revenue for the first two months of fiscal year 2018 increased \$40 million, or 7.4%, to \$581 million, compared to the first two months of fiscal year 2017.

Healthcare Revenues YTD First Two Months Fiscal Year 2018 vs. Fiscal Year 2017



Consolidated OSU Health System revenues of \$501 million increased \$36 million, or 7.8%, in the first two months of fiscal year 2018 over the same period in 2017. Total outpatient visits were 3.3% above prior year and 1.6% below budget. The total number of patients treated in inpatient beds was above prior year by 3.7%. OSU Physicians revenue increased \$4 million, or 5.0%, to \$80 million for the first two months of fiscal year 2018.

C. Expenses

Consolidated expenses of \$958 million for the first two months of fiscal year 2018 increased \$67 million, or 7.6%, compared to the first two months of fiscal year 2017 of \$891 million. The mix of expenses remained constant between years, with salaries and benefits comprising 53% and supplies and other expenses

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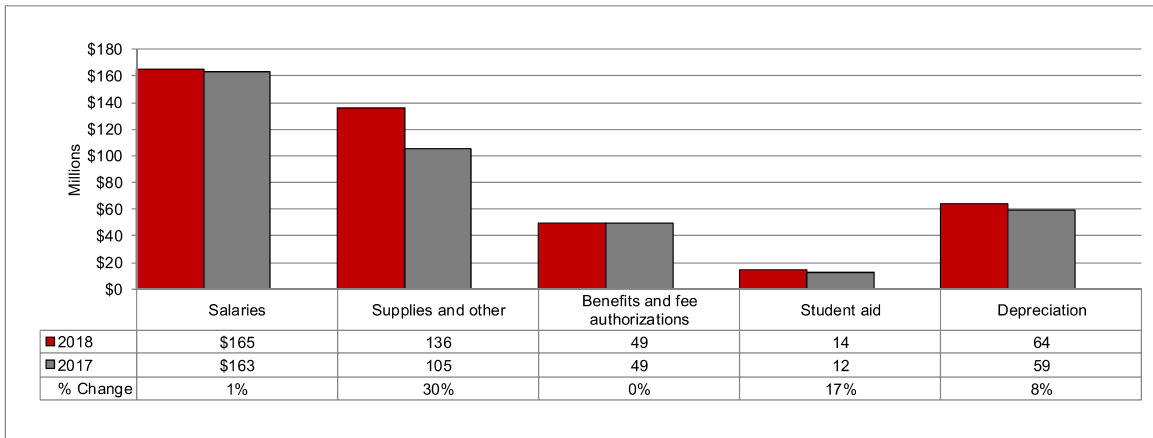
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making up 39% of total operating expenses. The breakdown of comparative year-to-date expenses for University, Auxiliary, and Healthcare follows.

University

University expenses for the first two months of fiscal year 2018 of \$428 million were up \$40 million, or 10.3% compared to the first two months of fiscal year 2017. Major categories of university expenses were as follows:

University Expenses YTD First Two Months Fiscal Year 2018 vs. Fiscal Year 2017

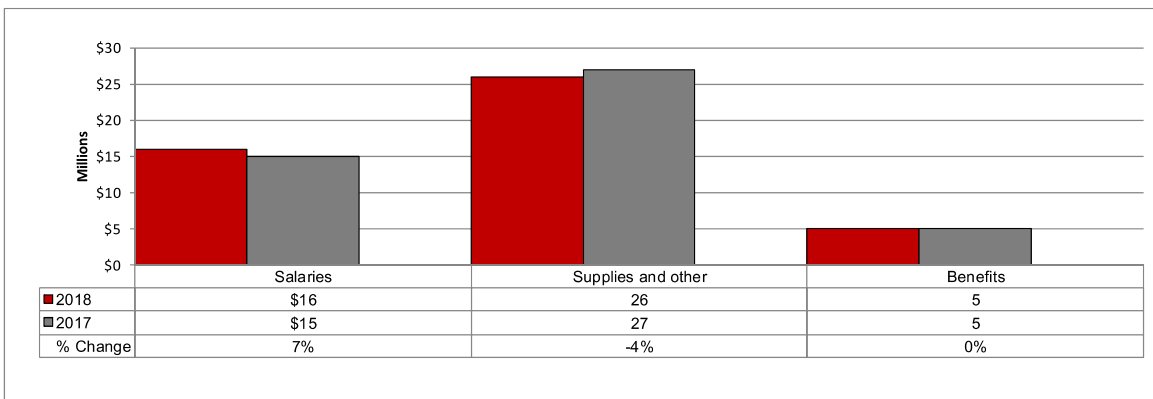


Salaries and benefits were relatively flat in the first two months of fiscal year 2018 over the comparable period in fiscal year. Supplies and other expenses increased \$27 million primarily due to the comprehensive energy management and Workday enterprise projects. Student aid increased due to planned increases in financial aid and the allocation of student aid based on academic days. Depreciation increased due to North Residential District.

Auxiliary

Auxiliary expenses for the first two months of fiscal year 2018 of \$47 million were flat compared to the first two months of fiscal year 2017. Major categories of auxiliary expenses were as follows:

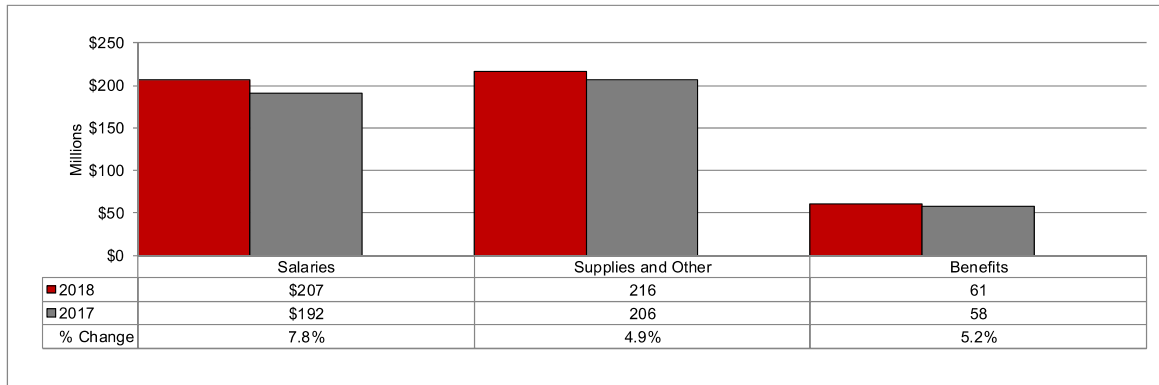
Auxiliary Expenses YTD First Two Months Fiscal Year 2018 vs. Fiscal Year 2017



Healthcare

Healthcare expenses for the first two months of fiscal year 2018 of \$484 million were up \$28 million, or 6.1% compared to the first two months of fiscal year 2017. Major categories of healthcare expenses were as follows:

Healthcare Expenses YTD First Two Months Fiscal Year 2018 vs. Fiscal Year 2017

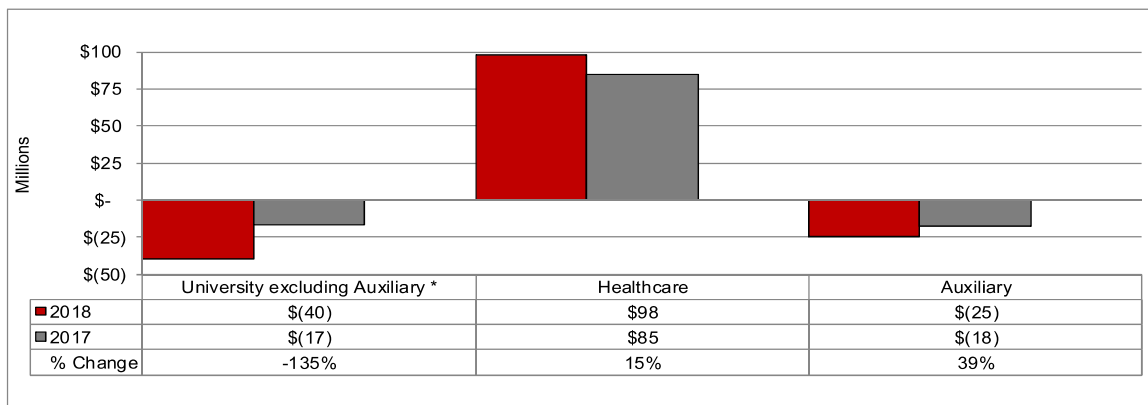


Salaries increased \$15 million in the first two months of fiscal year 2018, or 7.8% over the comparable period in fiscal year 2017 due to increases in staffing levels. Supplies and other expenses increased \$10 million, or 4.9%, primarily due to increases in operating costs from increases in patient volumes. Benefits increased \$3 million or 5.2% due to salary increases.

D. Revenues Less Expenses (Margins)

Consolidated revenues, excluding investment income and interest expense, less expenses for The Ohio State University decreased \$17 million, from \$50 million to \$33 million, for the first two months of fiscal year 2018 compared to the first two months of fiscal year 2017. University (excluding auxiliary) margins decreased \$23 million due primarily to increases in supplies and services of \$27 million, Healthcare margins increased \$13 million, and auxiliary margins decreased \$7 million for the first two months of fiscal year 2018 compared to last year due primarily to a decrease in revenue from the ICC soccer game in July 2016.

**Revenue Less Operating Expense by Area YTD
First Two Months Fiscal Year 2018 vs. Fiscal Year 2017**



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* These figures exclude endowment distributions. Adjusted margins, including year-to-date distributions, were (\$10) million in 2018 and \$10 million in 2017.

E. Investments

For two months ended August 31, 2017, the market value of the university's Long-Term Investment Pool (LTIP) increased \$411.7 million to \$4.67 billion. Changes in total valuation are summarized below:

	<u>2018</u>	<u>2017</u>
Market Value at June 30	\$ 4,253,459	\$ 3,616,562
Net principal additions	360,739	61,462
Change in market value	81,231	70,349
Income earned	12,563	11,804
Distributions	(30,470)	(26,575)
Expenses	<u>(12,384)</u>	<u>(12,614)</u>
Market Value at August 31	<u>\$ 4,665,138</u>	<u>\$ 3,720,988</u>

Net principal additions include new endowment gifts (\$7.0 million), reinvestment of unused endowment distributions (\$0.1 million), and the transfer of \$354 million of the proceeds of the energy concession agreement to the LTIP. Change in market value includes realized gains (losses) on the sale of investment assets and unrealized gains (losses) associated with assets held in the pool at August 31, 2017. Income earned includes interest and dividends and is used primarily to help fund distributions. Expenses include investment management expenses (\$9.3 million), University Development related expenses (\$2.9 million) and other administrative related expenses (\$0.2 million).

LTIP Investment Returns

For two months ended August 31, 2017 (FYTD), the LTIP earned a net of investment fee return of 1.94% versus a Policy Benchmark of 2.45%, resulting in underperformance of 0.51%. During that period, our Global Equities returned 2.47%, followed by Global Fixed Income at 1.30%, and Real Assets at 0.78%.

The comparable two month period ended August 31, 2016 saw a net of investment fee return of 3.09% versus a 3.10% Policy Benchmark for underperformance of 0.01%. During that period, our Global Equities returned 4.67%, followed by Real Assets at 1.53%, and Global Fixed Income at 0.69%.

Temporary Investments

For the two months ended August 31, 2017 (FYTD) the Intermediate Investments earned a return of 0.55% (+4.9 million) outperforming the BofA ML 1-3 Yr US Gov't/Credit benchmark (+0.46%) by 0.09%. Short-Term Investments earned 0.24% (+\$2.8 million) outperforming the 90 Day T-Bill benchmark (+0.18%) by 0.06%.

The comparable two-month period ended August 31, 2016, saw Intermediate Investments earn a return of 0.17% (+\$1.4 million). Short-Term Investments returned 0.35% (+\$1.8 million) for this same period.

F. Cash Flows

Cash provided by operating activities was \$1.2 billion through the first two months of fiscal year 2018, compared with net cash provided by operating activities of \$235 million for the same period in fiscal year 2017. The increase in cash is due primarily to the cash receipt from the energy concession agreement.

Cash provided by noncapital financing activities was \$114 million through the first two months of fiscal year 2018, compared with \$139 million for the same period in fiscal year 2017. The decrease is primarily due to decreases in current use gifts and drawdowns of federal direct loan proceeds.

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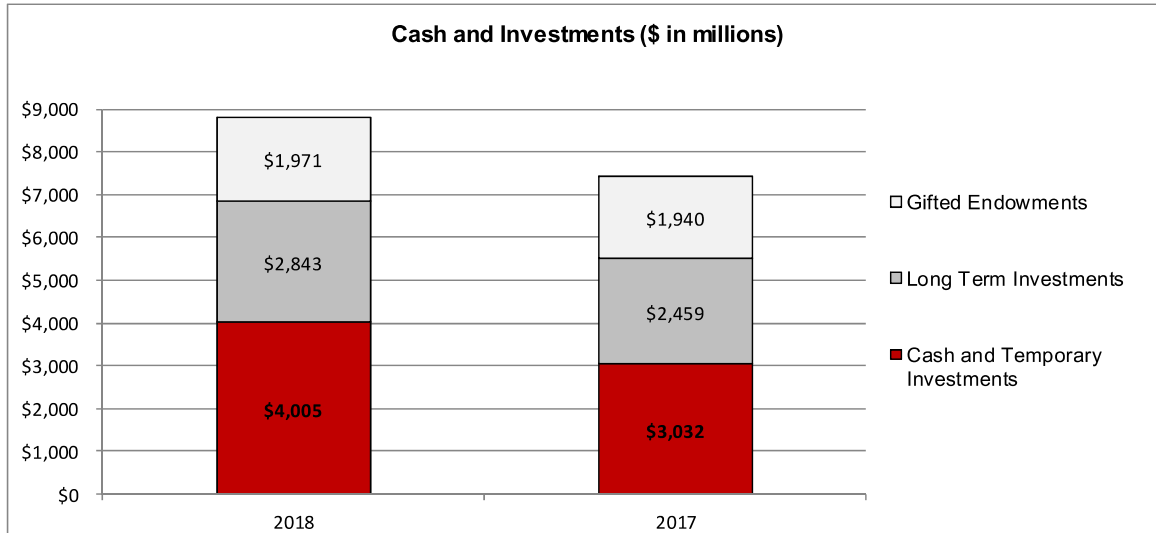
November 3, 2017

Cash used by capital financing activities was \$58 million for the two months ended August 31, 2017, primarily for payments on the construction of capital assets of \$68 million. Capital expenditures consist of \$47 million for University academic, infrastructure, and auxiliary projects, \$16 million for Health System projects and equipment expenditures and University equipment purchases of \$5 million.

Net cash used by investing activities was \$299 million for the first two months of fiscal year 2018, compared to net cash used by investing activities of \$15 million for the comparable period in fiscal year 2017. The net cash outflow relates primarily to purchases of long-term investments with cash from the energy agreement payment.

G. Cash and Investments

From June 30, 2017 to August 31, 2017, total university cash and investments increased by \$1,388 million, to \$8.8 billion. Cash and short-term investments increased \$973 million primarily from cash receipt from the energy concession agreement and the collection of student tuition and fees. Gifted endowment and other long-term investments increased \$415 million primarily due to market value increases of \$81 million and the transfer of \$354 million of the proceeds from the energy concession agreement, offset by distributions of \$30 million.



III. Financial Highlights - For the Two Months Ending August 31, 2017

A. State Support Outlook

The Office of Budget and Management (OBM) reports August tax receipts of \$1,968.8 million, which were \$25.8 million, or 1.3%, above estimate. On a year-to-date basis, tax receipts are \$23.6 million or 0.7% above estimate. Year over year tax revenues increased \$30.4 million or 1.6% over last August. The increase from last August is due primarily to the commercial activity tax (CAT) and the income tax, which grew 16% and 5.3%, respectively.

The Ohio unemployment rate was 5.4% in August, increasing 0.2 percentage points over July. In August 2016 the unemployment rate was 4.9%. The national unemployment rate for August was 4.4%, an increase of .01% over July. August 2017 marks the 57th consecutive month when Ohio's job growth was behind the national average.

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August disbursements for higher education were \$180.1 million and were \$0.2 million or 0.1% above estimate. The slight variance was primarily attributable to disbursements for the Central State Agricultural Research and Development and Cooperative Extension Services programs which were \$1.9 million above estimates as federal funds were provided earlier, requiring a state match. Lower disbursements for the Ohio College Opportunity Grant Scholarship Program offset the variance by \$1.1 million as a result of lower than expected requests from higher education institutions.

While preliminary total state share of instruction (SSI) from the state stayed the same at \$1.523 million in fiscal year 2018, OSU took a slight dip from prior year, dropping \$878k in total or 0.23% based on updated enrollment trends submitted by the 14 universities receiving SSI.

B. OSU Wexner Medical Center

For the first two months of the fiscal year ending June 30, 2018, the Wexner Health System's Excess of Revenue over Expense was 3.9% above budget and 24.7% above the prior year.

- Inpatient admissions were 3.3% above prior year and the total number of patients treated in inpatient beds was above prior year by 3.7%.
- Total outpatient visits were 1.6% below budget and 3.3% above prior year.
- Adjusted admissions were 0.5% above budget and 1.4% above prior year.
- Operating revenue per adjusted admission was 0.5% below budget and 5.9% above prior year.
- Operating expense per adjusted admission was 0.9% below budget and 5.1% above prior year.
- Total operating revenue of \$484.9 million approximated budget and was 7.4% above prior year.
- Total operating expense of \$417.1 million was 0.4% below budget and 6.6% above prior year.
- Operating EBIDA margin was 1.5% above budget, days cash on hand totaled 135.6 days and debt service coverage was 2.7% above budget.

C. Enrollment

Columbus Campus

Enrollment is 1% above budget at the Columbus campus and is up 5% compared to fiscal year 2017. The following tables are based on the combined student headcounts for summer and autumn semesters.

SUMMER & AUTUMN	Fiscal Year 2018 Actual Vs. Budget Headcounts				Fiscal Years 2017 & 2018 Headcount Comparison			
	Actual	Budget	Change	% Chg	FY 2018	FY 2017	Change	% Chg
Student Level								
Undergraduate	57,523	57,182	341	0.6%	57,523	55,309	2,214	4.0%
Graduate	17,218	16,955	263	1.6%	17,218	15,778	1,440	9.1%
Professional	4,425	4,641	(216)	-4.7%	4,425	4,382	43	1.0%
Grand Total	79,166	78,778	388	0.5%	79,166	75,469	3,697	4.9%

*Headcounts include only those that generate fee revenue.

As shown below, resident enrollments increased 3% between fiscal year 2017 and fiscal year 2018 and are up 1% above budget. Non-resident enrollment is 9% above fiscal year 2017 and is down 1% to budget. For the academic year-to-date, total enrollment has increased 5% between fiscal year 2017 and fiscal year 2018 and is 1% above budget.

SUMMER & AUTUMN	Fiscal Year 2018 Actual Vs. Budget Headcounts				Fiscal Years 2017 & 2018 Headcount Comparison			
	Actual	Budget	Change	% Chg	FY 2018	FY 2017	Change	% Chg
Residency Status								
Resident	56,836	56,264	572	1.0%	56,836	54,941	1,895	3.4%
Non-Resident	22,330	22,514	(184)	-0.8%	22,330	20,528	1,802	8.8%
Grand Total	79,166	78,778	388	0.5%	79,166	75,469	3,697	4.9%

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**Headcounts include only those that generate fee revenue.*

The increase in actual enrollment between fiscal year 2018 compared to fiscal year 2017 is due primarily to significant increases in summer enrollment, as shown below:

SUMMER	Fiscal Year 2018				Fiscal Years 2017 & 2018			
	Actual Vs. Budget Headcounts				Headcount Comparison			
Residency Status	Actual	Budget	Change	% Chg	FY 2018	FY 2017	Change	% Chg
Resident	13,345	13,376	(31)	-0.2%	13,345	11,603	1,742	15.0%
Non-Resident	5,984	5,958	26	0.4%	5,984	4,384	1,600	36.5%
Grand Total	19,329	19,334	(5)	0.0%	19,329	15,987	3,342	20.9%

**Headcounts include only those that generate fee revenue.*

AUTUMN	Fiscal Year 2018				Fiscal Years 2017 & 2018			
	Actual Vs. Budget Headcounts				Headcount Comparison			
Residency Status	Actual	Budget	Change	% Chg	FY 2018	FY 2017	Change	% Chg
Resident	43,491	42,888	603	1.4%	43,491	43,338	153	0.4%
Non-Resident	16,346	16,556	(210)	-1.3%	16,346	16,144	202	1.3%
Grand Total	59,837	59,444	393	0.7%	59,837	59,482	355	0.6%

**Headcounts include only those that generate fee revenue.*

Regional Campuses

The following are the combined summer and autumn semester headcount enrollment figures. Overall, regional campus enrollment increased nearly 1% from fiscal year 2017 and was closely on target with budget. Enrollments increased for Marion and Newark campuses and decreased for Lima, Mansfield, and ATI between fiscal year 2017 and fiscal year 2018. While Newark increased nearly 6%, Mansfield decreased 8% over the same period.

Marion and Newark campuses were up from their projection for fiscal year 2018, ranging from nearly 2% to 5%, while Mansfield and ATI were 5% or more below budget. Lima was slightly below budget (-1%).

SUMMER & AUTUMN	Fiscal Year 2018				Fiscal Years 2017 & 2018			
	Actual Vs. Budget Headcounts				Headcount Comparison			
Campus	Actual	Budget	Change	% Chg	FY 2018	FY 2017	Change	% Chg
Lima	1,293	1,310	(17)	-1.3%	1,293	1,324	(31)	-2.3%
Mansfield	1,387	1,471	(84)	-5.7%	1,387	1,507	(120)	-8.0%
Marion	1,381	1,360	21	1.5%	1,381	1,321	60	4.5%
Newark	3,046	2,907	139	4.8%	3,046	2,885	161	5.6%
ATI	840	881	(41)	-4.7%	840	855	(15)	-1.8%
Grand Total	7,947	7,929	18	0.2%	7,947	7,892	55	0.7%

**Headcounts include only those that generate fee revenue.*

D. Research

Direct cost project expenditures in July and August 2017 are up approximately 9%, and Facilities and Administration (F&A) recovery is up 3.2%, compared to this time last year. We should continue to see expenditures increase, but particularly for federal dollars, reflecting a 6.1% increase in federal awards in 2017. In addition, the university's F&A rate has increased to 55% in fiscal year 2018 and will increase again to 56% in fiscal year 2019 and beyond. However, if federal award dollars do eventually drop as per

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President Trump's budget proposals, the lower base to which the rate is applied may offset the financial benefit of the rate increase.

Awarded dollars, which can be considered a leading indicator of the state of the research enterprise are down 17.2% overall compared to this time last year, including drops in both federal (16.6%) and non-federal (21.2%) awards. It is likely that some of the differences by agency are real and some are just due to timing, which can loom large this early in the fiscal year. For example:

- A drop in NSF award dollars is an artifact of lags in reporting awards into the financial system. In reality, awards by NSF increased 6% over the same time last year, as there was an additional \$6.3 million in NSF awards in August 2017 not reported into the financial system until September 2017.
- For "other federal" awards, last year we received \$14.6 million in Government Resource Center (GRC) funding in August 2016, whereas this year the funding is allocated in the 2nd quarter of fiscal year 2018.
- Last year, we received nearly \$7 million in Department of Labor funding for the National Longitudinal Survey in August 2016, whereas this year we will receive it in September 2017.

E. Auxiliary Operations

Auxiliaries are entities that exist to furnish goods or services to students, faculty, 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					
For the period ending August 2017					
(In Thousands)					
	FY18		FY17	\$ Change	%
Revenues	\$ 11,773	\$	12,634	\$ (861)	-6.8%
Expenses	\$ 29,413	\$	30,373	\$ (960)	-3.2%
Net Income	\$ (17,640)	\$	(17,739)	\$ 99	-0.6%

Revenues are \$861,000 lower than prior year primarily due to decreases in ticket sales, camps and royalties. Expenses are \$960,000 below prior year primarily due to reductions in capital expenditures, offset by increases in personnel costs, travel, grants in aid, and facility repair.

Housing & Dining					
For the period ending August 2017					
(In Thousands)					
	FY18		FY17	\$ Change	%
Revenues	\$ 13,119	\$	13,120	\$ (1)	0.0%
Expenses	\$ 20,898	\$	19,340	\$ 1,558	8.1%
Net Income	\$ (7,779)	\$	(6,220)	\$ (1,559)	25.1%

Housing and dining revenues are flat compared to prior fiscal year. Housing and dining expenses are up \$1.6 million from the prior year. Housing expenses are \$132,000 above the prior year due to various operating expenses. Dining expenses are \$1.4 million above prior year due primarily to increased cost of sales, supplies and debt service payment.

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Schottenstein Center

For the period ending August 2017
(In Thousands)

	FY18	FY17	\$ Change	%
Revenues	\$ 2,741	\$ 10,476	\$ (7,736)	-73.8%
Expenses	\$ 2,000	\$ 7,947	\$ (5,947)	-74.8%
Net Income	\$ 740	\$ 2,529	\$ (1,789)	-70.7%

Revenues are \$7.7 million lower than prior year primarily due to the International Champions Cup (ICC) soccer game held at Ohio Stadium in July of 2016. Expenses are also down over the prior year following the trend of event related revenues. The majority of the \$5.9 million decrease in expenses is due to cost of sales related to the events and in particular the ICC soccer match in July of last year.

Recreational Sports

For the period ending August 2017
(In Thousands)

	FY18	FY17	\$ Change	%
Revenues	\$ 3,558	\$ 3,510	\$ 48	1.4%
Expenses	\$ 2,926	\$ 2,987	\$ (61)	-2.0%
Net Income	\$ 632	\$ 523	\$ 109	20.8%

Revenues are tracking \$48,000 above prior year primarily due to increases in entry fees. Expenses are \$61,000 lower than the prior year primarily due to decreases in repair and maintenance, purchased services and personnel costs.

Ohio Union

For the period ending August 2017
(In Thousands)

	FY18	FY17	\$ Change	%
Revenues	\$ 2,578	\$ 2,566	\$ 12	0.5%
Expenses	\$ 2,197	\$ 2,152	\$ 45	2.1%
Net Income	\$ 381	\$ 414	\$ (33)	-8.0%

Revenues are \$12,000 higher than prior year primarily due to higher event related income. Expenses are \$45,000 higher than prior year primarily due to higher purchased services and cost of sales.

Blackwell Inn

For the period ending August 2017
(In Thousands)

	FY18	FY17	\$ Change	%
Revenues	\$ 1,809	\$ 1,856	\$ (47)	-2.5%
Expenses	\$ 1,933	\$ 1,846	\$ 86	4.7%
Net Income	\$ (124)	\$ 9	\$ (133)	-1452.2%

Revenues are \$47,000 lower than prior year mainly due to lower revenues in rooms, food & beverage and Rohr Café. The room revenue decrease is due to a shortfall in occupancy of 283 rooms or 3.0 points. The average rate of \$155.27 is better than last year by \$4.27; however the revenue per available room of \$110.55 is down by \$1.53 due to the shortfall in occupancy. The shortfall in rooms also contributes to the lower revenues in other areas. Expenses are \$86,000 above prior year primarily due to higher staffing levels.

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Fawcett Center

For the period ending August 2017

(In Thousands)

	FY18	FY17	\$ Change	%
Revenues	\$ 645	\$ 608	\$ 37	6.0%
Expenses	\$ 566	\$ 565	\$ 1	0.2%
Net Income	\$ 79	\$ 43	\$ 36	82.0%

Fawcett Center revenues are up \$37,000 compared to prior year. Conference revenues are \$23,000 better than last year. Office space rental revenue is up \$14,000 due to all space being rented this year and the 3% annual increase. Expenses are relatively flat compared to prior year with slightly higher payroll and benefits expenses offset by savings in utilities.

Drake Union

For the period ending August 2017

(In Thousands)

	FY18	FY17	\$ Change	%
Revenues	\$ 202	\$ 195	\$ 7	3.4%
Expenses	\$ 115	\$ 134	\$ (19)	-14.1%
Net Income	\$ 87	\$ 61	\$ 26	41.7%

Revenues are up \$7,000 from the previous fiscal year. The increase is due to full occupancy of office space and the annual 3% rent increase. Expenses are \$19,000 below prior year due primarily to lower personnel cost.



November 2018 Board Meeting
 FY 2018 | Through August 2018




Consolidated Financial Scorecard (\$ in thousands)		2018 YTD Actual	2018 YTD Budget	Actual vs. Budget
A. Financial Snapshot (in thousands)				
1. Total Revenue excluding endowment performance		969,623	974,419	↔
2. Total Expenses		975,031	1,000,725	↓
3. Change in Net Assets		121,503	91,062	↑
4. Change in Net Assets excluding endowment performance		12,996	(13,847)	↑
5. Change in Net Financial Assets		1,386,905	125,000	↑
B. Institutional Financial Metrics				
1. Liquidity - Primary Reserve Ratio		0.7	0.4	↑
2. Liquidity - Days Cash on Hand		233	120	↑
3. Actual Debt Service to Operations		3.21%	3.13%	↑
		2017-18 Actual	2017-18 Benchmark	Actual vs. Benchmark
4. Short Term Investment Pool Return		1.07%	0.62%	↔
5. Intermediate Investment Pool Return		1.48%	0.88%	↔
6. 1 Year Long Term Investment Pool Return		13.19%	11.23%	↑
7. 3 Year Long Term Investment Pool Average Return		4.68%	5.21%	↔
8. Credit Rating		AA	AA	↔

	Meets or exceeds goal	↑	Performance up
	Below goal	↔	No change in performance
	Far below goal	↓	Performance down



November 2018 Board Meeting
FY 2018 | Through August 2018

University Financial Scorecard (\$ in thousands)		2018 YTD Actual	2018 YTD Budget	Actual vs. Budget
A. Revenue Drivers (in thousands)				
1. Tuition and Fees		72,883	71,233	↑
2. Grants and Contracts (exchange)		145,772	139,283	↑
3. Advancement Cash Receipts		16,147	15,636	↑
4. SSI		63,944	63,767	↔
5. State Line Item Appropriations		15,500	15,516	↔
6. Net Contribution from Auxiliary Enterprises		(26,745)	(31,426)	↑
B. Financial Snapshot (in thousands)				
1. Total Revenue excluding endowment performance		407,164	405,909	↔
2. Total Expenses		455,905	477,422	↓
3. Current Net Margin		(18,276)	(40,929)	↑
4. Change in Net Assets		59,825	27,559	↑
5. Change in Net Assets excluding endowment performance		(3,782)	(31,929)	↑
C. Performance Metrics (Columbus Campus only)				
1. Enrollment - summer		19,329	19,334	↔
2. Credit Hours - summer		119,559	114,941	↑

	Meets or exceeds goal	↑	Performance up
	Below goal	↔	No change in performance
	Far below goal	↓	Performance down



November 2017 Board Meeting
 FY 2018 | Through August 2018

MEDICAL CENTER FINANCIAL PERFORMANCE				2017-18 Actual	2017-18 Budget	Current Status
A. Revenue Drivers						
1. Patient Admissions		10,813	10,854			↑
2. Patients in Inpatient Beds		12,900	13,065			↑
3. Patient Discharges		10,796	10,881			↑
4. Total Surgeries		7,468	7,416			↔
5. Outpatient Visits		299,234	304,173			↑
6. ED Visits		22,232	23,215			↑
B. Activity Metrics						
1. Adjusted Admissions		20,260	20,166			↑
2. Operating Revenue / Adjusted Admit		\$ 23,932	\$ 24,042			↓
3. Expense / Adjusted Admit		\$ 20,586	\$ 20,763			↑
C. Financial Snapshot (in thousands)						
1. Operating Revenues		\$ 484.9	\$ 484.8			↑
2. Total Expenses		\$ 417.1	\$ 418.7			↓
3. Gain from Operations		\$ 67.8	\$ 66.1			↑
4. Excess Revenue Over Expenses		\$ 44.5	\$ 42.9			↑
D. Performance Metrics						
1. Operating EBIDA Margin		20.5%	20.2%			↑
2. Days Cash on Hand		135.6	131.6			↑
3. Debt Service Coverage		7.2	7.0			↑

LEGEND

Meets or exceeds goal	↑ Performance up
Below goal	↔ No change in performance
Far below goal	↓ Performance down



THE OHIO STATE UNIVERSITY

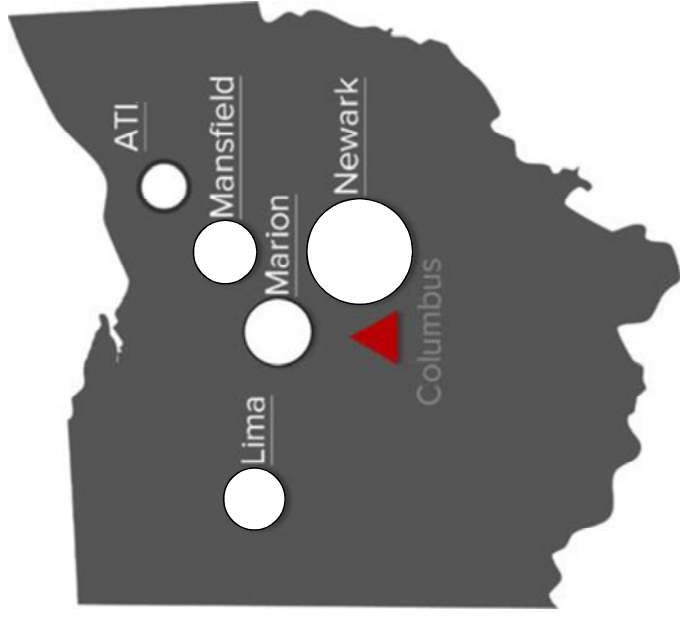
Regional Campus Update

Board of Trustees briefing

November 2, 2017

Regional Campus Mission and Vision

- Realizing the full potential of every Ohioan through affordable, access to education and research - driving the next generation of development, growth and productivity for Ohio's economy.
- All regional campuses are open enrollment and offer pathways to degree completion at the Columbus campus
- Presidents Affordability Grants of \$5M annually dedicated to low and middle income students at regional campuses.
- Challenges include:
 - Decreasing number of high school graduates
 - Increased competition from technical schools
 - Economic challenges in rural communities





Campus Profiles

The four Ohio State Regional campuses comprise approximately 8.8% of total university enrollment

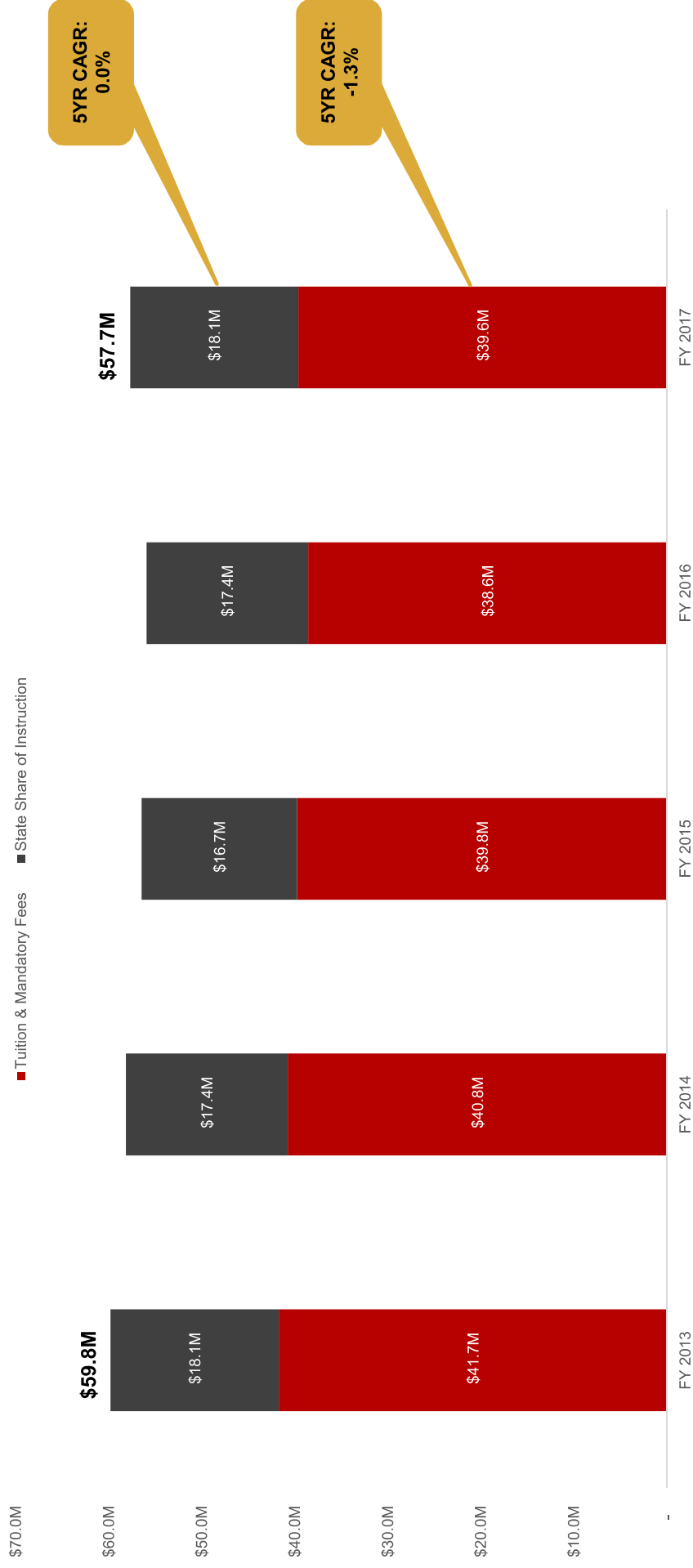
Campus	Co-Located Campus	Campus Dining	Campus Dorms (Total / OSU)	Student Center	Enrollment	Financial Health
Newark	Central Ohio Technical	✓	✓ (300 /120)	✓	2,536	●
Marion	Marion Technical	✓	✗	✓	1,139	●
Mansfield	North Central State	✓	✓ (191 / 0)	✗	1,128	●
Lima	Rhodes State	✓	✗	✗ (Opening Fall 2018)	1,039	●
Total Regionals					5,842	
ATI*	N/A	✓	✓ (478 / 0)	✗	722	●
Columbus Campus					59,482	
Total OSU					66,046	

*Located in Wooster, part of the College of Food, Agricultural and Environmental Sciences on the Columbus Campus



Revenues

Nearly 69% of revenue is from undergraduate tuition; state share of instruction provides 31%

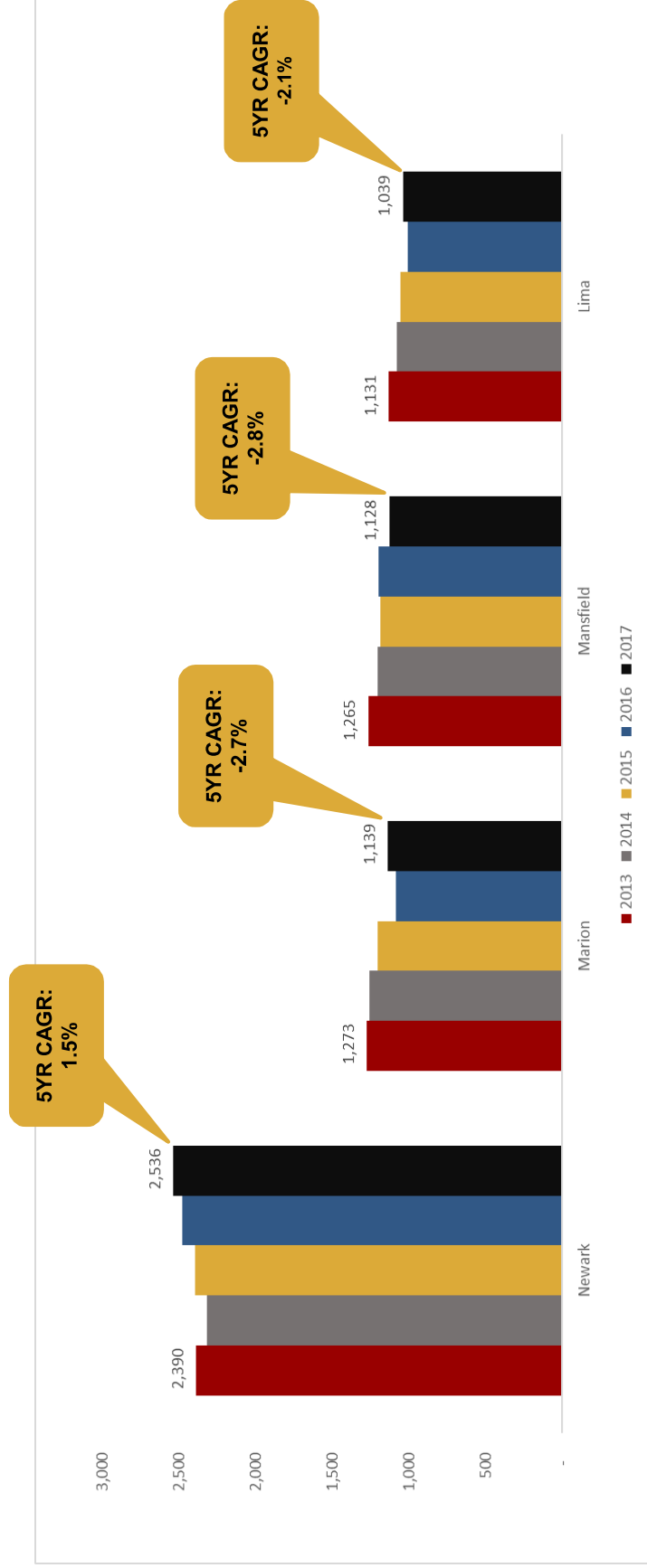


*Excluding ATI



Regional Campus Enrollment

Enrollments are approximately 9% of total OSU system but have declined 3.6% over the last 5 years





Cost of attendance

After Tuition guarantee regional campuses remain 29% more affordable than Columbus

Regional campuses - Ohio State Tuition Guarantee for class entering FY18			
	Current (FY17)	Guarantee (FY18)	% Change
Instructional Fee	6,912	7,325	6.00%
General Fee	228	228	-
Regional campus guarantee	\$7,140	\$7,553*	5.80%
Change		\$413	

Agricultural Technical Institute - Ohio State Tuition Guarantee for class entering FY18			
	Current (FY17)	Guarantee (FY18)	% Change
Instructional Fee	6,876	7,289	6.00%
General Fee	228	228	-
ATI guarantee	\$7,104	\$7,517*	5.80%
Change		\$413	

Columbus campus - Ohio State Tuition Guarantee for class entering FY18 (resident, most common room and board)			
	Current (FY17)	Guarantee (FY18)	% Change
Instructional Fee	9,168	9,718	6.00%
General Fee	372	372	-
Student Activity	75	80	6.00%
Recreation	246	246	-
COTA	27	27	-
Ohio Union	149	149	-
Change		\$550	
Change		\$10,591	

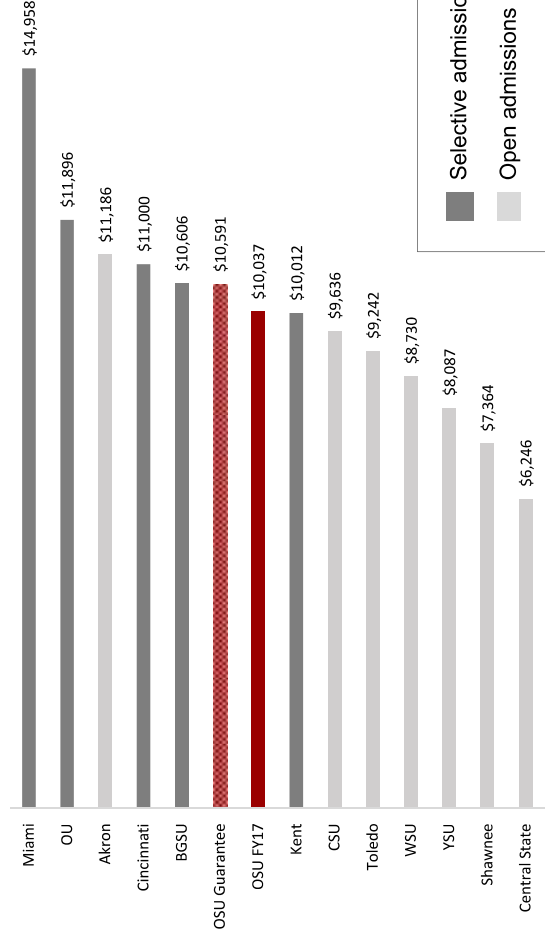
*Room and board rates would also be included in the regional campus and ATI guarantee for student selecting those options



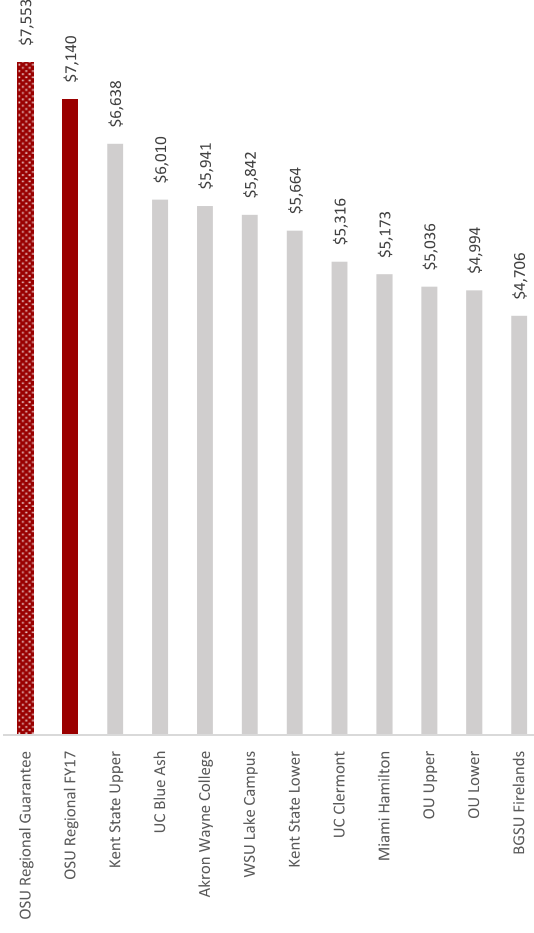
Cost of Attendance Comparisons

FY17 Rate	Increase for guarantee	FY18 guarantee	Cost ranking for guarantee
\$7,140	5.8% (applied only to new first year students, guaranteed rate for 4 years)	\$7,553	3 rd most affordable for 4 year education among Ohio Selective Universities*

Ohio Public Universities



Ohio Regional Tuition and Fees

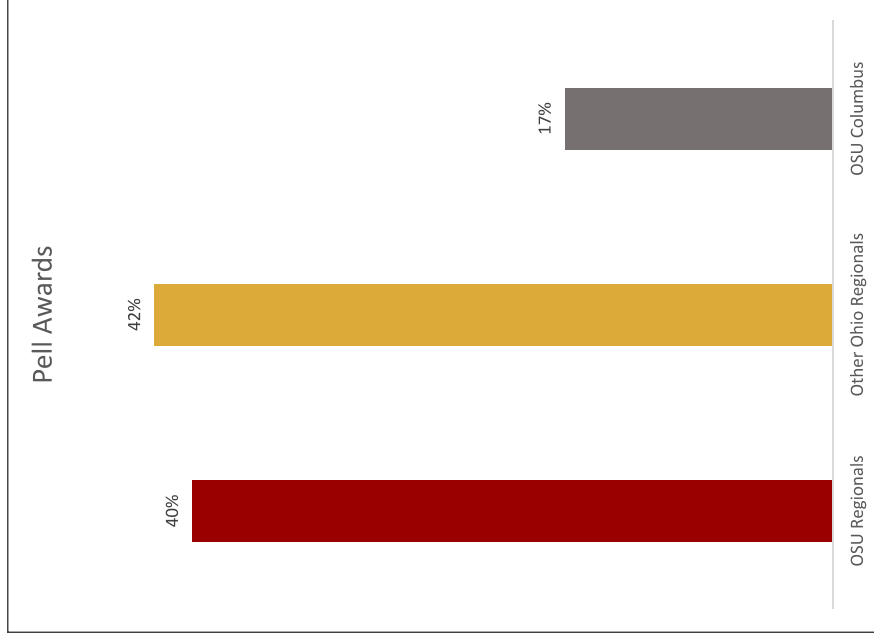
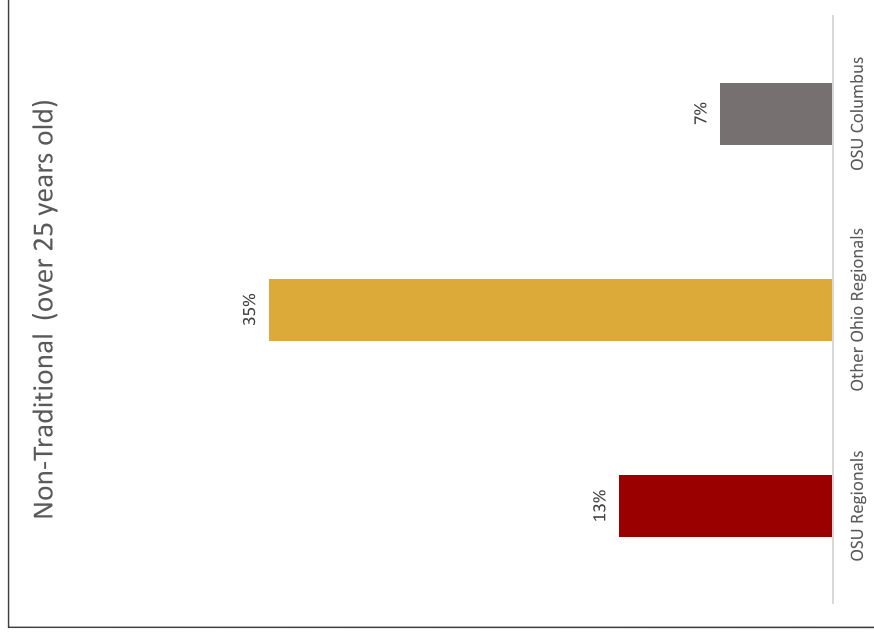
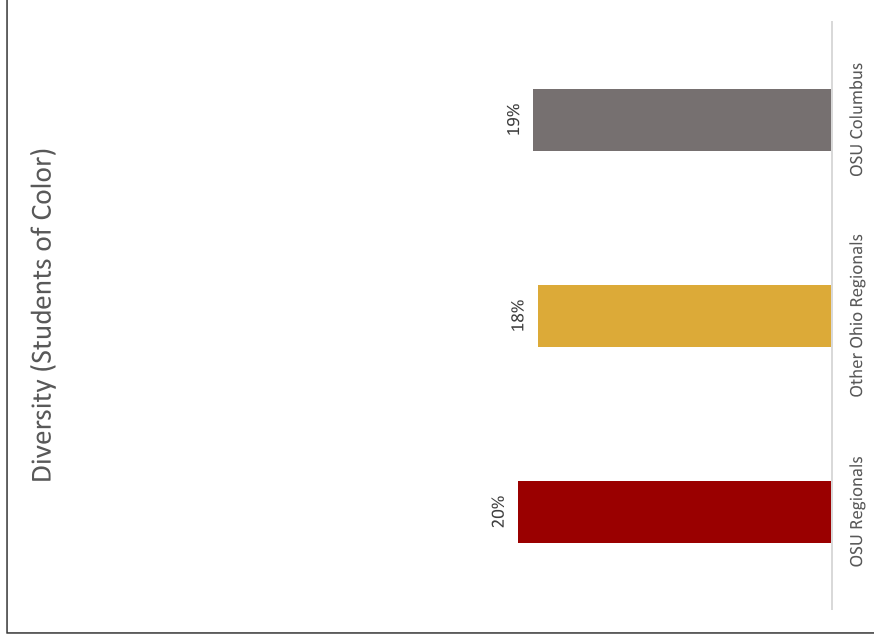


*Assumes 1 year at regional and 3 years on main campus



Student Profile

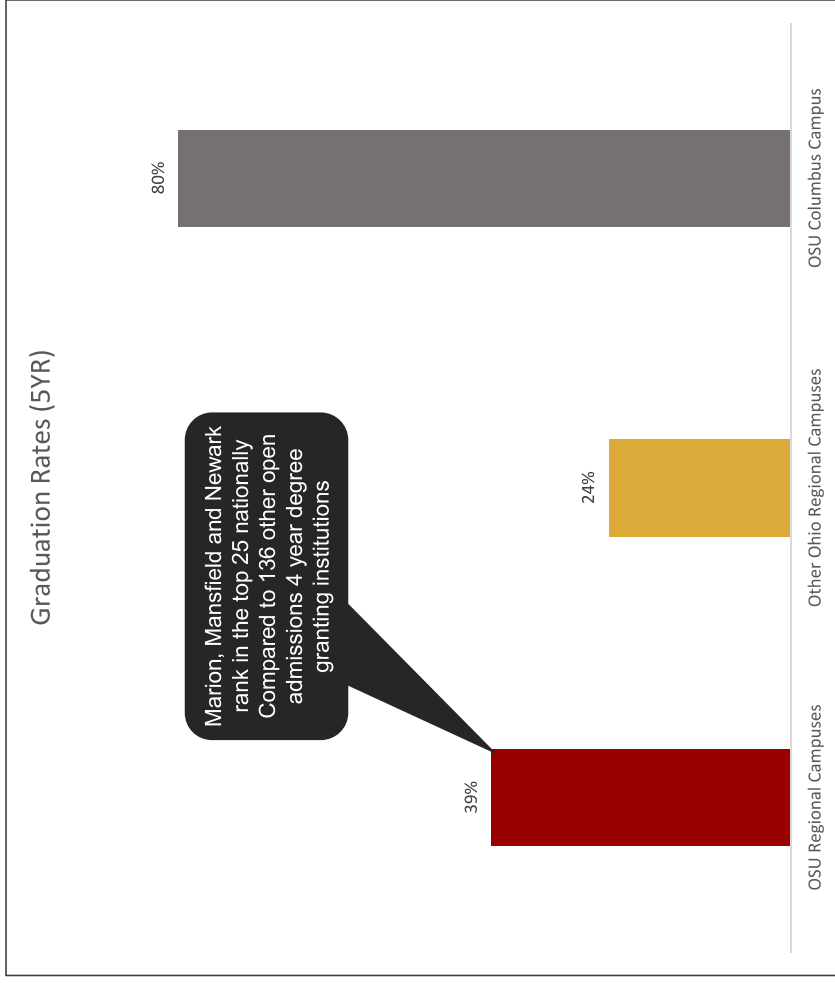
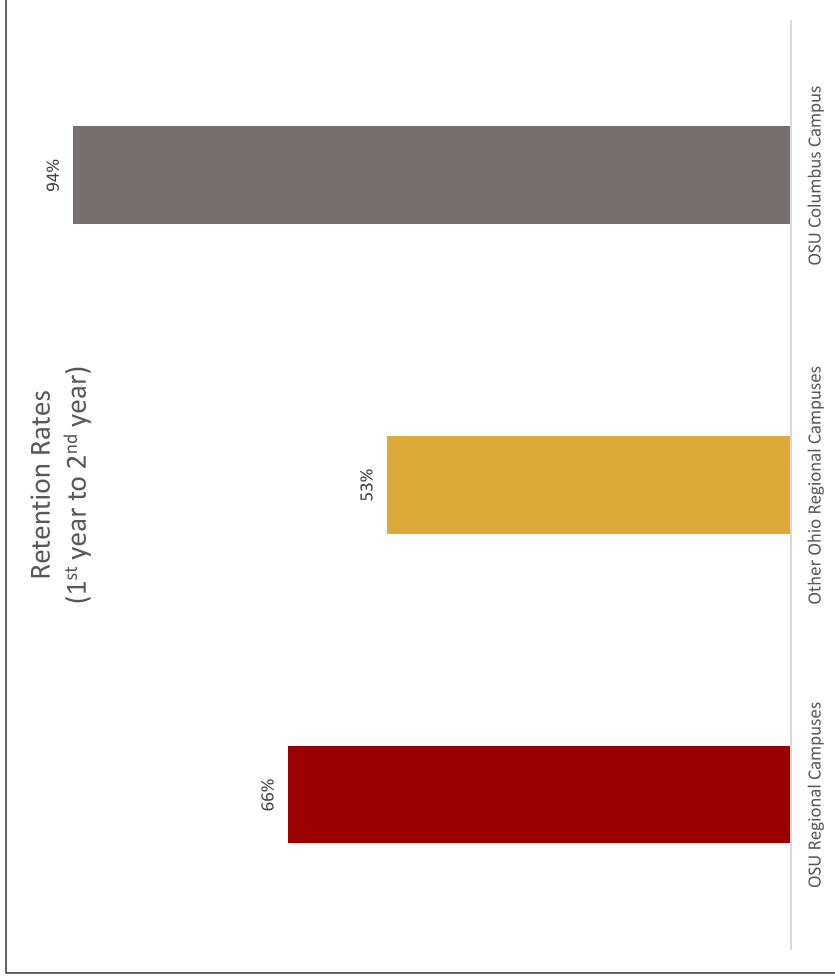
Regional campuses serve a more diverse, non-traditional and Pell eligible student population than Columbus





Student Success

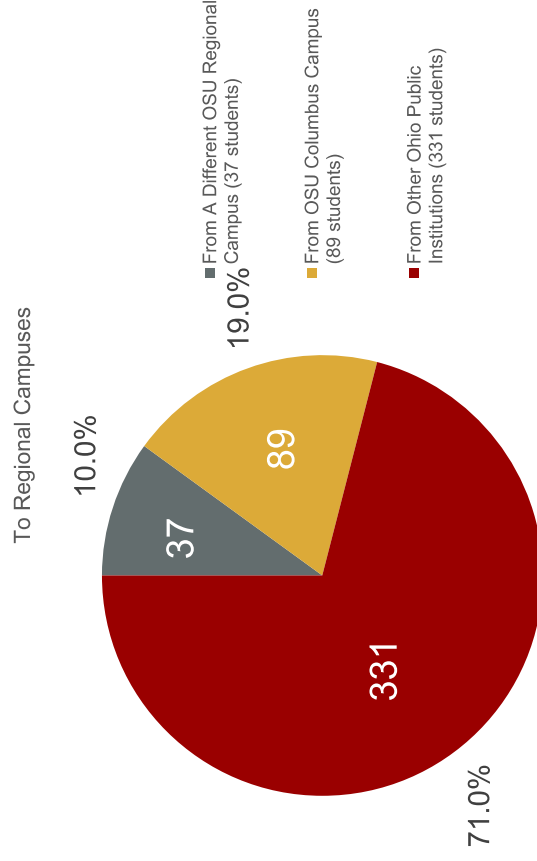
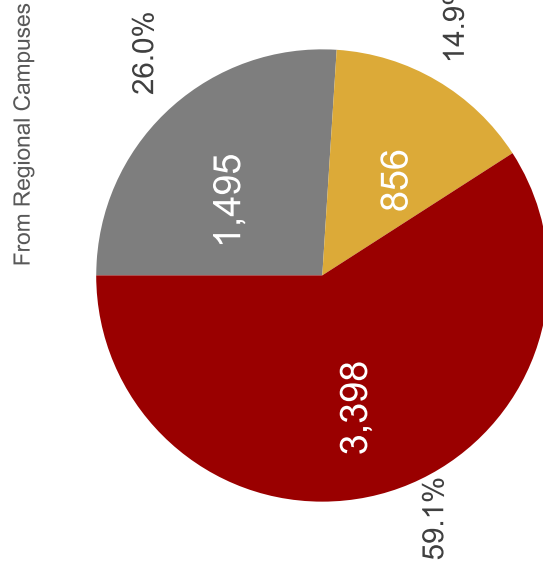
OSU regional campuses have better retention and graduation rates than the average Ohio Regional but still lag behind the Columbus campus





Campus changes

On average, 2,300 students or 41% annually transfer from a regional campus to a 4 year Ohio Public University



Note: Total average enrollment ~5,700 (excluding ATI); represents students changing campuses after completing at least one year

ODHE Affordability Taskforce



Goal to review and recommend ways in which state-sponsored institutions of higher education can be more efficient

Recommendation:

- Colleges and universities should review and address low-enrolled courses and programs and consolidate programs duplicated at other colleges and universities in your geographic area.

Implementation:

- There were 601 courses offered at the four OSU Regional campuses that had an equivalent course offered at the co-located technical college. An average of seventy eight percent (78%) of enrollment capacity was met in these courses on average between all four OSU regional campuses. This compares to the average of sixty-five (65%) of enrollment capacity being met in the 2,662 courses offered by four OSU regional campuses that have NO equivalent course offered at the co-located college.
- OSU does not share courses or programs with the co-located campuses, but rather honors the statewide articulation and transfer agreements that are outlined in transferology.com.
- Shared-service agreements with the co-located technical colleges are in place where appropriate allowing OSU Regional campuses to operate more efficiently.





Highlights and Challenges

Newark Campus Highlights and Challenges



Highlights:

- Access: The construction of McConnell Hall for \$13.9M, a 120 bed resident hall which is operating at full capacity with a waitlist of 200 students. Also opened a new 10,000 square foot fitness facility to enrich the student experience.
- Excellence: In planning stages for the construction of a STEM building which will be able to offer second-year science courses that will allow some students to remain at the campus for two years before changing to the Columbus campus.
- Success: Strong enrollment growth (3.4%) and the highest New First year student retention in 10 years.

Challenges: Aging facilities will need to be updated. There are also enrollment challenges due to the proximity of the Columbus campus

Newark	FY2013	FY2014	FY2015	FY2016	FY2017
Sources	\$23,994,595	\$23,345,046	\$23,479,603	\$23,980,253	\$25,310,627
Uses	22,815,779	21,539,718	21,548,207	21,250,466	22,380,992
Net Margin Before Transfers	1,178,816	1,805,328	1,931,396	2,729,787	2,929,635
Transfers In (Out)	(2,641,500)	(336,894)	(761,553)	(13,938,523)	(3,022,889)
Net Margin	\$ (1,462,684)	\$ 1,468,434	\$ 1,169,844	\$(11,208,736)	\$(93,254)

Total Beginning Equity	24,091,221	22,628,537	24,096,971	25,266,814	14,058,078
Total Ending Equity	\$22,628,537	\$24,096,971	\$25,266,814	\$ 14,058,078	\$13,964,825

Enrollment	2,390	2,315	2,396	2,476	2,536
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Faculty Counts					
Tenure Track	52	54	56	53	51
Associated & Clinical	101	97	98	96	104
Total	153	151	154	149	155



Marion Campus Highlights and Challenges

Highlights:

- **Excellence:** Recently completed a new 33,000 square feet Science and Engineering Building for \$15.5M; on-time and under budget with the objective of enhancing STEM offerings on campus. Also, in the process of expanding 4 year degree programs to attract students and leverage Science and Engineering facilities (concentrated focus on STEM).
- **Growth:** Campus is currently experiencing considerable growth in Autumn 2017 enrollments, having increased approximately 5% since last year.
- **Efficiencies:** Reviewing opportunities for additional operational efficiencies including shared services (e.g., HR and Procurement) across regional campuses and with co-located colleges

Challenges: There is a shortage of university owned campus housing and dining which is considered an impediment to the full student experience

Marion	FY2013	FY2014	FY2015	FY2016	FY2017
Sources	\$15,942,985	\$17,321,671	\$15,015,889	\$ 14,718,118	\$14,873,747
Uses	15,688,262	15,384,235	15,548,828	15,037,451	15,321,471
Net Margin Before Transfers	254,724	1,937,437	(532,939)	(319,333)	(447,725)
Transfers In (Out)	(156,811)	110,817	(1,353,108)	(14,625,452)	(943,526)
Net Margin	\$ 97,913	\$ 2,048,253	\$ (1,886,047)	\$(14,944,785)	\$(1,391,251)
Total Beginning Equity	22,061,083	22,158,996	24,207,250	22,321,202	7,376,417
Total Ending Equity	\$22,158,996	\$24,207,250	\$22,321,202	\$ 7,376,417	\$ 5,985,166

	1,273	1,259	1,204	1,085	1,139
Enrollment					
Faculty Counts					
Tenure Track	35	38	39	35	36
Associated & Clinical	73	67	74	60	56
Total	108	105	113	95	92



Mansfield Campus Highlights and Challenges

Highlights:

- Access: In a partnership with College of Engineering and co-located North Central State College to offer 2nd year of Mechanic Engineering program.
- Sustainability: Partnering with School of Environmental and Natural Resources, OSU Extension state-wide community education programs and new Urban Sustainable Micro-Farm demonstration and research facility.
- Innovation: Investing in private and public partnership life-style community to increase educational access and promote regional economic growth

Challenges: Freshman enrollment is fairly consistent, but retention to 2nd year remains a challenge.

Mansfield	FY2013	FY2014	FY2015	FY2016	FY2017
Sources	\$15,379,759	\$15,262,669	\$15,185,043	\$15,565,340	\$14,876,080
Uses	14,627,951	14,226,121	14,373,275	14,598,900	13,314,653
Net Margin Before Transfers	751,808	1,036,548	811,768	966,440	1,561,427
Transfers In (Out)	(2,126,805)	(1,473,487)	(1,344,735)	(1,581,303)	(1,564,759)
Net Margin	\$ (1,374,997)	\$ (436,939)	\$ (532,967)	\$ (614,863)	\$ (3,332)
Total Beginning Equity	8,006,753	6,631,757	6,194,818	5,661,851	5,046,989
Total Ending Equity	\$ 6,631,757	\$ 6,194,818	\$ 5,661,851	\$ 5,046,989	\$ 5,043,657
Enrollment	1,265	1,204	1,188	1,199	1,128
Faculty Counts					
Tenure Track	42	40	41	40	39
Associated & Clinical	47	62	68	54	54
Total	89	102	109	94	93

Lima Campus Highlights and Challenges



Highlights:

- **Affordability:** Tuition Reciprocity Agreement with contingent counties in Indiana that allows students to attend as if they were a resident of Ohio.
- **Efficiency:** Opening (Fall 2018) the Perry Webb Student Life Building with equipment repurposed from assets already owned by the University.
- **Collaboration:** Lima and the College of Nursing are collaborating on the opening of the OSU Total Health and Wellness Center. “Telehealth” clinic is scheduled to open January 2018.

Challenges: There is a lack of campus student housing and expanded campus dining potentially limiting the number of students that might enroll from Indiana and / or outside Lima’s 10 county area.

Lima	FY2013	FY2014	FY2015	FY2016	FY2017
Sources	\$13,050,010	\$12,087,800	\$11,876,834	\$ 11,632,215	\$11,977,396
Uses	13,454,451	13,012,708	12,803,357	12,441,946	12,386,678
Net Margin Before Transfers	(404,442)	(924,908)	(926,523)	(809,731)	(409,282)
Transfers In (Out)	(410,193)	36,892	1,038,089	205,490	185,030
Net Margin	\$ (814,635)	\$ (888,016)	\$ 111,566	\$ (604,241)	\$ (224,252)
Total Beginning Equity	1,584,219	769,584	(118,432)	(6,866)	(611,107)
Total Ending Equity	\$ 769,584	\$ (118,433)	\$ (6,866)	\$ (611,107)	\$ (835,359)

Enrollment	1,131	1,077	1,056	1,010	1,039
Faculty Counts					
Tenure Track	38	37	37	36	36
Associated & Clinical	56	55	46	44	48
Total	94	92	83	80	84



Long-Term Investment Pool Update

John C. Lane, VP and Chief Investment Officer

Finance Committee | Nov. 2, 2017



LTIP highlights for FY17

- Final performance is even stronger than preliminary results reported in August
 - +14.5% return for FY17
 - +8.9% since inception of Office of Investments in FY10
- Peer comparison: First quartile for College and Universities Universe
- Year end market value: \$4.25 billion

FY18 UPDATE

- \$819 million invested from Comprehensive Energy Management partnership
- Market value as of Oct. 2 now exceeds \$5.15 billion



LTIP at FY17 year-end (June 30, 2017)

MARKET VALUE ROLLFORWARD

	FYTD 2017	FY 2010- FYTD 2017
Beginning Market Value	\$3,578,562,386	\$1,651,561,030
Gifts	49,441,609	409,050,637
Other additions, net	274,622,208	1,472,939,767
Distribution	(166,610,049)	(1,034,801,944)
Development & Accounting	(17,263,471)	(121,089,161)
Investment income, net	534,706,452	1,875,798,806
Ending Market Value	\$4,253,459,135	\$4,253,459,135

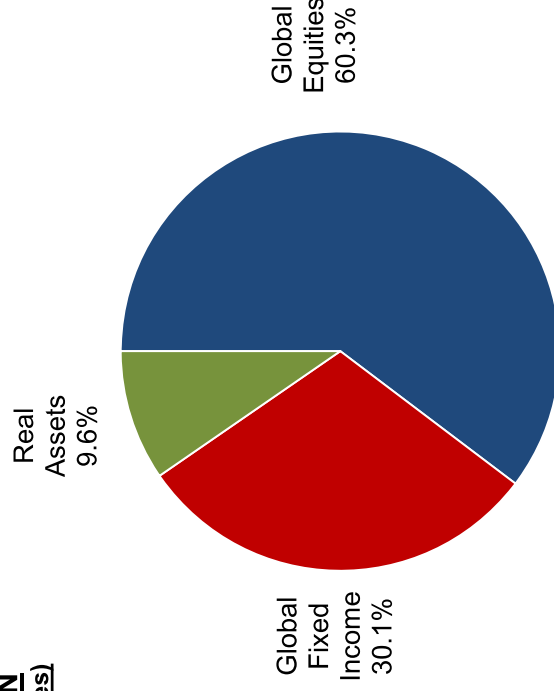
PERFORMANCE

	1 Year	3 Year	5 Year	7/09* 6/17
Global Equities	19.7%	4.8%		
MSCI ACWI	19.4%	5.4%		
Global Fixed Income	4.5%	2.2%		
Barclays U.S. Aggregate (0.3%)	(0.3%)	2.5%		
Real Assets	15.4%	12.6%		
CPI + 5%	6.9%	5.9%		
Total LTIP	14.5%	4.7%	8.0%	8.9%
Policy Benchmark	11.9%	4.7%	7.0%	7.7%

*FY10 was the first full year of operations for the Office of Investments.

ASSET ALLOCATION (all within guideline ranges)

	60.3%	Global Fixed Income	30.1%
Global Equities	60.3%		
Public Equities	43.3%	Fixed Income	7.0%
Long Equities	42.0%	Absolute Return	19.7%
Long/Short Equities	1.3%	Private Credit	3.2%
Private Equities	16.9%	Liquidating Credit	0.2%
Buyouts/Growth	10.0%	Real Assets	9.6%
Natural Resources	6.6%	Real Estate	5.9%
Venture Capital	0.3%	Infrastructure	3.7%
Liquidating Assets	0.1%		

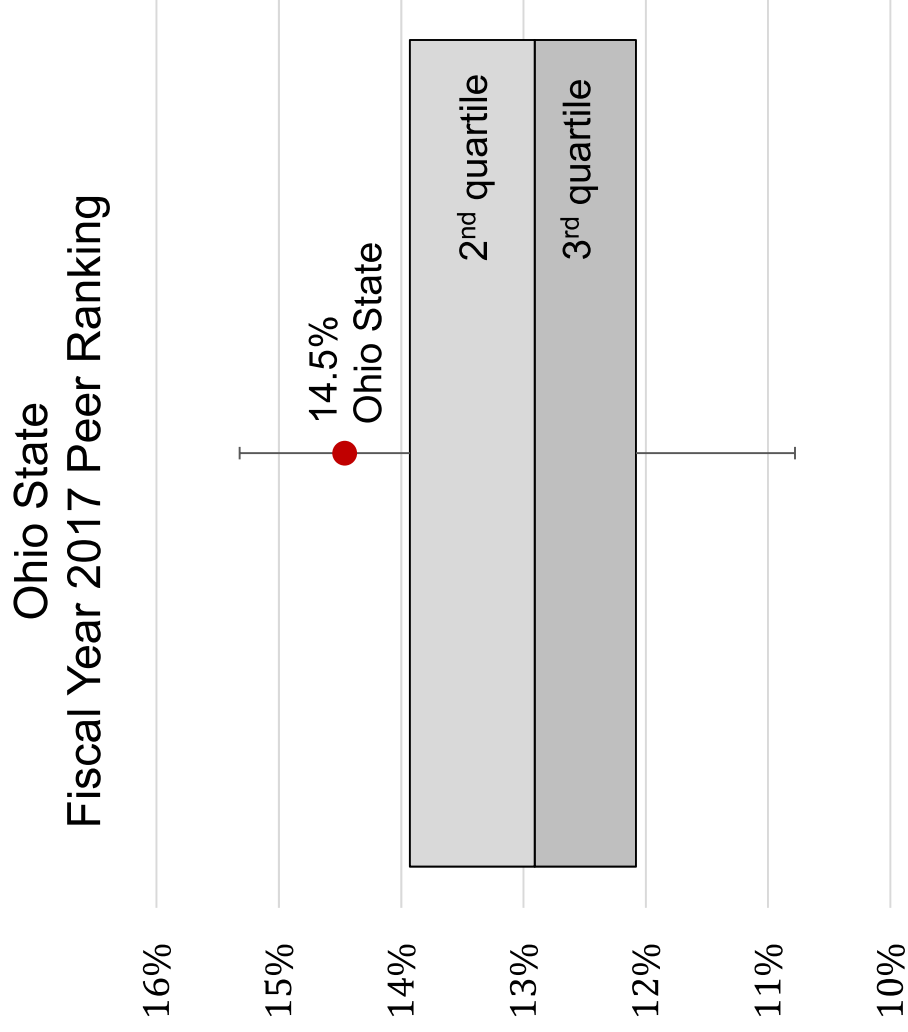




Peer comparison

FY17 results for Colleges and University Universe

Colleges and University Universe FY 17 performance	
Ohio State	14.5%
Mean	13.0%
Percentile	
5th	15.3%
25th	13.9%
75th	12.1%
95th	10.8%
Observations	147

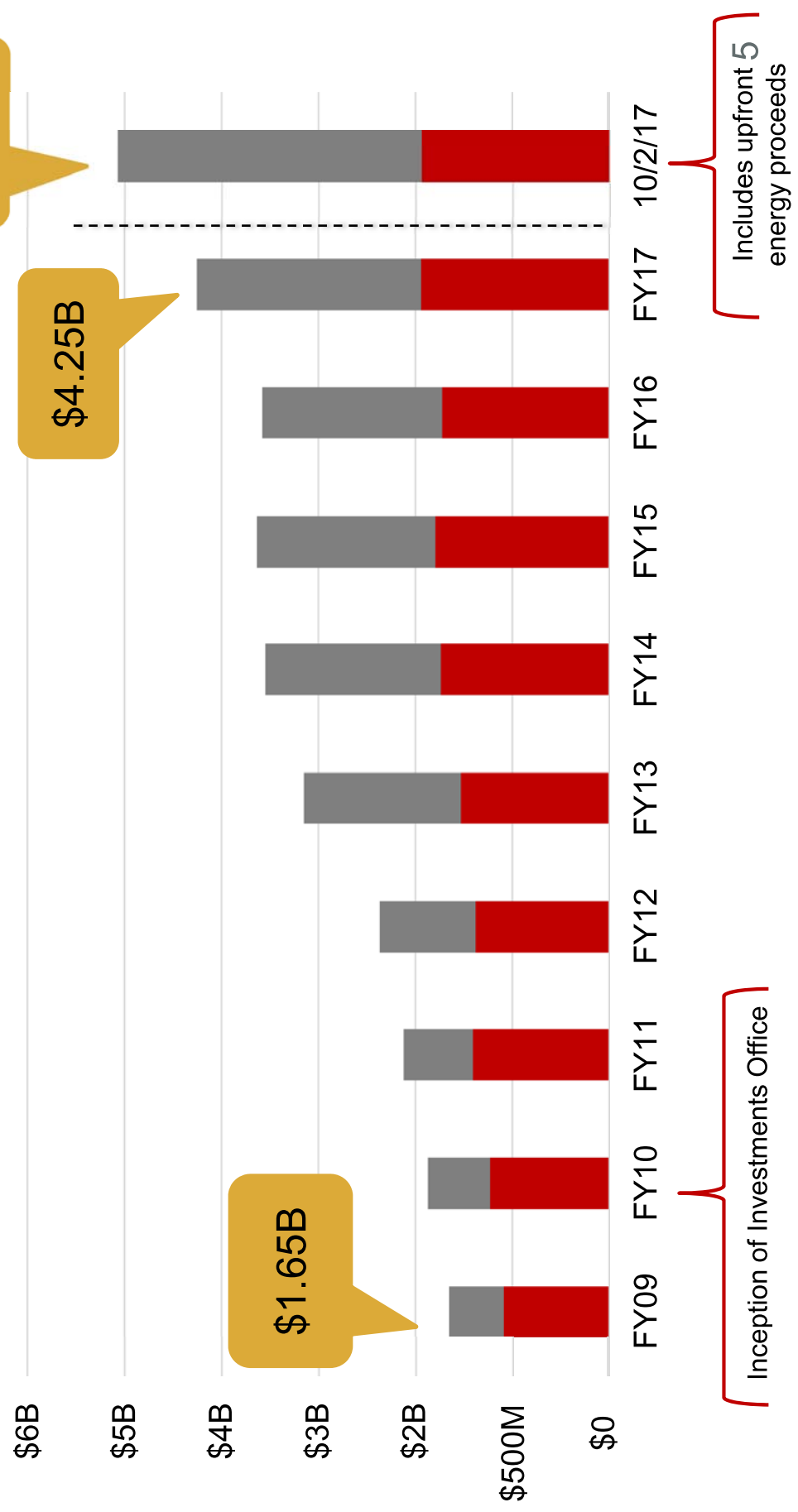




FY18: Energy funds have been invested

Market value at fiscal year end (June 30)

■ Gifted endowment ■ University contributions





Major Project Updates

Projects Over \$20M

November 2017



PROJECT STATUS REPORT – PROJECTS OVER \$20M

PROJECT	APPROVALS		BUDGET	ON TIME	ON BUDGET
	Des	Con			
Pomerene and Oxley Halls Renovation	✓	✓	\$59.9M		
Schottenstein Expansion	✓	✓	\$31.5M		
Wexner Medical Center – 72-Bed Build Out	✓	✓	\$60.0M		
Schumaker Student-Athlete Development Center	✓	✓	\$43.0M		
Covelli Multi-Sport/Jennings Wrestling	✓	✓	\$49.7M		
700 Ackerman – Consolidated Call Center	✓	✓	\$21.8M		
OSU East – West Wing Expansion/Renovation	✓		\$26.0M		
Advanced Materials Corridor – Phase 1	✓		\$59.1M		
Cannon Drive Relocation – Phase 1	✓	✓	\$51.6M		
Controlled Environment Food Production Complex	✓		\$24.0M		
Postle Partial Replacement	✓		\$95.0M		
Ohio Stadium Upgrades	✓	✓	\$39.1M		

Key:
 On track
 Watching closely – actions are being taken to keep on track
 Not on track



POMERENE AND OXLEY HALLS RENOVATION

Renovate Pomerene and Oxley Halls for Translational Data Analytics/Data Analytics, History of Art, and Linguistics departments. Spaces include classroom/instructional space, computer labs, offices, and meeting/conference areas

Renovate 27,500 GSF in Baker Commons for the Office of Disability Services

PROJECT FUNDING

auxiliary funds; state funds

CURRENT PROJECT BUDGET

construction w/ cont \$48.1M
total project \$59.9M

PROJECT SCHEDULE

BoT approval 8/14
construction 10/15-3/18

CONSULTANTS

architect of record Acock Associates
construction manager at risk Gilbane

PROJECT UPDATE

Baker Commons construction is complete and the spaces occupied

Demolition and abatement work are complete and exterior/interior restoration is underway. Furniture is being installed in Oxley Hall with move-in scheduled for winter break; Pomerene is expected to complete in March 2018



On Time

On Budget

CANNON DRIVE RELOCATION – PHASE 1



In partnership with the City of Columbus, raise Cannon Drive between King Avenue and Herrick Drive above the 500-year flood level. Phase 2, from Herrick Drive to Woody Hayes Drive, will protect the campus from the 500-year storm event.

Work will also include utility service lines under the relocated Cannon Drive and stub out piping to serve future development, as well as the restoration of the rivers edge, informal recreation areas and landscaping

PROJECT FUNDING
university funds

CURRENT PROJECT BUDGET

construction w/cont \$44.1M
total project \$51.6M

PROJECT SCHEDULE

BoT approval 11/16
construction 8/17-12/19

CONSULTANTS

architect of record EMHT, Inc.
general contractor Kokosing

PROJECT UPDATE

enabling projects are underway and on schedule

Cannon Drive between 12th Avenue and Medical Center Drive has closed for construction

West campus parking shuttle service is operational



The Ohio State University
Board of Trustees

November 3, 2017

APPROVAL TO ENTER INTO PROFESSIONAL SERVICES CONTRACTS

Health Sciences Faculty Office and Optometry Clinic Building

Synopsis: Authorization to enter into professional services 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 project:

	Prof. Serv. Approval Requested	Total Project Cost	
Health Sciences Faculty Office and Optometry Clinic Building	\$0.6M	\$28.0M	university funds auxiliary funds

WHEREAS the Capital Investment Plan (CIP) outlines capital projects recommended for funding and was approved by the BOT on August 25, 2017; and

WHEREAS the scope and cost for the Health Sciences Faculty Office and Clinic Building was not known at the time the CIP was approved; and

WHEREAS the Master Planning and Facilities Committee has reviewed the project listed above for alignment with all applicable campus plans and guidelines; and

WHEREAS the Finance Committee has reviewed the project listed above for alignment with the Capital Investment Plan and other applicable financial plans:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves that the Capital Investment Plan be amended to include professional services for the Health Sciences Faculty Office and Clinic Building; and

BE IT FURTHER RESOLVED, That the Board of Trustees hereby approves that the president and/or senior vice president for business and finance be authorized to enter into professional services 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

Health Sciences Faculty Office and Optometry Clinic Building

Project Location: West 11th Ave & Neil Ave

- **approval requested and amount**
 - professional services \$0.6M
- **project budget**
 - professional services \$2.8M
 - construction w/contingency \$25.2M

 - total project budget \$28.0M
- **project funding**
 - university debt
 - development funds
 - university funds
 - auxiliary funds
 - state funds
- **project schedule**
 - BoT prof serv approval 11/17
 - design/bidding TBD
 - construction TBD



- **project delivery method**
 - general contracting
 - design/build
 - construction manager at risk
- **planning framework**
 - project programming completed October 2017
 - the FY 2018 Capital Investment Plan will be amended to include the professional services amount
- **project scope**
 - demolish three existing buildings at the corner of W. 11th Ave and Neil Ave
 - construct approximately 93,000 GSF for optometry clinics, retail, faculty offices and support spaces
 - key enabling project for the Interdisciplinary Health Sciences Center
- **approval requested**
 - approval is requested to amend the Capital Investment Plan accordingly
 - approval is requested to enter into professional services contracts

planning team
 university planning project manager: Rebekah Gayley
 AE: Ford Architects
 CM estimator: Corna Kokosing

project team
 university project manager: TBD
 criteria AE: TBD
 design-builder: TBD

The Ohio State University
Board of Trustees

November 3, 2017

**APPROVAL FOR FISCAL YEAR 2018
UTILITY SYSTEM CAPITAL IMPROVEMENT PROJECTS**

Tunnel and Utility Systems Repairs and Upgrades
Electrical System Upgrades

Synopsis: Authorization for Ohio State Energy Partners LLC to make capital improvements to the utility system pursuant to terms of the Long-Term Lease and Concession Agreement for The Ohio State University Utility System dated April 10, 2017, as amended, ("Agreement"), is proposed.

WHEREAS the concessionaire, Ohio State Energy Partners LLC, has requested approval of these utility system capital improvement projects for the fiscal year ending June 30, 2018; and

WHEREAS the concessionaire has provided the detailed descriptions of the proposed capital improvements, supporting technical data, and analysis, pursuant to Section 4.3(c) of the Agreement; and

WHEREAS the project will be delivered pursuant to the terms of the Agreement; and

WHEREAS the capital expenditures for the approved utility system projects will be added to the variable fee component of the utility fee pursuant to the Agreement; and

WHEREAS the university will fund the non-utility systems portion of the improvements; and

WHEREAS the cost and scope of the university's portion of the non-utility systems repairs and upgrades were not known at the time the Capital Investment Plan was approved by the Board of Trustees on August 25, 2017; and

WHEREAS the Master Planning and Facilities Committee has reviewed the projects for alignment with all applicable campus plans and guidelines; and

WHEREAS the Finance Committee has reviewed the projects for alignment with the Capital Investment Plan and other applicable financial plans:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby authorizes Ohio State Energy Partners LLC to proceed with the capital improvements to the utility system as outlined in the attached materials; and

BE IT FURTHER RESOLVED, That the Board of Trustees hereby authorizes the funding for and approves that the Capital Investment Plan be amended to include the university's portion of the Tunnel and Utility Systems Repairs and Upgrades project.

The Ohio State University
Board of Trustees

November 3, 2017

BACKGROUND

Pursuant to the terms of the long-term lease and concession agreement for the Ohio State University utility system dated April 10, 2017; Ohio State Energy Partners LLC (OSEP) will fund and implement capital improvements to the utility system. Capital investments made by OSEP will be tied to the variable fee component of the annual fee structure.

Proposed capital projects are evaluated by the university and OSEP for alignment with applicable strategic, financial and physical plans and to ensure continued reliability, safety and compliance of the utility system.

For Fiscal Year 2018, the following projects have been conceived and developed by the university prior to the commencement of the concession agreement. These projects have been reviewed and approved by OSEP and require approval of the Board of Trustees.

Tunnel and Utility Systems Repairs and Upgrades

Scope: Repairs and upgrades of steam pipe, domestic water lines, and utility tunnels under the Oval. The steam pipes, associated anchors, and supports are in poor condition. The deteriorating condition has been monitored over several years and potential failure is imminent. The tunnel structure itself and the domestic water lines within the tunnels impacted by the project are non-utility systems. Improvements to non-utility systems will be paid for by the university. OSEP will deliver the entire project pursuant to the Concession Agreement, the associated project request, and any associated university directive. Repairs and upgrades will improve the long-term reliability of this portion of the utility system. It will also improve safety and structural integrity of these portions of the utility system and tunnels.

Estimated Cost: \$14.6M

Project Cost Breakdown	Cost	Funding Source
Utility Systems	\$ 10.8 M	OSEP
Non-Utility Systems	\$ 3.8 M	University

Electrical System Upgrades

Scope: Upgrades to a range of deferred maintenance items within the electrical distribution system including high-voltage switches, transformers, and relays. Installation of protection around certain equipment to prevent damage and/or unplanned outages. OSEP will deliver the entire project pursuant to the Concession Agreement, the associated project request, and any associated university directive.

Estimated Cost: \$945,000

The Ohio State University
Board of Trustees

November 3, 2017

**APPROVAL OF 2017 PROGRESS REPORT ON OHIO TASK FORCE
ON AFFORDABILITY AND EFFICIENCY RECOMMENDATIONS**

Synopsis: Approval of Ohio State's 2017 progress report on the Ohio Task Force on Affordability and Efficiency recommendations, which will be submitted to the Chancellor of Higher Education, is proposed.

WHEREAS Governor John R. Kasich established the Ohio Task Force on Affordability and Efficiency in Higher Education in 2015 to recommend solutions for state colleges and universities to enhance affordability and efficiency; and

WHEREAS The Ohio State University supported the goals and work of this task force, of which Senior Vice President and Chief Financial Officer Geoff Chatas was chairman; and

WHEREAS the task force delivered its recommendations in the report "Action Steps to Reduce College Costs" on October 1, 2015; and

WHEREAS House Bill 49 (Section 381.550) requires the Board of Trustees of each state college and university to approve an efficiency report based on the task force recommendations each fiscal year and submit it to the Chancellor of Higher Education; and

WHEREAS consultations have taken place within the university to review and apply the recommendations to Ohio State's circumstances; and

WHEREAS Ohio State's strategic plan is in strong alignment with task force recommendations, and the university is committed to access, affordability, and excellence:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves the university's 2017 progress report in response to the task force recommendations, as detailed in the attached document; and

BE IT FURTHER RESOLVED, That the attached document be delivered to the Chancellor of the Ohio Department of Higher Education.



Board of Trustees

210 Bricker Hall
190 North Oval Mall
Columbus, OH 43210-1358

614-292-6359 Phone
614-292-5903 Fax

November 3, 2017

osu.edu

Chancellor John Carey
Ohio Department of Higher Education
25 South Front Street
Columbus, OH 43215

Cancellor Carey,

Ohio State is proud to be a leader in access, affordability and excellence.

These are core principles for the university, as reflected in our new strategic plan and demonstrated in our record of accomplishment.

The university's goals and actions are strongly aligned with the recommendations of the Ohio Task Force on Affordability and Efficiency in Higher Education, and we are proud to deliver a 2017 report that demonstrates Ohio State's momentum. Among the highlights:

- **Innovative funding:** The university entered into a comprehensive energy management partnership that is providing \$1.165 billion in resources for our academic mission, launching an unprecedented energy-efficiency campaign and creating opportunities for innovation in energy and sustainability research. (go.osu.edu/cemp)
- **Financial aid – tuition coverage:** Starting in fall 2018, Ohio State will ensure that all in-state students who qualify for Pell Grants receive an aid package that covers the full cost of tuition and mandatory fees on the Columbus campus. This program is funded with an endowment created from energy proceeds. (go.osu.edu/tuitioncoverage)
- **Digital Flagship University:** Through a comprehensive, university-wide digital learning initiative, Ohio State will collaborate with Apple to support educational innovation for students and economic development opportunities for the community. Starting in fall 2018, Ohio State will provide each incoming first-year student with an iPad Pro learning-technology suite with a retail value of more than \$1,000. (go.osu.edu/digitalflagship)
- **Financial aid – expanded support:** Administrative efficiencies have funded \$60 million in President's Affordability Grants over three years; and other strategic institutional funds are supporting the expansion of the Land-Grant Opportunity Scholars program to cover the full cost of admission. Both programs are for in-state students. (go.osu.edu/PAG-LGOS)
- **Tuition guarantee:** The new Ohio State Tuition Guarantee offers incoming students certainty about the cost of a college education by setting rates for in-state tuition, mandatory fees, room and board that will be frozen for four years. (go.osu.edu/tuitionguarantee)
- **Summer discount:** Undergraduate students saved \$2.4 million a year in Summer Term 2017 through a new summer tuition discount that also provides another tool for students to reduce their time to degree. (go.osu.edu/summerdiscount)

These reflect just a few of the accomplishments detailed in the attached report. The university continues to build on our success, as demonstrated by our strategic plan (see Appendix 1 for a summary or go.osu.edu/strategicplan for more information).

Ohio State remains committed to progress that benefits our students and advances our core academic mission.



Department of
Higher Education

John R. Kasich, Governor
John Carney, Chancellor



Affordability & Efficiency

FY2017 Efficiency Reporting Guidance

In the early part of 2015, Gov. John R. Kasich created the Ohio Task Force on Affordability and Efficiency in Higher Education to make recommendations to Ohio's colleges and universities based on three simultaneous principles 1) to be more efficient both in expense management and revenue generation 2) while offering an education of equal or higher quality and 3) decreasing costs to students and their families. The Task Force met several times during the course of 2015. In October, the Task Force issued a report with ten recommendations to advise colleges and universities on efficiency and academic practices to improve both the quality of education and lower costs for students. For additional information on each category and recommendation, please review the [Action Steps to Reduce College Costs report](#), issued by the Ohio Task Force on Affordability and Efficiency.

Section 3333.95 of the Ohio Revised Code requires the Chancellor of Higher Education to maintain an Efficiency Advisory Committee, composed of members from each of Ohio's public colleges and universities. The purpose of this committee is to generate efficiency reports for campuses, identify shared services opportunities, streamline administrative operations, and share best practices in efficiencies among colleges and universities. The law additionally requires an annual report to be completed by the Department of Higher Education. The college and university data captured from this report for fiscal year 2017 will allow ODHE to produce the 2017 Efficiency Advisory Committee Report by December 31, 2017, as required by law.

The template is structured into four sections:

- **Section 1: Efficiencies** – The first section captures practices likely to yield significant savings that can then be passed on to students. This includes Procurement, Administrative/Operational, and Energy.
- **Section 2: Academic Practices** – This section covers areas such as textbooks, time to degree incentives, and academic course and program reviews. While improvements to academic processes and policies may not convey immediate cost savings, there will likely be tangible benefits that improve the quality of education for students.
- **Section 3: Policy Reforms** – This section captures additional policy reforms recommended by the Task Force.
- **Section 4: Cost Savings, Redeployment of Savings & Tangible Benefits to Students** – The last section asks colleges and universities to provide, if applicable, cost savings in actual dollars saved for each of the recommendations. Furthermore, colleges and universities must advise if the savings have been redeployed as a cost savings to students or if they offered a benefit to the quality of education for students.

For any questions, please contact Sara Molski at 614-728-8335. Please submit your survey by email to smolski@highered.ohio.gov by **October 13, 2017**.

The Ohio State University

Section I: Efficiency Practices Procurement

Recommendation 3A | Campus contracts: Each college/university must require that its employees use existing contracts for purchasing goods and services, starting with the areas with the largest opportunities for savings. Please complete the section that aligns with the implementation status of your college/university.

<p>Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes. Yes. See below for updated information.</p>
<p>If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.</p>
<p>If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below. Since FY12, Ohio State's strategic procurement program has produced cumulative savings of \$262 million by utilizing the university's buying power to drive both savings and quality enhancements. In FY17 alone, the university saved \$58.1 million through strategic procurement compared with contracted rates in FY12.</p> <p>Our strategy has been to increase usage of university contracts, consolidate to master vendors in each category and negotiate best-in-class pricing. In addition, our contracts emphasize increased service levels and academic benefits such as student internships or research opportunities.</p> <p>Ohio State has achieved utilization rates surpassing 95% for some of its most-used contract categories, including office supplies and copier/ multifunction devices. This process has enhanced the university's negotiating position in these categories, yielding better prices and services for successive contracts. Examples include:</p> <ul style="list-style-type: none">• Office supplies: Our 2015 contract yielded \$5 million in savings over seven years, including \$1 million that was distributed as student financial aid.• Copier/multifunction devices: Our 2015 contract extension yielded \$1.8 million in savings that the university has devoted to student financial aid. <p>Our strategic procurement program is focused on continuous improvement across all products and services. In FY18, the university has launched initiatives to increase the efficiency of contracts involving business travel, furniture and office computers.</p>

Recommendation 3B | Collaborative contracts: Ohio’s colleges and universities must pursue new and/or strengthened joint purchasing agreements in the following categories:

- Copier/printer services
- Computer hardware
- Travel services
- Outbound shipping
- Scientific Supplies and Equipment
- Office Supplies and Equipment

Were there any updates/changes in FY17? If yes, please complete the below chart.
 Yes. Ohio State led a collaborative contract opportunity through the Inter-University Council Purchasing Group for scientific supplies and lab equipment. This process has resulted in contracts that are expected to save IUC members at least 7 percent on what is currently a \$115 million annual spend among the public universities in Ohio. The University of Cincinnati and University of Toledo also contributed to the contract process.

Contract Type	Is the college/university participating in joint contracts? [yes, no, plan to]	Include additional explanation here if needed. If the college/university chooses not to participate, please explain why.
Copier/printer services	No	The university has a best-in-class contract for copiers, printers and multifunction devices. Ohio State sought to work with other schools to extend similar rates. None committed to the same kind of volume guarantees that we have adopted.
Computer hardware	Yes	Ohio State utilizes the State of Ohio state term schedule.
Travel services	Plan to	The university works with a travel management company and has launched an initiative in FY18 to increase employees’ utilization of this contract. These are the steps required in the IUC Purchasing Group’s three-phase action plan to develop an opportunity for joint purchasing.
Outbound shipping	Yes	Ohio State utilizes the State of Ohio state term schedule for outbound shipping.
Scientific supplies & equipment	Yes	Ohio State led a collaborative contract opportunity through the Inter-University Council Purchasing Group for scientific supplies and lab equipment. This process has resulted in contracts that are expected to save IUC members at least 7 percent on what is currently a \$115 million annual spend among the public universities in Ohio.
Office supplies & equipment	No	Ohio State has generated significant savings on office supplies by ensuring near-universal contract utilization and by employing the process endorsed by the IUC Purchasing Group: focusing our spend on a core list of products. This resulted in a best-in-class contract for this category.

Assets and Operations

Recommendation 4 | Assets and Operations

4A Asset review: Each college/university must conduct an assessment of its noncore assets to determine their market value if sold, leased or otherwise repurposed. Where opportunities exist, colleges and universities must consider coordinating these efforts with other colleges and universities to reap larger benefits of scale. Please complete the section that aligns with the implementation status of your college/university.

Has the college/university implemented this recommendation? If yes, please provide an overview of the process used for the college/university's asset review and the key outcomes below or on additional pages:

Yes, and the university took another major step forward in FY17 by completing the Comprehensive Energy Management Project, a 50-year lease and concession agreement to operate the heating, cooling and power distribution systems on the Columbus campus.

This ground-breaking public-private partnership is:

- providing the largest investment in Ohio State's academic mission, \$1.165 billion that will be used to advance access, affordability, excellence and sustainability at the university;
- launching an unprecedented energy efficiency program to modernize our 485-building campus to meet our sustainability goal of 25 percent improvement in energy efficiency within 10 years;
- establishing Ohio State as an international leader in sustainability, through a \$50 million research center and other academic collaborations with students, faculty and staff.

This partnership will include these tangible benefits to students, among others:

- An endowment to support an unprecedented affordability commitment: Ohio State will ensure that all in-state students who qualify for Pell Grants receive an aid package that covers the full cost of tuition and mandatory fees. This program will start on the Columbus campus in fall 2018 and cost more than \$11 million a year. (go.osu.edu/tuitioncoverage)
- Additional financial aid endowments to support undergraduate, graduate and professional students that will generate more than \$1 million per year.
- Internships for at least 500 students over the life of the 50-year agreement
- Philanthropy to university-related initiatives that will total \$40.5 million over the life of the contract. For its first gifts, Ohio State Energy Partners has provided \$50,000 to support tutoring and career-development programming in the Women in Engineering Program and another \$50,000 to Undergraduate Student Government to support sustainability projects (go.osu.edu/cemp-gifts)

This partnership will also generate many opportunities for academic collaboration, plans for which are ongoing. More information on the Comprehensive Energy Management Project is available at: go.osu.edu/cemp. See below for updates about other university assets and operations.

If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.

If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.

To update progress on several operations that the university had previously reviewed:

- **Parking:** Endowments created from the university's 2012 lease of its parking assets and operations have generated more than \$105 million in distributions supporting student scholarships, faculty recruitment and hiring, the university's Arts district and to continue support for the Campus Area Bus System, including sustainability improvements. In 2016-17, more than 400 students received financial aid related to the parking lease, including 102 Eminence Fellows who received full undergraduate scholarships. The original \$483 million payment from the parking lease had a market value of more than \$555 through investment performance of the university's Long-Term Investment Pool.
- **Airport:** After determining that the airport was integral to Ohio State's academic mission, the university has been enhancing the facility to support students and economic development activities. In August 2017, the university broke ground on the Austin E. Knowlton Executive Terminal and Aviation Learning Center, a \$20 million project of which half was funded through a donation by the Knowlton Foundation. The airport is the primary teaching and research laboratory serving the university's Center for Aviation Studies. Students prepare for a variety of careers in aviation, including pilots, airport managers, air traffic controllers, safety inspectors and more. The airport is also home to cutting-edge aviation research.

4B Operations review: Each college/university must conduct an assessment of non-academic operations that might be run more efficiently by a regional cooperative, private operator or other entity. These opportunities must then be evaluated to determine whether collaboration across colleges and universities would increase efficiencies, improve service or otherwise add value. Please complete the section that aligns with the implementation status of your college/university.

Has the college/university implemented this recommendation? If so, please provide an overview of the process used for the college/university's operations review and the key outcomes below or on additional pages:

Yes. See response to 4A for details about our energy, parking and airport assets and operations.

If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.

If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.

4C Affinity partnerships and sponsorships: Colleges and universities must, on determining assets and operations that are to be retained, evaluate opportunities for affinity relationships and sponsorships that can support students, faculty and staff. Colleges and universities can use these types of partnerships to generate new resources by identifying “win-win” opportunities with private entities that are interested in connecting with students, faculty, staff, alumni or other members of their communities. Please complete the section that aligns with the implementation status of your college/university.

Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes. Please identify partnerships/sponsorships within the below chart.

Yes. See below for updated information.

If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.

If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below. Ohio State has developed a robust affinity program that generates financial resources, internships, scholarships, discounts and other benefits to students, faculty, staff and alumni of the university. For recent agreements, financial support typically is shared among academic affairs, student life, athletics and the alumni association.

In FY17, several endowments were created from proceeds of our recent NIKE agreement that directly benefit students:

- **University Institute for Teaching and Learning:** A \$10 million endowment is providing annual support for the institute, which works with faculty to improve the learning experience for our students.
- **Student financial aid:** A \$2.5 million endowment provides need-based, non-athletic scholarships.

Affinity programs provide support for:

- More than 160 internships or jobs per year
- The Scarlet and Gray financial literacy program
- Classroom improvements to enhance distance learning

The university continues to explore ways to support students, faculty and staff with affinity partnerships.

Please identify partnerships and sponsorships in effect for FY2017:

Partnerships/Sponsorships	Description
Nike	Ohio State's 2016 contract extension has a total value of more than \$252 million, with more than \$41 million devoted to support non-athletic initiatives. Benefits include student scholarships, 90 internships over the life of the contract and marketing support for university community events.
UnitedLex	The UnitedLex Residency Program provides job opportunities and training for recent graduates from the Moritz College of Law, supports scholarships in the college and provides other collaboration opportunities. Since 2014, 60 Moritz graduates have been hired as a result of this program, among other benefits.
Nationwide	In 2014, Nationwide agreed to a 10-year, \$17.1 million agreement to be the official insurance sponsor for the university community. Beyond the financial support, this partnership guarantees 40 internships per year and includes a five-year sponsorship of the Risk Institute at the Fisher College of Business.
Huntington	In 2012, Huntington agreed to a 15-year, \$25 million partnership to become the university's official consumer bank. This partnership has created about 30 paid internships per year and provided funding for classroom technology improvements, a \$100 million commitment for community lending and investments to support economic development in targeted Columbus neighborhoods.
J. America/Lids	In 2012, J. America and LIDS became the university's official licensed apparel and retail partners with a 10-year, \$97 million agreement. This stabilizes and guarantees funding to programs dependent on licensing income, providing consistent budgeting forecasts.
Coca-Cola	In 2008, Coca-Cola agreed to a 10-year, \$33 million agreement. Among other benefits, \$10 million of the proceeds were used to support the construction of the Ohio Union, reducing student costs by offsetting a portion of the Student Union Fee. This partnership also provides \$370,000 a year to support financial counseling for students as well as initiatives promoting leadership, sustainability and diversity priorities.

Administrative Practices

Recommendation 5 | Administrative cost reforms

5A Cost diagnostic: Each college/university must produce a diagnostic to identify its cost drivers, along with priority areas that offer the best opportunities for efficiencies. This diagnostic must identify, over at least a 10-year period:

- Key drivers of costs and revenue by administrative function and academic program;
- Distribution of employee costs — both among types of compensation and among units;
- Revenue sources connected to cost increases — whether students are paying for these through tuition and fees, or whether they are externally funded;
- Span of control for managers across the college/university — how many employees managers typically oversee, by the manager’s function; and
- Priority steps that would reduce overhead while maintaining quality — which recommendations would have the most benefit?

Please complete the section that aligns with the implementation status of your college/university.

<p>Has the college/university produced a cost diagnostic? If yes, please provide an overview of the process used and the key outcomes. Yes. See below for examples of how the university continues to build momentum based on that analysis.</p>
<p>Please provide details on the result(s) of the assessment. What are the cost drivers, based on the categories above? Please discuss the college/university’s priority areas that offer the best opportunities for recommendation.</p>
<p>If the college/university has not produced a cost diagnostic, is there a plan to? If yes, what is the implementation plan? If the college/university has not completed a cost diagnostic and does not plan to do so, please provide the rationale.</p>
<p>If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below. The university has used its cost diagnostic to drive action steps based on tangible goals, including the 2020 Vision goal to produce \$200 million in administrative savings over five years. Those efficiencies are being used to support Ohio State’s core mission.</p> <p>To date, the university has devoted \$60 million in savings to the President’s Affordability Grants program, which provides financial aid to low- and moderate-income Ohio students. In addition, Ohio State is using other institutional funds to increasing the value of the Land Grant Opportunity Scholarship program so that it covers the full cost of attendance. (The university will also double the size of the scholarship program next year, making the scholarship available to two students from each Ohio county per year — a total of 176 scholarships.)</p> <p>Overall, the university is on pace to surpass the 2020 Vision goal to increase need-based financial aid by at least \$100 million over five years.</p>

The university's new strategic plan (Appendix 1, or go.osu.edu/strategicplan) places strong emphasis on administrative efficiencies as part of the Operational Excellence and Resource Stewardship pillar. These steps are to provide financial support with tangible investments in other elements of the strategic plan.

The primary recommendations from the cost diagnostic involved three areas of addressable spend: human resources, procurement, and administrative efficiencies. The university responded by

- launching a compensation and classification process to better align costs with the market,
- reducing health care costs by redesigning the university's benefits plan
- making significant improvement in strategic procurement and shared services

5B Productivity measure: While the measure should be consistent, each college/university should have latitude to develop its own standards for the proper level of productivity in its units. This will allow, for instance, for appropriate differences between productivity in high-volume environments vs. high-touch ones.

What steps has the institution taken to improve the productivity measure score? Or, what are the institution's plans to improve your score? You may view your productivity measure score [here](#). For more information on the Productivity Measure, please visit [here](#).

Ohio State is committed to operational excellence and efficiency across the university, and we compare well to similar institutions nationally. Among 30 large land-grant universities, Ohio State's expenses per FTE student in 2014-15 ranked 12th and our non-academic expenses per FTE student ranked 18th of 30. (See details in Appendix 1.)

The university's primary focus is on the bottom line for students, which includes access, affordability and excellence. By these measures, Ohio State delivers strong value: relatively low tuition costs and high levels of student success. In 2016-17, Ohio State's tuition and fees ranked 24th among the 30 peers nationally as well as fifth of six selective-admissions universities in Ohio.

Starting in 2017-18, the university has established a new level of certainty about college costs by introducing the Ohio State Tuition Guarantee. New first year students entering this year and beyond are guaranteed a freeze on in-state tuition, mandatory fees, room and board for four years.

For continuing students, the university has not increased in-state undergraduate tuition or mandatory fees for continuing students since 2012-13, allowing two graduating classes to complete degrees without ever experiencing an increase. For FY16 and FY17, the university also froze housing and dining, providing a comprehensive freeze for in-state undergraduates. Before these past two years, there had not been a comprehensive freeze in at least 40 years.

The university supports the effort to develop an administrative productivity measure for Ohio that could aid in benchmarking operations, but we reiterate our concerns that the data set would be misleading for anyone seeking to make comparisons.

For one, the data set does not take into account how administrative positions and costs are funded, implying that the costs are borne by students. That is a faulty assumption. Consider our research operation, which is largely funded by federal or private grants. Because

research projects provide an academic benefit for students (as well as benefits to the broader community), Ohio State is seeking to grow this area. That would artificially add “administrative costs” under this definition.

Another key consideration is that Ohio State is unique in Ohio, with a breadth and mission unlike those of other institutions. This is reflected in a variety of units captured in this data. For example, Ohio State acts as the umbrella for state organizations such as the State of Ohio Computer Center and OH-TECH. Their employees are technically Ohio State staff because we act as the fiscal agent for these groups to share our economies of scale, but these workers and the costs associated are actually part of a different operation. Likewise, Ohio State is unusual nationally in that our Athletics Department is self-funded through ticket sales and other non-fee revenue. In fact, Athletics provides more than \$30 million a year to support the academic campus.

Has the college/university implemented or considered utilizing Lean Six Sigma methodology as a tool to evaluate the college/university’s processes? Yes. Ohio State both has an active operational excellence program and is working with the Ohio Auditor of State on its first performance audit of a state university.

Our dedicated efficiency experts identify opportunities where the university can save money, add more value or otherwise improve how we do our work. In addition, our OE@OSU program is actively training leaders throughout the university in operational excellence techniques, so our efficiency team now includes 445 individuals who have been trained or are undergoing training. OE@OSU projects saved or avoided \$39.4 million and eliminated more than 94,000 hours of non-value added work in the four years through FY17. This growing team is creating a deeper culture of operational excellence throughout Ohio State.

In addition, Ohio State volunteered to be the first university to work with the Auditor of State’s performance audit team (go.osu.edu/performanceaudit). This ongoing work is focused on information technology, fleet management, procurement and shared services.

5C Organizational structure: Each college/university should, as part or because of its cost diagnostic, review its organizational structure in line with best practices to identify opportunities to streamline and reduce costs. The college/university reviews should consider shared business services — among units or between college/university, when appropriate — for fiscal services, human resources and information technology. Please complete the section that aligns with the implementation status of your college/university.

Has the college/university reviewed its organizational structure? If yes, please provide an overview of the process used and the key outcomes.

Yes. Among other initiatives, the university is working to standardize processes and reporting as part of the Enterprise Project, which will update Ohio State's finance, human resources, student information and payroll systems. The university is using this multi-year project to advance our operational effectiveness in a variety of ways, such as reducing transactional processing to allow employees to focus more on strategic work. This initiative also will result in some streamlining of our organizational structure.

See below for updated information about other ongoing initiatives.

If the college/university has not reviewed the organizational structure, is there a plan to? If yes, what is the implementation plan? If the college/university has not completed a review and does not plan to do so, please provide the rationale.

If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below. The university's cost diagnostic found that while the academic structure of the university had not significantly grown, there were opportunities to streamline nonacademic areas. This is one of the focuses of the 2020 Vision plan over the next five years.

Ohio State has expanded its shared services operation to streamline operations, increase efficiencies and reduce costs. For example, a central procurement shared service center now includes Administration and Planning and the College of Law, which joined these areas that previously combined in one office: Academic Affairs, Advancement, Board of Trustees, Business and Finance, Government Affairs, Legal Affairs, the Office of the President and Student Life. We have also taken the first steps to create a full service center (fiscal, HR, payroll, and procurement) by combining Business and Finance with the Office of Legal Affairs.

In addition, central Human Resources has embarked on an HR Service Delivery project in which it is standardizing work to streamline and improve consistency. This project is examining interactions with the service centers and assessing current state organizational structures and processes.

For information technology, Ohio State has implemented an Enterprise IT Services program that has reduced costs and streamlined operations through consolidated services. To date, seven campuses, units or administrative offices have shifted away from standalone IT units to a university service, saving a combined total of \$1.3 million (an average of 23%) in annual operating costs while improving service and enhancing data security. The seven areas include the Lima and Mansfield campuses, the Wexner Center for the Arts, and the offices of Human Resources, Business & Finance, Administration & Planning, and International Affairs.

5D Health-care costs: A statewide working group should identify opportunities to collaborate on health-care costs.

(Optional) Has the college/university identified any healthcare reforms that the working group should consider? Please describe.

Ohio State recommends the following approaches

- Incorporate more concepts of consumerism, with robust transparency tools for price and quality
- Where possible, utilize narrow custom or tiered networks
- Implement bundled provider payments / shared savings arrangements
- Enhanced plan utilization management and coordination of care, including evidence-based decision support and prior authorization and broad condition step-therapy programs

(Optional) Has the college/university achieved any expected annual cost savings through health-care efficiencies? Please explain how cost savings were estimated.'

The university regularly monitors plan design trends and incorporates changes to ensure we are market driven. Other strategies include:

- Redirecting specialty medications to be filled at OSU's Specialty Pharmacy, where more favorable pricing has been negotiated vs. what is available through our Pharmacy Benefit Manager contract with Express Scripts.
 - Cost savings estimated by repricing prior claims utilizing greater discounts off average wholesale price obtained from OSU Specialty Pharmacy
- Implementing prior authorization and claim processing rules to address significant increase in Rx claims cost for compounded medications.
 - Cost savings estimated by trending forward average costs for compound medications that were incurred prior to the implementation of authorization and processing rules and comparing against actual claims experience incurred after these were put into place
- Performing a market analysis, as permitted in the Pharmacy Benefit Manager contract, to compare pricing in the existing contract to current market and renegotiating existing contract to incorporate more favorable terms revealed by the analysis.
 - Cost savings estimated by repricing prior claims utilizing greater discounts off AWP pricing and improved rebates under the new contract
- Implementing a closed formulary with an exclusive agent or step therapy for a specialty medication to obtain the deepest rebates and 0% price increases.
 - Cost savings estimated by taking the difference in cost between the exclusive agent with guaranteed lower pricing and the competing medication treatment available in the market and multiplying by the projected number of patients to be treated
- Conducting dependent eligibility verification to ensure that any covered dependent on any health care plan meets the plan's eligibility requirements.
 - Cost savings estimated by taking the number of covered dependents deemed ineligible and removed from coverage and multiplying by the plan's average per member per year annual cost for a dependent
- Participating in purchasing collaboratives to leverage more volume from other state entities to obtain better rates.
 - Cost savings estimated by repricing prior claims and/or administrative fees utilizing better rates obtained from volume purchasing contracts

5E Data centers: The College/university must develop a plan to move their primary or disaster recovery data centers to the State of Ohio Computer Center (SOCC). Please complete the section that aligns with the implementation status of your college/university.

<p>Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes. Yes. See below for updated information.</p>
<p>If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation, please provide the rationale.</p>
<p>If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below. In 2014, Ohio State agreed on a partnership to move the university's central data systems to the State of Ohio Computing Center. This has allowed the university to avoid \$40 million in capital costs and to save \$1 million a year in operating costs. The move, which was completed in 2015, involves hundreds of virtual and physical machines that support enterprise resource planning, learning management, email and other critical systems.</p>

5F Space utilization: Each college/university must study the utilization of its campus and employ a system that encourages optimization of physical spaces. Please complete the section that aligns with the implementation status of your college/university. Please complete the section that aligns with the implementation status of your college/university.

<p>Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes. Yes. See below for updated information.</p>
<p>Please provide details on the results of the assessment below or on additional pages:</p>
<p>If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.</p>
<p>If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below. The university's BuckIQ analytics tool uses Seat & Section report data to compare student enrollments per section, enrollment capacity for each class and the capacity of the physical space. These details help staff to make informed decisions about whether to increase the enrollment capacity for some sections, open a new section, or stop enrollment in certain sections to balance student-to-instructor ratio across sections.</p> <p>Users of the BuckIQ system include the College Arts & Sciences at Ohio State, our largest college on campus with more than 40 departments and the largest Arts & Sciences college in the country. Their deans use Seat & Section on a regular basis in the weeks</p>

leading up to a new semester for insights into (re)deployment of faculty for efficient use of instruction, closing and opening classes as necessary.

On a broader level, the university used this information in development of its Framework 2.0 master planning process, which is designed to optimize and enhance the campus based on current and future needs. Part of this process included a review of current building conditions and needs.

Energy

Energy Efficiencies seek to refine sustainable methods utilized by college/university to procure and use energy (resulting in more efficient use of energy), including, but not limited to lighting systems, heating & cooling systems, electricity, natural gas, and utility monitoring.

Were there any updates/changes to college/university energy efficiency projects in FY17? If yes, please complete the below chart.

The university agreed to enter into a partnership for the Comprehensive Energy Management Project in FY17, which will generate energy conservation projects that achieve at least a 25% improvement in energy efficiency over the next 10 years. Ohio State Energy Partners is now evaluating projects to meet that goal. See item 4A for more detail about the Comprehensive Energy Management Project.

Regional Compacts

Ohio Revised Code Section 3345.59 requires regional compacts of Ohio's public colleges and universities, with an executed agreement in place by June 30, 2018 for colleges and universities to collaborate more fully on shared operations and programs. Per O.R.C. §3345.59 (E) colleges and universities shall report within their annual efficiency report the efficiencies gained as a result of the compact. This provision will be included in the FY18 Efficiency Advisory Committee survey; therefore, institutions should prepare accordingly to meet this timeline.

Section II: Academic Practices

Recommendation 6 | Textbook Affordability

6A Negotiate cost: Professional negotiators must be assigned to help faculty obtain the best deals for students on textbooks and instructional materials, starting with high-volume, high-cost courses. Faculty must consider both cost and quality in the selection of course materials. Please complete the section that aligns with the implementation status of your college/university.

Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes.

Yes. See below for updated information.

If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.

If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.

Ohio State abides by the Higher Education Opportunity Act of 2015, which requires universities to specify textbooks for courses at least two weeks before online registration window opens. This ensures students have time to seek the best price for a textbook. This provision also supports wider availability of used textbooks.

In March 2017, the University Senate passed a resolution designed to enhance textbook affordability and provide our bookstore partner, Barnes & Noble, with enhanced opportunities to obtain the lowest-cost textbooks possible. The university is now placing additional emphasis on the need for professors to submit book orders as early as possible so that Barnes & Noble can obtain optimal pricing for students.

6B Standardize materials: Colleges and universities must encourage departments to choose common materials, including digital elements, for courses that serve a large enrollment of students. Please complete the section that aligns with the implementation status of your college/university.

<p>Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes. Yes. See below for updated information.</p>
<p>If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.</p> <p>If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.</p> <p>Ohio State has been developing online versions of the most popular general education courses to increase availability for students. Since 2014, more than 100 online GE courses have been developed, providing students with additional flexibility in scheduling. These courses can speed the time to degree for existing Ohio State students and provide an important access point for high-school students interested in College Credit Plus. Distance learning courses offered at Ohio State accounted for nearly 9 percent of total course enrollments in the 2016-2017 academic year.</p> <p>We are on track to save students more than \$10 million by 2020. To date, the Affordable Learning Exchange has directly saved 12,000 students \$3 million by funding 30 grant projects. Those saved students \$1 million in FY17. In FY18, we plan to fund more than 20 additional projects. Additionally in FY18, we are launching a partnership with North Central State College, the Ohio Association of Community Colleges, Ohio Dominican University, and OhioLINK on a \$1.3 million Ohio Department of Higher Education innovation grant to create, curate, and adopt open content in 18 of our shared high-enrollment courses.</p>

6C Develop digital capabilities: Colleges and universities must be part of a consortium to develop digital tools and materials, including open educational resources, that provide students with high-quality, low-cost materials. Please complete the section that aligns with the implementation status of your college/university.

Please explain your efforts to develop digital tools and materials.

In October 2017, Ohio State announced the Digital Flagship University initiative in collaboration with Apple. This comprehensive, university-wide digital learning initiative supports educational innovation for students and economic development opportunities for the community. This initiative includes:

- a student-success initiative to integrate learning technology throughout the university experience
- an iOS design laboratory on the Columbus campus serving faculty, staff, students and members of the broader community
- university-wide opportunities for students to learn coding skills to enhance their career-readiness in the app economy

As it grows, the student-success initiative will help provide universal access to a common set of learning technologies at no cost to students. Starting in autumn 2018, new first-year students at the Columbus and regional campuses will receive an iPad Pro with tools including Apple Pencil and Smart Keyboard as well as apps to support learning and life at Ohio State. The total retail value of the suite for all first-year students next year is more than \$10 million. The university will pay a discounted rate for this learning-technology suite, and use funding from the university's administrative efficiency program.

See below for updated information about other initiatives.

If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.

If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.

Beyond the Digital Flagship University initiative, Ohio State is a member of Unizin, a nonprofit consortium owned by universities that develops digital resources and tools for higher education. For instance, Ohio State has deployed the learning management system Canvas for online courses, providing immediate usability benefits to faculty and about 4,000 students. Long-term, Unizin schools will all benefit from the potential to easily share materials across a common platform.

By virtue of Ohio State's membership in Unizin, other colleges and universities in Ohio can join for an annual fee. Members can make use of shared tools and materials that Unizin develops or acquires based on level of entry into the consortium. Unizin members are improving the costs and benefits of the essential digital services that support learning. For example, Unizin and the Big Ten Academic Alliance are collaborating on an initiative called Content Camp, which supports faculty from across institutions in authoring free, open assessment banks that support the adoption of open educational resources in large courses. By developing a collection of high-quality, peer-reviewed assessment items, Content Camp removes a significant obstacle that instructors encounter when switching to open educational resources. This project brings faculty from across institutions together to create more affordable, high-quality learning opportunities for students.

Ohio Revised Code Section 3333.951(C) requires Ohio's public colleges and universities to report their efforts towards reducing textbook costs for students. Please discuss all practices implemented that ensure students have access to textbooks at an affordable price. Also, please identify efficiencies captured from your practices.

See the responses to 6A, 6B and 6C. Other efforts include:

- University Libraries has thousands of subscriptions to high-quality materials that can replace some textbooks in use today.
- The OSU GE Textbook Project purchases and provides copies of required textbooks for select General Education curriculum courses via the Libraries' Closed Reserve. Currently the project is home to more than 500 textbooks, covering more than 200 university courses that can be loaned to students in lieu of purchasing them.
- Open Educational Resources (OER) are freely available, allowing for openly licensed media, books, course materials, documents, and even full courses that enhance teaching and learning.
- Most OER are licensed under a Creative Commons license, rather than traditional copyright, allowing content to be customized to suit teaching and learning goals.

Ohio Revised Code Section 3333.951(D) requires Ohio's public colleges and universities to conduct a study to determine the current cost of textbooks for students enrolled in the institution and submit the study to the Chancellor by a date prescribed by the Chancellor. Please note that the study will be due on the same submission timeline as the FY18 Efficiency Advisory Committee survey; therefore, institutions should prepare accordingly to meet this timeline.

Recommendation 7 | Time to Degree

7A Education campaign: Each college/university must develop a coordinated campaign to educate its full-time undergraduates about the course loads needed to graduate on time (two years for most associate degrees and four years for most bachelor's degrees). Please complete the section that aligns with the implementation status of your college/university.

Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes. Yes. See below.

If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.

If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below. Ohio State's "Finish in Four" initiative, which is delivered through orientation and academic advisors, emphasizes the course loads needed to complete a bachelor's degree in four years. This program both emphasizes the time to degree and the cost to the student: "You will pay less by taking at least 15 credit hours per semester. There is no additional tuition per credit hour charged for hours between 12 and 18. So if you take only 12 hours, you will pay for every credit hour. If you take 15 hours, you will get 3 free credit hours each semester, saving you an entire year's worth of tuition!"

As noted above, Ohio State's tuition structure provides a significant financial incentive for students to take full course loads (15 credit hours per semester) instead of the minimum required to be a full time student (12 credit hours per semester).

In addition, the new Ohio State Tuition Guarantee offers a new incentive for students to complete their education in four years. See the response to 7B for more information.

7B Graduation incentive: Colleges and universities should consider establishing financial incentives to encourage full-time students to take at least 15 credits per semester. Please complete the section that aligns with the implementation status of your college/university.

Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes.

Yes. The new Ohio State Tuition Guarantee, which started with new first year students who entered in fall 2017, freezes tuition and mandatory fees for a four-year education. Although not tied to a specific number of credits per semester, this program creates another incentive for students to complete their degree in four years. Exceptions are allowed for students in programs that requires more than four years to complete or who face circumstances such as military service, medical emergencies or family emergencies.

If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.

If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.

7C Standardize credits for degree: Colleges and universities should streamline graduation requirements so that most bachelor's degree programs can be completed within 126 credit hours or less and associate degree programs can be completed within 65 credit hours or less. Exceptions are allowed for accreditation requirements. Please complete the section that aligns with the implementation status of your college/university.

Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes.
Yes.

If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.

If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.
Virtually all (99%) of Ohio State's 388 undergraduate programs require either the university's minimum of 121 semester hours or require the amount needed for accreditation. Only four programs maintain more than 121 hours to maintain quality standards.

7D Data-driven advising: Colleges and universities should enhance academic advising services so that students benefit from both high-impact, personalized consultations and data systems that proactively identify risk factors that hinder student success. Please complete the section that aligns with the implementation status of your college/university.

Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes.

Yes. See below for updated information.

If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.

If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.

Ohio State is utilizing data-driven advising through a partnership of EAB's Student Success Collaborative. Expanded use of predictive analytics will help to ensure that students stay enrolled, make suitable progress toward a degree, and graduate in a time consistent with their goals.

A pilot offered in the 2016-17 academic year demonstrated the strong benefits of providing additional academic support for first-year students who struggled in their first semester on the Columbus campus. The university offered students who earned a grade-point average of 2.0 or lower a student-success course in spring semester, followed by a residential summer experience. This academic recovery program resulted in a 94 percent retention rate for their second year — equal to the success rate for all Columbus campus freshmen. Ohio State will continue to expand its use of data-driven advising going forward.

Ohio State also is a member of the University Innovation Alliance, a consortium of 11 public research universities dedicated to improving access and affordability, and reducing the time in which students complete degrees. As part of that effort, Ohio State students who face financial challenges when they are close to graduation will be eligible for completion grants. This UIA initiative was announced in August 2017.

7E Summer programs: Colleges and universities must develop plans to evaluate utilization rates for summer session and consider opportunities to increase productive activity. In particular, colleges and universities should consider adding summer-session options for high-demand classes and bottleneck courses that are required for degree completion. Please complete the section that aligns with the implementation status of your college/university.

Please provide details on the results of the assessment. In particular, please address whether the campus added summer session options for high-demand and bottleneck classes.

After revamping the academic structure of Summer Term in 2016, Ohio State implemented a 25% discount on tuition and the non-resident surcharge in 2017.

The new discount saved Columbus campus undergraduates \$2.4 million compared with comparable credit hours in fall and spring semesters. Summer Term 2017 reflected increased activity: Columbus campus students took more credit hours (increasing by 2.1 percent), and more students attended full time (up 14 percent).

These initiatives were designed to increase utilization of the Summer Term and encourage students to make timely progress toward their degrees. The summer tuition discount program will continue for Summer 2018 and beyond.

If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.

If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.

7F Pathway agreements: Colleges and universities should continue to develop agreements that create seamless pathways for students who begin their educations at community or technical colleges and complete them at universities. Please complete the section that aligns with the implementation status of your college/university.

<p>Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes. Yes. See below for updated information.</p>
<p>Please provide details. In particular, how many articulation agreements does the college/university have with other Ohio colleges and universities (either 2+2 or 3+1)? See appendix 2.</p>
<p>If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.</p>
<p>If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below. Ohio State attracted 962 transfer students from Ohio community colleges in the fall of 2017, reflecting the university's commitment to creating pathways for students that support their success. Our Columbus campus has an extensive articulation agreement with Columbus State Community College, which in concert with other transfer initiatives, has made Columbus State the largest single feeder of students to Ohio State. In addition, Ohio State's four regional campuses have nine articulation agreements with their co-located technical colleges. These offer students at the technical colleges a pathway to complete a two-year degree in certain academic areas (Registered Nurse, Human Services, Dental Hygiene, English, etc.) and continue seamlessly to a four-year baccalaureate degree program at Ohio State.</p>

7G Competency-based education: Colleges and universities should consider developing or expanding programs that measure student success based on demonstrated competencies instead of through the amount of time students spend studying a subject. Please complete the section that aligns with the implementation status of your college/university.

<p>Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes.</p> <p>No, but the university employs competency-based approaches in online courses to allow instructors to track how many students have achieved a required learning objective. This approach is enhancing the success of our online courses.</p>
<p>If applicable, please provide additional details. In particular, how many students does the college/university estimate the competency-based education programs will serve?</p>
<p>If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale. Given Ohio State's student body, our analysis is that competency-based education is not the best focus for enhancements. Instead, we are continually refining our curriculum based on the high standards of our incoming students.</p>
<p>If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.</p>

Recommendation 8 | Course and Program Evaluation

8 Duplicative Programs: Colleges and universities should review and address low-enrolled courses and programs and consolidate programs duplicated at other colleges and universities in your geographic area. Please indicate the section that aligns with the implementation status of your college/university. There is no need to provide your report.

<p>Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes.</p> <p>Yes. See below for updated information.</p>
<p>If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.</p> <p>If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.</p> <p>Ohio State continually evaluates offerings at its four regional campuses (Lima, Marion, Mansfield, Newark) to ensure they meet the needs of students.</p> <p>A university study has demonstrated the demand. Of the 601 courses offered at the four regional campuses that had equivalent courses offered at the co-located technical college, an average of 78 percent of enrollment capacity was met. For the 2,662 courses that had no equivalent co-located course at the co-located campus, enrollment averaged 65 percent capacity.</p>
<p>Course and Program Sharing: What courses/programs are currently being shared with other colleges and universities?</p> <p>Ohio State does not share courses or programs with the co-located campuses. Rather, we honor the statewide articulation and transfer agreements that are outlined in transferology.com.</p>

Recommendation 9 | Co-located Campuses

Ohio Revised Code Section 3333.951 requires Ohio’s co-located colleges/universities to annually review best practices and shared services in order to improve academic and other services and reduce costs for students. Co-located campuses are then required to report their findings to the Efficiency Advisory Committee.

Our Lima, Mansfield, Marion and Newark campuses have collectively generated \$5 million in savings through shared services with co-located institutions.

Ohio State campus: Lima Co-located Campus: Rhodes State College (Lima) Estimated total cost savings from shared services: \$1.05 million	
Type of Shared Service or Best Practice (IE: Administrative, Academic, etc.)	Please explain in detail your findings related to this shared service or best practice.
Physical Facilities Operations (includes physical facilities leadership, grounds keeping, building maintenance and environment services, campus custodial, and scheduling of campus facilities.	Cost sharing for physical facilities leadership, building maintenance and environment services, campus custodial services is done on a building square feet method of calculation. Cost sharing for groundskeeping is done on an aggregate square feet method of calculation. Cost sharing for scheduling of campus facilities is done on a cost-share reconciliation method each quarter. ➤ Estimated savings to university: \$551,500
Academic Support Services (includes libraries)	Cost sharing for library services for personnel, materials and equipment are done on a campus full time equivalent (FTE) method of calculation. Cost sharing for library collection costs are done by direct cost collections unique to each institution. ➤ Estimated savings to university: \$185,000
Student Activities and Athletics Office (includes student activities, student athletics, recreation, and intramural sports)	Cost sharing for the personnel and operation expenses are done on a campus full time equivalent (FTE) method of calculation. ➤ Estimated savings to university: \$159,000
Auxiliary Services (includes cafeteria and vending services, shared copying and printing services, campus bookstore and gift shop, and telephone services)	The cafeteria and vending service is outsourced through a contract with external service providers. Cost sharing for contract is done on a full time equivalent (FTE) method of calculation. Cost sharing for shared copying and printing services on a cost-share reconciliation method each quarter. The bookstore and gift shop service is outsourced through a contract with external service providers. Cost sharing for contract is done on a full time equivalent (FTE) method of calculation. Cost sharing of telephone services is done by direct cost by extension and on a cost-share reconciliation method each quarter for expenses.

<p>Approach and process to sharing services with the co-located campus.</p>	<p>➤ Estimated savings to university: \$155,800</p> <p>In accordance with state policy and by mutual accord, the University and the co-located institution share resources and connect programs to benefit the students of both institutions. This collaboration allows for multiple pathways for student education, reducing unnecessary duplication of services, and promotes the effective use of state fiscal, physical, and personnel resources. The University and co-located institution have formal collaboration agreements and partner wherever possible with the goal of heightening academic quality, operational transparency, and economic efficiency.</p>
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<p>Ohio State campus: Mansfield Co-located Campus: North Central State College (Mansfield) Estimated total cost savings from shared services: \$1.44 million</p>	
<p>Type of Shared Service or Best Practice (IE: Administrative, Academic, etc.)</p> <p>Physical Facilities (includes groundskeeping, building maintenance, custodial services, environmental health and safety services, utilities services and energy management, campus planning and real estate, project management and campus signage)</p> <p>Academic Support Services (includes library and internship programming)</p> <p>Campus Security and Public Safety (includes public safety administration, traffic management, and police and emergency responses)</p> <p>Student Life and Campus Events (includes student engagement, recreation and intramural sports, and athletics)</p>	<p>Please explain in detail your findings related to this shared service or best practice.</p> <p>Cost sharing is managed generally by a formula based on assigned square feet for each co-located institution.</p> <p>➤ Estimated savings to university: \$793,900</p> <p>Cost sharing for library services is 55% for the University and 45% for the co-located campus; cost-sharing for internship programming is 50/50 basis.</p> <p>➤ Estimated savings to university: \$128,850</p> <p>Cost sharing for public safety admin, traffic management personnel, and police and emergency response services is generally on a 50/50 basis for the University and for the co-located institution.</p> <p>➤ Estimated savings to university: \$159,100</p> <p>Cost sharing for student engagement and recreation and intramural sports is 75% for the University and 25% for the co-located institution. Cost sharing for athletics is based on student participation from each institution and is tracked monthly.</p> <p>➤ Estimated savings to university: \$58,800</p>

<p>Administrative Services (includes Office of Advancement and shared marketing “agency”)</p>	<p>Cost sharing for office of advancement is shared on mutually shared activities/events; cost for institution-specific activities/events are paid by the specific institution; each institution pays for its own personnel. Cost sharing for shared marketing “agency” is split 50/50 on mutual shared activities/events and personnel; cost for institution specific activities/events are paid by the specific institution. ➤ Estimated savings to university: \$92,200</p>
<p>Auxiliary Services (includes childcare center, cafeteria and vending services, shared copying and printing services, and campus bookstore and gift shop)</p>	<p>Cost for childcare center is supported by revenue generated from user fees and grants. Cafeteria and vending services have proceeds from contracts directed to a Campus Improvement Fund to benefit shared improvements. Cost for shared copying and printing services are managed and paid by the co-located institution and provided on a cost basis to the University. ➤ Estimated savings to university: \$202,200</p>
<p>Approach and process to sharing services with the co-located campus.</p>	<p>In accordance with state policy and by mutual accord, the University and the co-located institution share resources and connect programs to benefit the students of both institutions. This collaboration allows for multiple pathways for student education, reducing unnecessary duplication of services, and promotes the effective use of state fiscal, physical, and personnel resources. The University and co-located institution have formal collaboration agreements and partner wherever possible with the goal of heightening academic quality, operational transparency, and economic efficiency.</p>

<p>Ohio State campus: Marion Co-located Campus: Marion Technical College Estimated total cost savings from shared services: \$1.29 million</p>	
<p>Type of Shared Service or Best Practice (IE: Administrative, Academic, etc.)</p>	<p>Please explain in detail your findings related to this shared service or best practice.</p>
<p>Physical Facilities Operations (includes physical facilities leadership, grounds keeping, building maintenance, custodial services, campus planning and real estate, project management, and traffic management and campus signage)</p>	<p>Cost sharing for these services is done on an assignable square footage (ASF) and faculty/staff/student full time equivalent (FTE) method of calculation. ➤ Estimated savings to university: \$1 million</p>
<p>Academic Support Services (includes libraries)</p>	<p>Cost sharing for these services is done on an assignable square footage (ASF) and faculty/staff/student full time equivalent (FTE) method of calculation. ➤ Estimated savings to university: \$126,000</p>

<p>Campus Security and Public Safety (includes public safety administration via a memorandum of understanding)</p>	<p>Cost sharing for these services is done on an assignable square footage (ASF) and faculty/staff/student full time equivalent (FTE) method of calculation. ➤ Estimated savings to university: \$61,000</p>
<p>Student Life and Campus Events Office (includes student activities, recreation, and intramural sports; and sports and athletics)</p>	<p>Cost sharing for these services is done on an assignable square footage (ASF) and faculty/staff/student full time equivalent (FTE) method of calculation. ➤ Estimated savings to university: \$4,000</p>
<p>Auxiliary Services (includes vending services, campus bookstore and gift shop, campus farmland, service charge, and receiving and mail services)</p>	<p>Cost sharing for these services is done on an assignable square footage (ASF) and faculty/staff/student full time equivalent (FTE) method of calculation. ➤ Estimated savings to university: \$87,000</p>
<p>Technology Services (includes work and telecomm, servers and security, and general IT support) Approach and process to sharing services with the co-located campus.</p>	<p>Cost sharing for these services is done on an assignable square footage (ASF) and faculty/staff/student full time equivalent (FTE) method of calculation. ➤ Estimated savings to university: \$6,000 In accordance with state policy and by mutual accord, the University and the co-located institution share resources and connect programs to benefit the students of both institutions. This collaboration allows for multiple pathways for student education, reducing unnecessary duplication of services, and promotes the effective use of state fiscal, physical, and personnel resources. The University and co-located institution have formal collaboration agreements and partner wherever possible with the goal of heightening academic quality, operational transparency, and economic efficiency.</p>

<p>Ohio State campus: Newark Co-located Campus: Central Ohio Technical College Estimated total cost savings from shared services: \$1.28 million</p>	
<p>Type of Shared Service or Best Practice (IE: Administrative, Academic, etc.) Public Service (includes conference services)</p>	<p>Please explain in detail your findings related to this shared service or best practice. Cost sharing for conference services is shared on a 50/50 basis. ➤ Estimated savings to university: \$1,470</p>
<p>Academic Support Services (includes career services and library services)</p>	<p>Cost sharing for both these services is done on a full time equivalent (FTE) method of calculation. ➤ Estimated savings to university: \$134,400</p>

Section III: Policy Reforms

Recommendation 10 | Policy Reforms

10A Financial advising: Ohio’s colleges and universities should make financial literacy a standard part of students’ education. Please complete the section that aligns with the implementation status of your college/university.

<p>Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes. Yes. See below.</p>
<p>If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.</p> <p>If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.</p> <p>Scarlet and Gray Financial is a peer education-based approach that provides a comprehensive suite of financial wellness services to students throughout their college careers. This program has grown dramatically since it was created in 2012-13, supported largely through relationships with corporate partners. Last school year, Scarlet and Gray provided more than 7,500 individual coaching and outreach sessions, including as part of a mandate for students involved in the Second-year Transformational Experience Program (STEP).</p> <p>Scarlet and Gray Financial promotes financial literacy and holistic financial wellness through a variety of mediums, including one-on-one coaching sessions, large group presentations, financial education research, and professional development opportunities.</p> <p>Peer coaches are second-, third- and fourth-year students responsible for leading one-on-one sessions, giving group presentations, and attending continuing education series. Peer coaches are trained through the Leadership Development Program during the academic semester prior to becoming full-fledged coaches. Through coaching sessions, online education and group presentations, Scarlet and Gray Financial provides financial education to thousands of students annually.</p>

10B Obstacles: The state Department of Higher Education and/or state legislature should seek to remove any obstacles in policy, rule or statute that inhibit the efficiencies envisioned in these recommendations.

What legislative obstacles or policy roadblocks, if any, inhibit efficiencies and affordability practices at the college/university?

Construction Reform

With the Construction Reform legislation in 2012, please describe the outcomes, efficiencies gained, and benefits to students from implementing this reform.

Construction reform has allowed the university to build large projects more efficiently, resulting in reduced construction-management costs and streamlined delivery. For example, the university now has 13 fewer project management staff, despite an increase in the volume of completed projects over the past five years.

Since 2012, the university has completed more than \$2.5 billion in projects that have benefitted from construction reform. Academic projects that have been completed or are underway include the \$120 million Chemical and Biomolecular Engineering and Chemistry (CBEC) building, the \$60 million renovation of Pomerene and Oxley halls, and the \$14 million renovation of Mount Hall.

Efficiency improvements and cost savings on academic projects allow the university to effectively leverage capital funding sources outside of tuition, such as private gifts and state capital funding.

Additional Practices

Are there additional efficiency practices your college/university implemented in FY17 to ensure students have access to an affordable and quality education? Please identify.

The university established the Ohio State Tuition Guarantee to provide incoming students with more clarity and certainty about college costs for a four-year education. With each incoming class of new first year students, Ohio State sets rates for in-state tuition, mandatory fees, room and board that remain frozen for four years.

For FY18, the university will launch a new affordability initiative to support Ohio resident students who qualify for federal Pell Grants. Utilizing an endowment to be established from the Comprehensive Energy Management Project, the university will ensure that all in-state students who qualify for Pell Grants receive an aid package that covers the full cost of tuition and mandatory fees. This program, which will provide institutional aid to close any gap that remains after Pell Grants, Ohio College Opportunity Grants and other gift aid, is expected to cost more than \$11 million a year on the Columbus campus.

In addition, Ohio State will use administrative efficiencies to fund a key part of the Digital Flagship University initiative. All incoming first-year students in fall 2018 — in Columbus and at the regional campuses — will receive a learning technology suite to support integrated learning. This suite will include an iPad Pro, Apple Pencil, keyboard and set of learning technology apps and tools.

Section IV: Cost Savings, Redeployment of Savings & Tangible Benefits to Students

The following charts allow each college/university to report this information. For the first chart, please provide, if applicable, any actual cost savings to the college or university and/or students for fiscal year 2017 (or expected annual cost savings) for each of the recommendations from the Task Force. (Please note this does NOT include cost avoidance.)

For the second chart, please provide more detail as to how cost savings were deployed, specifically in the following categories: reductions in cost of attendance, student financial aid, student services, investment in efficiency and affordability tools, and student program improvements. Please use the explanation field to provide further detail.

Please use the chart below to capture, if applicable, FY17 cost savings, or expected annual savings, to the college/university in actual dollars:

Recommendation	If applicable, provide the actual FY17 cost savings, or expected annual cost savings, to the institution and/or student. Please specify. <small>*Put NA if no savings</small>
Efficiency Practices	
3A: Campus Contracts	\$58.1 million
3B: Collaborative contracts	NA
4A: Asset Review	\$1.09 billion (upfront energy proceeds, plus annual parking distribution) Note: Partnership was approved in FY17 and finalized in FY18.
4B: Operations Review	\$30 million
4C: Affinity partnerships and sponsorships	\$10.9 million
5A: Cost diagnostic	NA
5B: Productivity measure	NA
5C: Organizational Structure	NA
5D: Health-care costs	NA
5E: Data Centers	\$1 million
5F: Space utilization	NA
Energy projects	NA (see 4A for comprehensive energy management proceeds)
Academic Practices and Policies	
6A – 6C and textbook efficiency practices	\$1 million
7A: Education Campaign	NA – savings directly to students
7B: Graduation Incentive	NA – savings directly to students
7C: Standardize credits for degrees	NA
7D: Data-driven advising	NA - Savings directly to students
7E: Summer programs	\$2.4 million
7F: Pathway agreements	NA - Savings directly to students
7G: Competency-based education	NA
8: Duplicative and low-enrollment courses and programs	NA
9: Shared services at co-located campuses	\$5 million
Construction Reform	NA
10A: Financial advising:	NA - Savings directly to students
Additional efficiency practices	NA
Total Expected Annual Cost Savings:	\$1.2 billion (Note: This includes both annual distributions and one-time payments. Most of the energy funds will be placed in endowments that will provide long-term benefits.)

Please utilize the chart below to show how the total actual cost savings listed above were redeployed to either (1) reduce the cost of college for students or (2) to provide tangible benefits for the quality of students' education:

Category	Amount Invested	Explanation
Reductions to the total cost of attendance (tuition, fees, room and board, books and materials, or related costs — such as technology)	\$3.4 million	<ul style="list-style-type: none"> \$2.4 million in savings from summer tuition discount \$1 million in Affordable Learning Exchange projects
Student financial aid	\$23.9 million	<ul style="list-style-type: none"> \$20 million in FY17 President's Affordability Grants \$3.9 million distributed in parking endowment scholarships \$40,000 distributed in NIKE non-athletic scholarships <p>These do not include the expansion of President's Affordability Grants and Land-Grant Opportunity Scholarships in FY18 or a new affordability initiative in FY19 to ensure all Ohio Pell-eligible students have aid that covers tuition and fees. Other financial aid initiatives are also not included.</p> <ul style="list-style-type: none"> \$100,000 from Coca-Cola to support Scarlet and Gray financial counseling <p>Other areas of investment include data-driven academic advising, leadership training, and career-development services such as internships that have tangible benefits for students.</p> <p>Efficiency savings invested in a variety of student-focused initiatives, including access to digital textbooks and online educational options.</p> <p>Starting in FY19, new first-year students on the Columbus campus will receive iPad learning technology suites worth more than \$10 million based on retail prices.</p> <p>Since 2014, more than 100 popular online general education courses have been developed, providing students with additional flexibility in scheduling. These courses can speed the time to degree.</p> <ul style="list-style-type: none"> \$448,000 distributed from NIKE endowment to support University Institute for Teaching and Learning <p>This does not include new endowments to be established in FY18 to support new faculty positions and other support</p>
Student success services, particularly with regard to completion and time to degree	Total not available	
Investments in tools related to affordability and efficiency	Total not available	
Improvements to high-demand/high-value student programs	Total not available	
Investments in faculty and teaching	\$448,000	
Total of calculated savings	\$27.9 million	

Appendix 1: Summary of Ohio State strategic plan



To make the next bold leap in Ohio State's land-grant history of excellence and impact, we aspire to be a leading national flagship public research university.

- I**

Teaching and Learning

Ohio State will be an exemplar of the best teaching, demonstrating leadership by adopting innovative, at-scale approaches to teaching and learning to improve student outcomes.
- II**

Access, Affordability and Excellence

Ohio State will further our position as a leading public university offering an excellent, affordable education and promoting economic diversity.
- III**

Research and Creative Expression

Ohio State will enhance our position among the top national and international public universities in research and creative expression, both across the institution and in targeted fields — driving significant advances for critical societal challenges.
- IV**

Academic Health Care

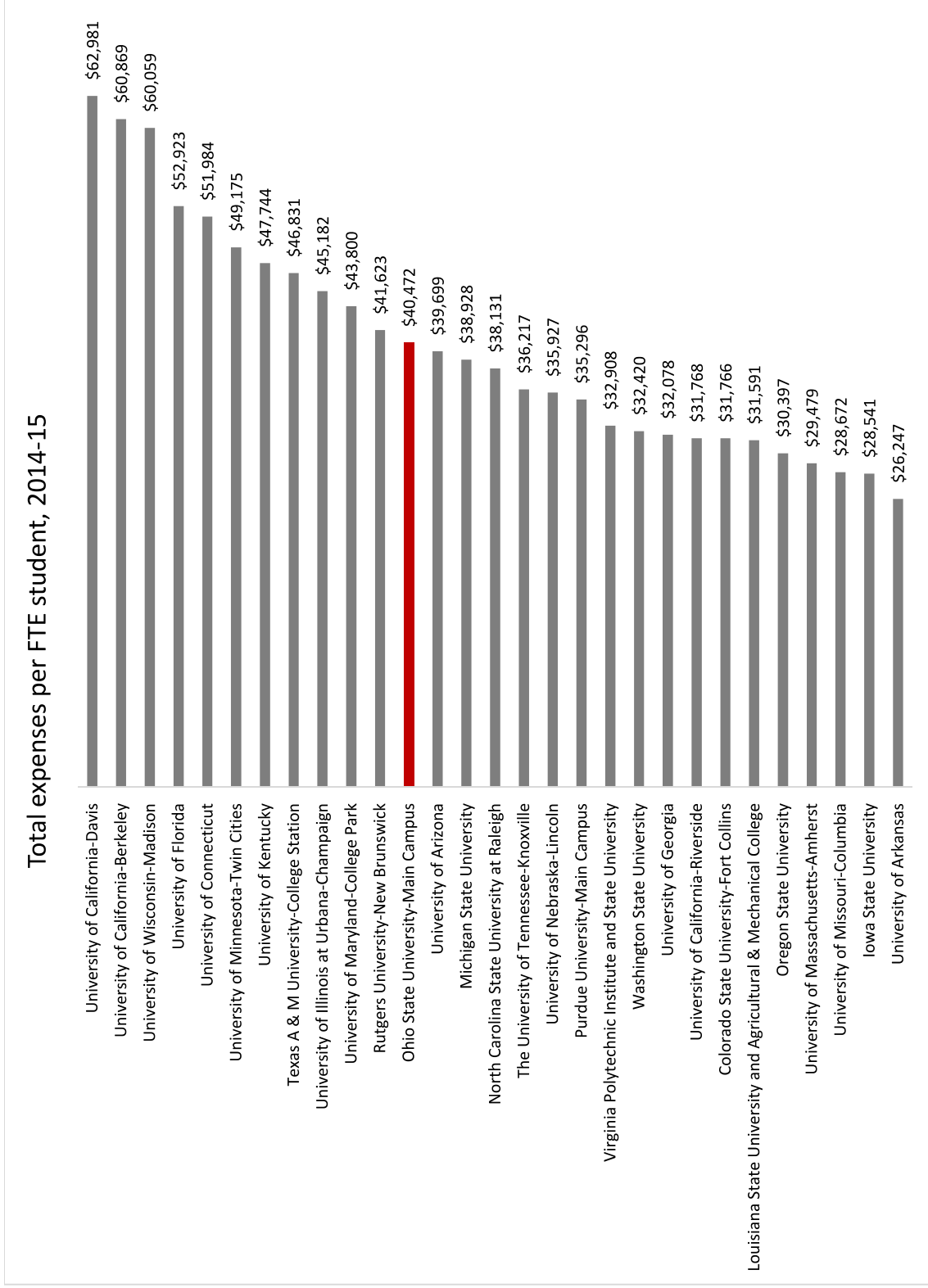
The Ohio State University Wexner Medical Center will continue our ascent as a leading academic medical center, pioneering breakthrough health care solutions and improving people's lives.
- V**

Operational Excellence and Resource Stewardship

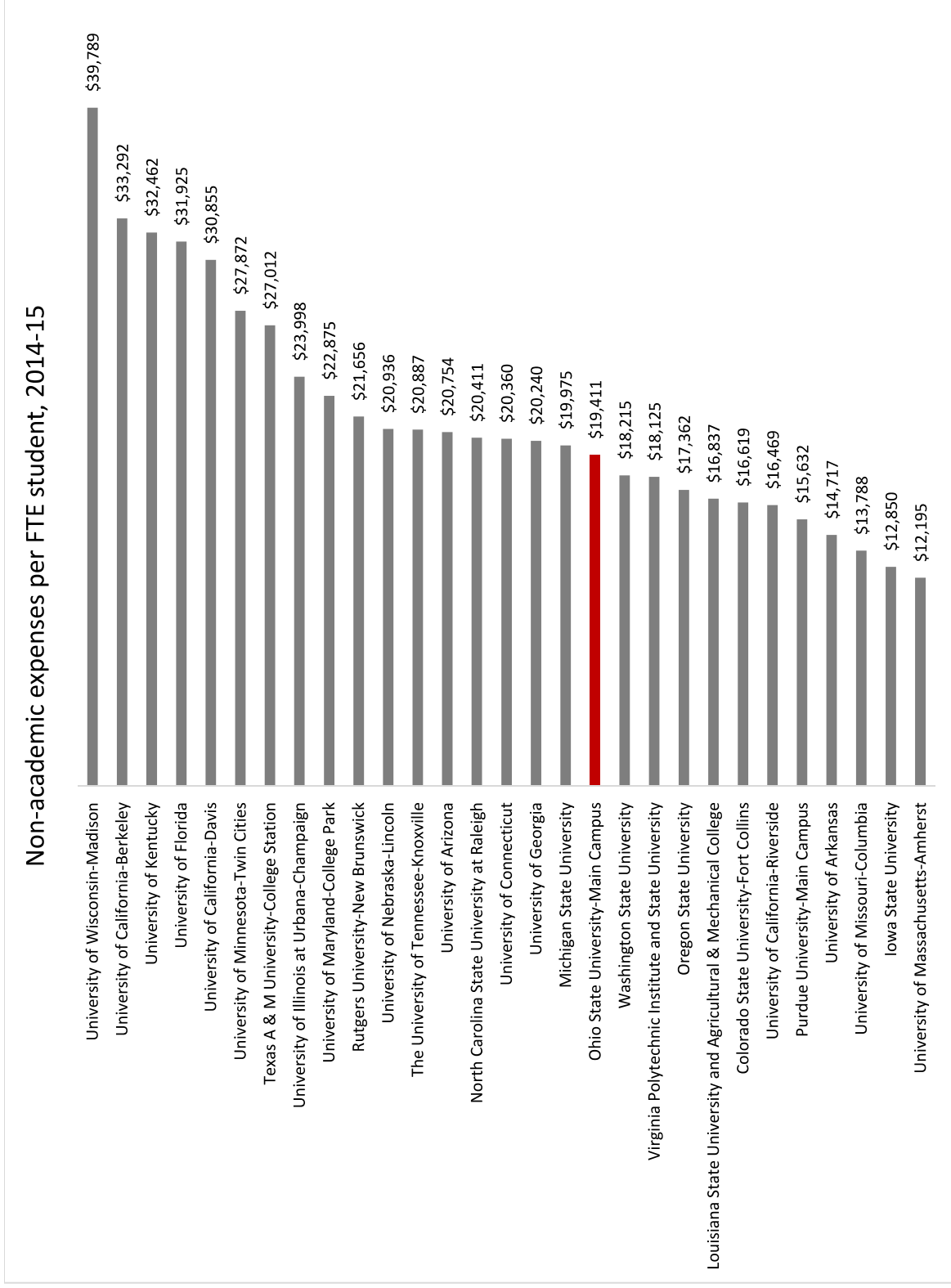
Ohio State will be an exemplar of best practices in resource stewardship, operational effectiveness, and efficiency and innovation.

To learn more about the strategic plan, visit: go.osu.edu/strategicplan

Appendix 2: Peer comparison with large, land-grant universities



Appendix 2: Peer comparison with large, land-grant universities



Appendix 3: Articulation agreements with Ohio State

The Ohio State University

Community college	community college degree/program	>	4-year university degree/program	Pathway Type [I:E: 2+2 or 3+1]
Columbus State Community College	Associate of Science	>	Bachelor of Science/Actuarial Science	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/African and African-American Studies	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/Anthropology	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science/Anthropological Sciences	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/Arts Management	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science in Atmospheric Sciences	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science/Biology	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/Classics	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/Communication (Analysis and Practice)	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/Communication (New Media and Communication Technology)	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/Communication (Strategic Communication)	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/Criminology	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science/Earth Sciences (Geological Sciences)	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/Economics	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science/Economics	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/English	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science/Evolution and Ecology	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/Film Studies	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/French	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science/Geography (Climatic Studies)	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science/Geography (Physical Geography)	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/Geography (Environment and Society)	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/Geography (Urban, Regional, and Global Studies)	2+2

The Ohio State University

Appendix 3: Articulation agreements with Ohio State

The Ohio State University

Community college	community college degree/program		4-year university degree/program	Pathway Type [I:E: 2+2 or 3+1]
Columbus State Community College	Associate of Science	>	Bachelor of Science/Geography (Spatial Analysis)	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science in Geographic Information Science	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/German	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/History of Art	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/History	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/International Studies	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts in Journalism/Public Affairs	2+2
Columbus State Community College	Associate of Arts	>	Journalism	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/Linguistics	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Science/Mathematics	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/Medieval and Renaissance Studies	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science/Microbiology	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science/Molecular Genetics	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science/Neuroscience	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/Philosophy	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/Political Science	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/Psychology	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science/Psychology	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/Religious Studies	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/Sociology	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/Social Sciences Air Transportation	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/Spanish	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/Speech and Hearing Science	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/Theatre	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts/Women's, Gender and Sexuality Studies	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science/Zoology	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science in Architecture	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science in City and Regional Planning	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science in Landscape Architecture	2+2

The Ohio State University

Appendix 3: Articulation agreements with Ohio State

The Ohio State University

Community college	community college degree/program	>	4-year university degree/program	Pathway Type [I:E: 2+2 or 3+1]
Columbus State Community College	Associate of Arts	>	Bachelor of Science in Business Administration	1+3
Columbus State Community College	Associate of Arts	>	Bachelor of Science in Business Administration	2+3
Columbus State Community College	Not Applicable	>	Associate of Arts/Child and Youth Studies	1+1
Columbus State Community College	Associate of Applied Arts/Early Childhood Development and Education	>	Bachelor of Science in Education/Child and Youth Studies	2+2
Columbus State Community College	Associate of Applied Science/Hospitality Management-Nutrition and Dietetics	>	Bachelor of Science in Nutrition/Didactic Program in Dietetics	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Science in Education/Physical Education, Sport, and Physical Activity-Physical Activity and Coaching Specialist	2+2
Columbus State Community College	Associate of Applied Science/Sports and Exercise Studies-Physical Education	>	Bachelor of Science in Education/Physical Education, Sport, and Physical Activity-Physical Education Teacher Education	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Science in Education/Technical Education and Training-Family and Consumer Sciences Education	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Science in Education/Technical Education and Training-Business Education Licensure	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science in Agriculture/Agriscience Education	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Science in Agriculture/Agricultural Education	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science in Agriculture/Agribusiness and Applied Economics	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Science in Agriculture/Community Leadership-Leadership	2+2

Appendix 3: Articulation agreements with Ohio State

The Ohio State University

Community college	community college degree/program	>	4-year university degree/program	Pathway Type [I:E: 2+2 or 3+1]
Columbus State Community College	Associate of Arts	>	Bachelor of Science in Agriculture/Community and Extension Education	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science in Agriculture/Entomology-Applied Pest Management	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science in Agriculture/Food Business Management	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science in Agriculture/Meat Science	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science in Agriculture/Plant Health Management	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science in Agriculture/Plant Pathology	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science in Agriculture/Sustainable Plant Systems-Agronomy	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science in Agriculture/Sustainable Plant Systems-Horticulture	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science in Agriculture/Sustainable Plant Systems-Turfgrass Science	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science in Pharmaceutical Sciences (Drug Discovery and Development)	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science in Pharmaceutical Sciences (Healthcare Professions)	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Arts in Public Affairs	2+2
Columbus State Community College	Associate of Science	>	Bachelor of Science in Public Health/Environmental Public Health	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Science in Public Health/Public Health Sociology	2+2
Columbus State Community College	Associate of Arts	>	Bachelor of Science in Social Work	2+2
Columbus State Community College	Associate of Applied Science/Social and Human Services	>	Bachelor of Science in Social Work	2+2
Columbus State Community College	Associate of Medical Laboratory Technology	>	Bachelor of Science in Health and Rehabilitation Sciences	2+2
Columbus State Community College	Associate of Applied Science/Dental Hygiene	>	Bachelor of Science in Dental Hygiene	2.5+2

The Ohio State University

Appendix 3: Articulation agreements with Ohio State

The Ohio State University

Community college	community college degree/program	>	4-year university degree/program	Pathway Type [I:E: 2+2 or 3+1]
Rhodes State College	Associate of Applied Science/Dental Hygiene	>	Bachelor of Science in Dental Hygiene	2+2
Central Ohio Technical College	Associate of Applied Science/Culinary Science Technology	>	Bachelor of Science in Agriculture/Culinary Science	2+2

MASTER RECOMMENDATION 2: FIVE-YEAR GOAL FOR INSTITUTIONAL EFFICIENCY SAVINGS AND NEW RESOURCE GENERATION

Ohio State established a five-year plan for the years FY16-FY20 to generate a total of at least \$400 million to be devoted to access, affordability and excellence. At least \$100 million of that total will be spent on student scholarships. Savings generated through the 2020 Vision plan are incremental to other cost-savings and resource-generation activities. The following chart aligns specifically with the 2020 Vision.

Note: Section IV of the university's response to the task force report demonstrates the full range of operational excellence, innovative funding and resource stewardship activities at Ohio State, including ongoing efforts that pre-dated the 2020 Vision.

Category	Recommendation	Component	Description	FY 2016	FY 2017	FY 2018 (Estimate)	FY 2019 (Estimate)	FY 2020 (Estimate)	Subtotal	Budget Narrative/Explanation of Efficiency Savings \$ (attach additional sheets if necessary)
Efficiency Savings	3A	Campus contracts	Require employees to use existing contracts for purchasing goods and services.	\$ 2,040,000	\$ -	TBD	\$ 2,960,000	\$ 5,000,000	\$ 10,000,000	Savings to date include negotiations for office supplies and copier/printer services that have been redeployed to student scholarships.
	3B	Collaborative contracts	Pursue new and/or strengthened joint purchasing agreements.							
	4B	Operations review	Conduct an assessment of non-academic operations that might be run more efficiently by a regional cooperative, private operator or other entity.							
	5A	Cost diagnostic	Identify key drivers of costs and revenue across the university.	\$ 26,758,000	\$ 30,000,000	\$ 30,000,000	\$ 50,000,000	\$ 53,242,000	\$ 150,000,000	The university has a comprehensive administrative efficiency program that includes recurring savings through a 5% reduction to administrative units, enhancement of shared services, employee benefits redesign and other factors.
	5C	Organizational structure	Review organizational structure in line with best practices to identify opportunities to streamline and reduce costs.							
			Subtotal Efficiency Savings	\$ 28,798,000	\$ 30,000,000	\$ 30,000,000	\$ 52,960,000	\$ 58,242,000	\$ 200,000,000	
New Resource Generation			Description							Budget Narrative/Explanation of New Resource Generation \$ (attach additional sheets if necessary)
	4A	Asset review	Conduct an assessment of non-core assets to determine their market value if sold, leased or otherwise repurposed.	\$ -	\$ -	\$ 1,090,000,000	TBD	TBD	\$ 1,090,000,000	The Comprehensive Energy Management Project was approved in FY17, and the partnership became effective in FY18.
	4C	Affinity partnerships and sponsorships	Upon determining assets and operations that are to be retained, evaluate opportunities for affinity relationships and sponsorships.	\$ 31,560,000	TBD	TBD	TBD	TBD	\$ 31,560,000	The INKE contract extension includes benefits for students through scholarships, internships, support for other programs and funding that the university has invested to support the University Institute for Teaching and Learning.
			Subtotal New Resource Generation	\$ 31,560,000	\$ -	\$ 1,090,000,000	TBD	TBD	\$ 1,121,560,000	
TOTAL OF COMBINED INSTITUTIONAL OPPORTUNITIES FOR ENHANCED STUDENT AFFORDABILITY				\$ 60,358,000	\$ 30,000,000	\$ 1,120,000,000	TBD	TBD	\$ 1,321,560,000	

SPECIFIC RE-DEPLOYMENT OF SAVINGS TO STUDENTS. Please use the area below to describe, in detail, how you plan to re-deploy the institutional resources that are saved and/or generated through the task force components outlined above to reduce costs for students.

See task force report

SIGNIFICANT CHANGE(S) IN 5-YEAR GOALS FROM FY16 SUBMISSION TO FY17 SUBMISSION: Please use the area below to describe, in detail, significant deviation in your institution's 5-year goals from the FY16 submission to the FY17 submission, if applicable.

The Ohio State University
Board of Trustees

November 3, 2017

**APPROVAL FOR ONE-TIME TRANSFER OF PRINCIPAL FROM
LONG-TERM OPERATING FUND TO ENTERPRISE PROJECT FUND**

Synopsis: Approval for one-time transfer of principal from the Long-Term Operating Fund to the Enterprise Project Fund, a current-use fund to be established to provide funding for the university's enterprise system implementation project, is proposed.

WHEREAS the Long-Term Operating Fund is a quasi-endowment fund established by the Board of Trustees in 2004 and revised in 2008 and 2011 for the purpose of increasing the support available to the university from the Long-Term Investment Pool by funding the university's investment income account as well as providing discretionary funds to be used according to the unanimous approval of the president, the provost, and the chief financial officer and senior vice president for business and finance; and

WHEREAS the university has begun a university-wide enterprise system implementation project; and

WHEREAS in order to provide funding toward the enterprise system implementation project, the office of business and finance has requested that \$100,000,000 of the principal of the Long-Term Operating Fund be transferred to the Enterprise Project Fund; and

WHEREAS the Enterprise Project Fund will be a current-use fund that will be established to provide funding for the university's enterprise system implementation project, with funds to be released only upon the approval of the provost and the chief financial officer and senior vice president for business and finance:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves the one-time transfer of \$100,000,000 from the principal of the Long-Term Operating Fund to the Enterprise Project Fund to provide funding for the university's enterprise system implementation project.

The Ohio State University
Board of Trustees

November 3, 2017

BACKGROUND

Enterprise Project Fund

The Enterprise Project Fund is a current-use fund established with funds transferred from the principal of the Long-Term Operating Fund, as approved by the Board of Trustees on November 3, 2017.

The fund's purpose is to provide funding for the university's enterprise system implementation project. Funds shall only be released from this fund with approval by the provost and the senior vice president for business and finance and chief financial officer.

The investment and management of and expenditures from all operating funds shall be in accordance with university policies and procedures, as approved by the Board of Trustees and amended from time to time.

The university reserves the right to modify the purposes of this fund, provided that such fund shall only be used for the university's charitable purposes. In seeking such modification, the university shall consult the president, provost, and senior vice president for business and finance and chief financial officer.

Amount Establishing Fund: \$100,000,000 (not gift money)

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The Ohio State University
Board of Trustees

November 3, 2017

**APPROVAL OF DISCOUNTED RATES FOR
SUMMER TERM TUITION AND MANDATORY FEES**

Synopsis: Approval of discounted rates for summer term tuition and mandatory fees, effective for summer term 2018, is proposed.

WHEREAS The Ohio State University is committed to access, affordability, and excellence for students; and

WHEREAS the university seeks to enhance opportunities for undergraduate students to reduce their time to degree by taking full advantage of academic offerings throughout the calendar year; and

WHEREAS the university has offered discounted rates for the COTA, Recreation, Student Activity, and Student Union fees on the Columbus campus for summer term since the conversion to semesters in 2012; and

WHEREAS the COTA fee is a pass-through fee and students enjoy the same access to Central Ohio Transit Authority services during the summer term as they do in autumn and spring semesters; and

WHEREAS the Ohio Task Force on Affordability and Efficiency in Higher Education recommended that colleges and universities consider opportunities to increase productivity during summer; and

WHEREAS the university implemented a new academic structure for summer term in 2016 to offer students more flexibility and variety as a first step in a process to enhance summer utilization; and

WHEREAS the university introduced a tuition discount program in summer term 2018 to provide an additional incentive for undergraduate students to make progress toward their degrees by taking advantage of summer course offerings:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves the following:

- That the summer term instructional fee, general fee, and non-resident surcharge for Columbus campus undergraduates be discounted 25% compared with fall and spring semesters, effective summer term 2018 (fiscal year 2019) and continuing in following years; and
- That the summer term Recreation, Student Activity, and Student Union fees for Columbus campus undergraduates continued be offered at the historical discounted rates and the COTA fee be offered at the full rate shown below, effective summer term 2018 (fiscal year 2019).

	Summer Rate
COTA	\$13.50
Recreation	\$82.00
Student Activity	\$25.00
Student Union	\$51.00

The Ohio State University
Board of Trustees

November 3, 2017

BACKGROUND

TOPIC: Discounted Rates for Summer Term Tuition and Mandatory Fees

CONTEXT:

The university has enhanced opportunities for students to take summer term courses and make progress toward their degrees.

The first step, enacted in summer term 2016, created a more flexible structure for summer that allows for a variety of 4-, 6-, 8-, and 12-week courses.

The second step, enacted in summer term 2017, discounted summer term tuition (instructional fees, general fees and non-resident surcharge) for Columbus campus undergraduates by 25% compared with fall and spring semesters to enhance the incentive for students to utilize the summer to make academic progress. The discount applied to all sessions of summer other than the first four-week session, for which a one-time 50% discount was available.

In the first year of the summer tuition discount, Columbus campus undergraduates saved \$2.4 million compared with the rates for fall and spring semester.

These action steps to transform summer align with Recommendation 7E of the Ohio Task Force on Affordability and Efficiency in Higher Education, which calls on colleges and universities to consider opportunities to increase productivity during the summer.

These steps also built on the discounted summer rates that the university has charged for the other Columbus campus mandatory fees - the COTA, Recreation, Student Activity, and Student Union fees - since the transition from quarters to semesters in 2012.

In the proposal for summer term 2018, the 25% tuition discount program would apply to all summer term sessions for Columbus campus undergraduates. The discounted summer rates for the Recreation, Student Activity, and Student Union fees would match the rates charged in summer term 2017. The COTA fee, which is a pass-through fee to the Central Ohio Transit Authority that provides students unlimited use of COTA services, would be charged at the same rate as in autumn and spring semesters to cover the full cost of the program.

Tables 1 and 2 of this document detail the rates proposed for summer term 2018.

Note: The one-time 50% discount for the first four-week session of summer term 2017, which was extended to all campuses and all students (undergraduate, graduate, and professional), has expired. Students were informed prior to summer term 2017 that the larger discount would be offered for only one year as part of a transition from a previous summer pricing model that provided up to three free credits in the first four-week summer session.

REQUESTED OF THE FINANCE COMMITTEE: Discounted rates for summer term tuition and mandatory fees

The Ohio State University
Board of Trustees

November 3, 2017

I. Background

The university's plan to transform summer term was designed to support these goals:

- Shorten students' time to degree
- Reduce cost for undergraduates
- Improve utilization of campus during the summer.

The new summer structure introduced in summer term 2016 (fiscal year 2017) offered students more flexible schedules including various course lengths and timing:

- 12-week term
- 4-week sessions
- 6-week sessions
- 8-week sessions

The discounted tuition initiative enacted in summer term 2017 (fiscal year 2018) was designed to encourage more Columbus campus undergraduate students to take advantage of summer courses.

This provided both an immediate benefit through discounted tuition and a long-term affordability benefit for students who use summer to reduce their time to degree.

To continue the tuition discount for summer term 2018 and beyond, and to reflect the summer rates for other mandatory fees for summer term 2018, a new summer discount resolution has been put forth.

The Recreation, Student Activity and Student Union would be offered at the same discounted rate as in summer term 2017. The COTA fee would be charged at the same rate as in fall and spring semesters to cover the full cost of the program. The COTA fee is a pass-through fee to the Central Ohio Transit Authority that provides students unlimited use of COTA services.

The Ohio State University
Board of Trustees

November 3, 2017

II. Implementation

For summer term 2018 (fiscal year 2019) and subsequent years, the summer term discount would reduce fall/spring tuition (instructional fee, general fee, and non-resident surcharge) by 25% for Columbus campus undergraduate students in all summer sessions. This program will apply to both the university's traditional tuition model and the rates set in the new Ohio State Tuition Guarantee.

Other mandatory fees (Recreation, Student Activity, and Student Union) will remain at the discounted summer rates implemented in previous years while the COTA fee moves to the full rate. This fee is a pass-through and provides students with unlimited use of Central Ohio Transit Authority services.

The summer term rates for the international surcharge is unchanged from the fall/spring rates, which range from \$498 to \$1,464 per semester based on students' start dates.

Table 1: Continuing Students

	Per semester rates, Fall 2017-Spring 2018	Summer Term 2018
Instructional Fee	\$4,584.00	\$3,438.00
General Fee	\$186.00	\$138.00
Student Activity Fee*	\$37.50	\$25.00
Recreation Fee**	\$123.00	\$82.00
COTA Fee *	\$13.50	\$13.50
Student Union Fee	\$74.40	\$51.00
Ohio resident tuition and mandatory fees	\$5,018.40	\$3,747.50
Non-resident surcharge	\$9,552.00	\$7,164.00
U.S. non-resident tuition and mandatory fees	\$14,570.40	10,911.50

Table 2: Ohio State Tuition Guarantee Students - Tuition and Mandatory Fee Rates

	Per semester rates, Fall 2017-Spring 2018	Summer Term 2018
Instructional Fee	\$4,858.80	\$3,644.10
General Fee	\$186.00	\$138.00
Student Activity Fee*	\$40.00	\$25.00
Recreation Fee**	\$123.00	\$82.00
COTA Fee *	\$13.50	\$13.50
Student Union Fee	\$74.40	\$51.00
Ohio resident tuition and mandatory fees	\$5,295.70	\$3,953.60
Non-resident surcharge	\$9,552.00	\$7,164.00
U.S. non-resident tuition and mandatory fees	\$14,847.70	\$11,117.60

* Student Activity and COTA fees are flat semester rates, and are not a per credit hour rate.

** Recreation fee is flat semester rate starting at four or more credit hours, and is not a per credit hour rate.

The Ohio State University
Board of Trustees

November 3, 2017

III. Impact on Students

The university estimated that the summer tuition discount would save undergraduates at least \$1.7 million per year by summer term 2018, based on 2016 enrollment. Students actually saved \$2.4 million in summer term 2017 based on changing enrollment patterns.

The Ohio State University
Board of Trustees

November 2, 2017

AUTHORIZATION FOR APPROVAL OF ATHLETIC PRICES AND FEES

Synopsis: Approval of football ticket prices for fiscal year 2019 and golf course membership dues and fees for calendar year 2018 at the recommended levels, is proposed.

WHEREAS The Ohio State University Department of Athletics has a long history of self-sustainability in supporting 36 world-class athletics programs and providing needed revenues back to the university for scholarships and academic programs; and

WHEREAS Ohio State desires to continue its variable ticket pricing methodology to create a range of pricing options for fans attending games; and

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

WHEREAS the Athletic Council has approved football ticket pricing and golf course membership dues and fees as 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 Board of Trustees hereby approves that the recommended prices for football tickets for fiscal year 2019 and for golf course membership dues and fees for calendar year 2018, be approved.

The Ohio State University
Board of Trustees

November 3, 2017

BACKGROUND

TOPICS: Football Ticket Prices
 Golf Course Membership and Daily Green Fees

CONTEXT:

The Ohio State University Department of Athletics continues to be one of only 13 self-sustaining athletic programs across the nation. Currently, the Department of Athletics funds more than 1,100 student-athletes in successful endeavors of academic achievement and athletics competitions, with a Graduation Success Rate of 89%. Yearly, the Department of Athletics contributes more than \$30 million back to the institution's academic mission. Funds generated from ticket sales are used to sustain the scholarships for over 625 student-athletes.

The Department of Athletics first introduced premier-game pricing in 2013, and beginning with the 2016 football season adopted a completely variable pricing model for all individual game tickets, while implementing percentage discounts for public season ticket purchasers and faculty & staff season ticket purchasers. These pricing strategies have been successful in regards to maintaining high demand for tickets, and in positive feedback received from fans regarding the variable pricing for games. The Athletic Council and university administrators recommend continuation of these pricing guidelines. Additionally, a golf course membership dues and daily green fees increase is necessary to meet increased costs and remain financially stable for fiscal year 2019.

RECOMMENDATION:

Football Tickets:

- Assign the individual game and season ticket pricing for the 2018 football season as indicated in the attached table.

Golf Course Membership Dues and Green Fees:

- For the 2018 calendar year (FY2019), increase the Alumni, Faculty/Staff and Affiliate membership dues by 2.5%, increase the OSU Student membership dues by 2.1%, and increase daily green fees by \$5 as indicated in the attached table.

CONSIDERATIONS:

Football Tickets:

- Variable ticket pricing is widely in use by other Big Ten institutions and various athletic programs across the country, provides better access and affordability for fans, and has been successful at Ohio State since first introduced for the 2013 season.
- Athletic Council utilizes a tiered pricing methodology as an administrative tool when establishing variable ticket pricing for individual games, with regular review of the structure and pricing methodologies.
- The current season ticket discounts of approximately 15% off the aggregate individual price for public, and approximately 20% off the aggregate individual price for faculty and staff, will remain.
- The current student ticket price of \$34 per game will not change, and will be maintained through at least the 2020 season.

The Ohio State University
Board of Trustees

November 3, 2017

Football Ticket Pricing - 2018 Season (FY2019)				
Opponent	Reserved	Box/Club	Faculty / Staff	Student
Oregon State	\$ 95	\$ 120		
Rutgers	\$ 80	\$ 105		
Tulane	\$ 67	\$ 92		
Indiana	\$ 86	\$ 111		
Minnesota	\$ 96	\$ 121		
Nebraska	\$ 180	\$ 205		
Michigan	\$ 195	\$ 220		
Season Ticket	\$ 681	\$ 831	\$ 640	\$ 238

Golf Course Membership Dues and Green Fees:

- The membership dues increase would be allocated for capital reserve/replacement and addressing deferred maintenance and the daily fees increase would be allocated as additional operating revenue.
- In a market comparison of daily fees and membership dues, the current rates are comparable to local courses for the quality and amenities provided and at the high end of the competitive market for the area.

Golf Course Membership Dues and Green Fees - 2018 Calendar Year (FY2019)					
Category / Affiliation	Annual Membership	Green Fees		Green Fees	
		Scarlet	Twilight	Gray	Twilight
Student	\$ 715	\$ 38	\$ 30	\$ 25	\$ 20
Faculty / Staff	\$ 2,522	\$ 65	\$ 35	\$ 41	\$ 25
With Spouse	\$ 4,097				
Full Family	\$ 4,885				
Alumni / Buckeye Club	\$ 3,150	\$ 80	\$ 40	\$ 49	\$ 30
With Spouse	\$ 4,725				
Full Family	\$ 5,513				
Young Professional (21-26yo)	\$ 2,047	\$ 80	\$ 40	\$ 49	\$ 30
Young Professional (27-32yo)	\$ 2,363	\$ 80	\$ 40	\$ 49	\$ 30

REQUESTED OF FINANCE COMMITTEE:

Approval

APPOINTMENT TO THE SELF-INSURANCE BOARD

Synopsis: Appointment of member to the Self-Insurance Board, is proposed.

WHEREAS the Board of Trustees directed that a Self-Insurance Board be established to oversee the university Self-Insurance Program; and

WHEREAS all members of the Self-Insurance Board are appointed by The Ohio State University Board of Trustees upon recommendation of the president; and

WHEREAS the resignation of E. Christopher Ellison, MD, was effective September 30, 2017 and created a vacancy:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves that the following individual be appointed as member of the Self-Insurance Board, in his role as interim president of Faculty Group Practice, effective December 01, 2017 for the term specified below:

L. Arick Forrest, MD, term ending June 30, 2019

BE IT FURTHER RESOLVED, That this appointment entitles member to any immunity, insurance, or indemnity protection to which officers and employees of the university are, or hereafter may become, entitled.

The Ohio State University
Board of Trustees

November 3, 2017

**APPROVAL OF THE MULTIYEAR DEBT
ISSUANCE PROGRAM ENDOWMENT FUND**

Synopsis: Approval of the Multiyear Debt Issuance Program Endowment Fund, is proposed.

WHEREAS the university has issued certain bonds under the multiyear debt issuance program supplement to the amended and restated trust indenture dated March 1, 2016; and

WHEREAS the university desires to invest operating funds of the university from time to time for long-term investment in order to meet its debt service obligations on certain bonds issued under the aforementioned multiyear debt issuance program supplement at their respective maturities or upon their earlier redemption; and

WHEREAS the university desires to establish a new endowment fund with such operating funds for payment of debt service as described above:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves the establishment of the Multiyear Debt Issuance Program Endowment Fund, as of November 3, 2017.

The Ohio State University
Board of Trustees

November 3, 2017

BACKGROUND

Multiyear Debt Issuance Program Endowment Fund

The Board of Trustees of The Ohio State University shall establish the Multiyear Debt Issuance Program Endowment Fund effective November 3, 2017 with a fund transfer of university operating funds.

The Fund shall be established for the purpose of payment of debt service on the Eligible Bonds. For this purpose, "Eligible Bonds" means General Receipts Bonds of the university, the interest on which is includable in gross income for purposes of federal income taxation, which are issued under the Multiyear Debt Issuance Program Supplement to Amended and Restated Trust Indenture dated March 1, 2016 (the "Multiyear Supplement").¹

The annual distribution, realized appreciation and principal, if needed, shall be used to redeem and retire Eligible Bonds at their respective maturities or upon their earlier redemption. In any given year in which the endowment distribution is not fully used for the payment of debt service on the Eligible Bonds, the unused distribution from this endowment shall be reinvested in the endowment principal.

Upon retirement of the Eligible Bonds, whether upon maturity or earlier redemption, or upon provision being made for the payment of debt service thereon in accordance with the terms of the Multiyear Supplement, any remaining balance in the Fund will be used at the discretion of the chief financial officer and senior vice president for business and finance (the "CFO") in consultation with the president of the University.

The investment and management of and expenditures from all endowed 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.

Should circumstances arise in the future that warrant a change in the use of this quasi-endowment fund, then another use shall be designated by the university's Board of Trustees in consultation with the CFO and president.

Amount Establishing Endowment: \$10,000,000

¹ As of the date hereof, Eligible Bonds consist of the federally taxable Series 2016 A Bonds of the University, outstanding in the aggregate principal amount of \$600 million, composed of \$350 million 3.798% Term Bonds due December 1, 2046 and \$250 million 4.048% Term Bonds due December 1, 2056. Other General Receipts Bonds of the University may become Eligible Bonds if issued at the times and in the amounts permitted under the Multiyear Supplement or similar document. It is not the intention of the University to establish a sinking fund relating to any obligations when to do so would adversely affect any favorable attributes provided by federal tax law with respect to such obligations, including, but not limited, the exclusion of interest from gross income.