

The Ohio State University
Board of Trustees

November 3, 2017

BOARD OF TRUSTEES MEETING SCHEDULE

WEDNESDAY, NOVEMBER 1, 2017

RICHARD M. ROSS HEART HOSPITAL
452 W. 10TH AVENUE

9:00-2:00pm **Wexner Medical Center Board Meeting** (Ross Auditorium)

THURSDAY, NOVEMBER 2, 2017

RECREATION AND PHYSICAL ACTIVITY CENTER (RPAC)
337 ANNIE AND JOHN GLENN AVENUE

8:00-9:45am **Master Planning and Facilities Committee Meeting** (Meeting Rooms 1-2, B255/B257)

8:00-9:45am **Talent and Compensation Committee Meeting** (Dave Griner Room, B247)

10:00-11:30am **Advancement Committee Meeting** (Meeting Rooms 1-2, B255/B257)

10:00-11:30am **Audit and Compliance Committee Meeting** (Dave Griner Room, B247)

11:30am-2:45pm **Lunch and Executive Session** (Room B145)

3:00-4:45pm **Academic Affairs and Student Life Committee Meeting** (Meeting Rooms 1-2, B255/B257)

3:00-4:45pm **Finance Committee Meeting** (Dave Griner Room, B247)

5:00-6:00pm **Student Reception** (Members Lounge Room, B245)

FRIDAY, NOVEMBER 3, 2017

LONGABERGER ALUMNI HOUSE
2200 OLENTANGY RIVER ROAD

8:30-9:45am **Governance Committee Meeting** (Mount Leadership Room)

10:00am **Board Meeting Reconvenes** (Sanders Grand Lounge)

AGENDA SUMMARY**WEDNESDAY, NOVEMBER 1, 2017 (ROSS HEART HOSPITAL)**

9:00am-2:00pm

Wexner Medical Center Board Meeting (Ross Auditorium)

Leslie H. Wexner, Janet B. Reid, W. G. Jurgensen, Cheryl L. Krueger, Abigail S. Wexner, David B. Fischer, Stephen D. Steinour, Robert H. Schottenstein, Alex Shumate (ex officio, voting), Michael V. Drake (ex officio, voting), Geoffrey S. Chatas (ex officio, voting), Bruce A. McPheron (ex officio, voting), K. Craig Kent (ex officio, non-voting), L. Arick Forrest (ex officio, non-voting), David P. McQuaid (ex officio, non-voting), Mark E. Larmore (ex officio, non-voting), Andrew M. Thomas (ex officio, non-voting), Elizabeth O. Seely (ex officio, non-voting), Susan D. Moffatt-Bruce (ex officio, non-voting), Mary A. Howard (ex officio, non-voting), Michael A. Caligiuri (ex officio, non-voting), Martha C. Taylor (ex officio, non-voting), Amanda N. Lucas (ex officio, non-voting)

Approval of August 23, 2017 Wexner Medical Center Board Meeting Minutes - Mr. Wexner
Team-Based Learning - Dr. Kent, Dr. Graham
College of Medicine Report (verbal) - Dr. Kent
Wexner Medical Center Report - Mr. McQuaid
Health System Financial Summary - Mr. Larmore
Authorizations Regarding Professional Services - Mr. Kasey
Clinical Quality Management, Patient Safety and Service Plan - Ms. Krueger, Dr. Gonsenhauser
Executive Session

THURSDAY, NOVEMBER 2, 2017 (RECREATION AND PHYSICAL ACTIVITY CENTER [RPAC])

8:00-9:45am

Master Planning and Facilities Committee Meeting (Meeting Rooms 1-2, B255/B257)

Alexander R. Fischer, James D. Klingbeil, Brent R. Porteus, Alan A. Stockmeister, H. Jordan Moseley, Robert H. Schottenstein, Alex Shumate (ex officio)

Physical Environment Scorecard - Mr. Kasey
Major Project Update - Ms. Readey
Capital Projects Annual Report: Fiscal Year 2017 - Ms. Readey
Advanced Materials Corridor: Phase 1 Design Review - Mr. Myers
Programing Studies Updates (verbal) - Mr. Myers
Authorizations Regarding Professional Services - Ms. Readey
Approval for Fiscal Year 2018 Utility System Capital Improvement Projects - Ms. Readey
Acceptance of Gift of Unimproved Real Property: 352 West Dodridge Street - Mr. Myers
Acceptance of Gift of Improved Real Property and Approval of Sale of Improved Real Property - Mr. Myers
Executive Session



THURSDAY, NOVEMBER 2, 2017 (RECREATION AND PHYSICAL ACTIVITY CENTER [RPAC])

- 8:00-9:45am **Talent and Compensation Committee Meeting** (Dave Griner Room, B247)
W. G. Jurgensen, Janet B. Reid, Michael J. Gasser, Erin P. Hoeflinger, Hiroyuki Fujita, John W. Zeiger, Lydia A. Lancaster, Alex Shumate (ex officio)
- Susan Basso Introductory/Remarks (verbal) - Ms. Basso*
Student Employment Overview - Ms. Basso, Mr. Fuzer, Dr. Adams-Gaston
Key Critical Searches (verbal) - Ms. Basso
Personnel Actions - Ms. Basso
Presidential Review and Compensation - Mr. Jurgensen
Approval of Presidential Goals - Mr. Jurgensen
Executive Session
- 10:00-11:30am **Advancement Committee Meeting** (Meeting Rooms 1-2, B255/B257)
Erin P. Hoeflinger, Alan VanderMolen, Clark C. Kellogg, Cheryl L. Krueger, Brent R. Porteus, Alexander R. Fischer, Abigail S. Wexner, Alan A. Stockmeister, Lydia A. Lancaster, Nancy J. Kramer, Craig S. Bahner, Barbara J. Tootle, Georganne M. Shockey, James F. Dietz, Gifford Weary, Alex Shumate (ex officio)
- Connect Engage Foster: The Ohio State Alumni Magazine - Ms. Shockey, Ms. Tootle*
Partnerships in Philanthropy (verbal) - Dr. Weary, Mr. Dietz
Mirror Lake Restoration - Ms. Keyes
Advancement Scorecard and Marketing Dashboard - Mr. Eicher and Ms. Nazon
University Foundation Report - Mr. Eicher
Naming of the Evan Turner Hallway - Mr. Bergfeld
Naming of Spaces in the Pre-Clinic - Mr. Bergfeld
Naming of Internal Spaces: William T. and Jane C. McConnell Residence Hall - Mr. Bergfeld
Naming of CTL Engineering Lab - Mr. Bergfeld
Executive Session
- 10:00-11:30am **Audit and Compliance Committee Meeting** (Dave Griner Room, B247)
Timothy P. Smucker, W. G. Jurgensen, Michael J. Gasser, Jeffrey Wadsworth, Hiroyuki Fujita, John W. Zeiger, H. Jordan Moseley, James D. Klingbeil, Lawrence A. Hilsheimer, Amy Chronis, Craig S. Morford, Alex Shumate (ex officio)
- Approval to Submit Audited Consolidated Financial Statements (Draft) to the Auditor of State - Ms. Devine, Ms. Dewire
External Audit Update - Ms. Dewire
Compliance and Integrity Program Update - Mr. Culley, Mr. Garrity-Rokous
Audit and Compliance Committee Scorecard - Mr. Culley, Mr. Garrity-Rokous
Executive Session
- 11:30am-2:45pm **Lunch and Executive Session** (Room B145)

THURSDAY, NOVEMBER 2, 2017 (RECREATION AND PHYSICAL ACTIVITY CENTER [RPAC])

- 3:00-4:45pm **Academic Affairs and Student Life Committee Meeting** (Meeting Rooms 1-2, B255/B257)
Clark C. Kellogg, Cheryl L. Krueger, Janet B. Reid, Timothy P. Smucker, Erin P. Hoeflinger, Abigail S. Wexner, Hiroyuki Fujita, Alan A. Stockmeister, H. Jordan Moseley, James D. Klingbeil, Richard K. Herrmann, Alex Shumate (ex officio)
- A Life in Motion: Advancing Student Success and Learning - Dr. Adams-Gaston, Dr. Stenta*
Student Success: Understanding the Data and Our Path Forward - Dr. McPheron, Mr. Granger, Ms. Hume
Digital Flagship Swift Coding - Dr. McPheron, Mr. Tressler
Faculty Personnel Actions - Dr. McPheron
Amendments to the *Rules of the University Faculty* - Dr. McPheron
Establishment of a Bachelor of Science in Biomedical Science Degree Program - Dr. McPheron
Approval to Change the Name of the Department of Plastic Surgery to the Department of Plastic and Reconstructive Surgery - Dr. McPheron
Executive Session
- 3:00-4:45pm **Finance Committee Meeting** (Dave Griner Room, B247)
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)
- Fiscal Year 2018 Interim Financial Report - Ms. Devine*
University Financial Scorecard - Ms. Devine
Regional Campus Update - Ms. Devine
Long-Term Investment Pool Update - Mr. Lane
Major Project Status Report - Ms. Readey
Authorizations Regarding Professional Services - Ms. Readey
Approval for Fiscal Year 2018 Utility System Capital Improvement Projects - Ms. Readey
Approval of 2017 Progress Report on Ohio Task Force on Affordability and Efficiency Recommendations - Mr. Chatas
Approval for One-Time Transfer of Principal from Long-Term Operating Fund to Enterprise Project Fund - Mr. Chatas
Approval of Discounted Rates for Summer Term Tuition and Mandatory Fees - Mr. Chatas
Authorization for Approval of Athletic Prices and Fees - Mr. Chatas
Appointment to the Self-Insurance Board - Mr. Chatas
Purchase of Real Property - Mr. Chatas
Approval of Multiyear Debt Issuance Program Endowment Fund - Mr. Papadakis
Executive Session
- 5:00-6:00pm **Student Reception** (Members Lounge Room, B245)



FRIDAY, NOVEMBER 3, 2017 (LONGABERGER ALUMNI HOUSE)

8:30-9:45am

Governance Committee Meeting (Mount Leadership Room)

Janet B. Reid, Timothy P. Smucker, Erin P. Hoeflinger, Hiroyuki Fujita, Lydia A. Lancaster, Alan VanderMolen, Alex Shumate (ex officio)

Student Trustee Selection Process (verbal) - Dr. Lancaster

Trustee Development (verbal) - Dr. Reid, Dr. Trower

Appointment of a Charter Trustee - Mr. Shumate

Amendments to the *Bylaws of The Ohio State University Wexner Medical Center Board* - Mr. Shumate

Ratification of the Appointment of Chair of the Wexner Medical Center Board - Mr. Shumate

Ratification of Committee Appointments - Mr. Shumate

Executive Session

10:00am

Board Meeting Reconvenes (Sanders Grand Lounge)

Student Recognition Awards - Mr. Moseley

- Kirk Forte - College of Veterinary Medicine

Transformational Experiences that Advance Student Success - Dr. Adams-Gaston

President's Report

Committee Reports

Consent Agenda

1. Resolutions in Memoriam
2. Appointment of a Charter Trustee
3. Amendments to the *Bylaws of The Ohio State University Wexner Medical Center Board*
4. Ratification of the Appointment of Chair of the Wexner Medical Center Board
5. Ratification of Committee Appointments 2017-2018
6. Personnel Actions
7. Presidential Review and Compensation
8. Approval of Presidential Goals
9. Faculty Personnel Actions
10. Amendments to the Rules of the University Faculty
11. Establishment of a Bachelor of Science in Biomedical Science Degree Program
12. Approval to Change the Name of the Department of Plastic Surgery to the Department of Plastic and Reconstructive Surgery
13. University Foundation Report
14. Naming of the Evan Turner Hallway
15. Naming of Spaces in the Pre-Clinic
16. Naming of Internal Spaces: William T. and Jane C. McConnell Residence Hall
17. Naming of CTL Engineering Lab
18. Authorizations Regarding Professional Services
19. Approval for Fiscal Year 2018 Utility System Capital Improvement Projects
20. Acceptance of Gift of Unimproved Real Property: 352 West Dodridge Street
21. Acceptance of Gift of Improved Real Property and Approval of Sale of Improved Real Property
22. Approval to Submit Audited Consolidated Financial Statements (Draft) to the Auditor of State
23. Approval of 2017 Progress Report on Ohio Task Force on Affordability and Efficiency Recommendations
24. Approval for One-Time Transfer of Principal from Long-Term Operating Fund to Enterprise Project Fund
25. Approval of Discounted Rates for Summer Term Tuition and Mandatory Fees
26. Authorization for Approval of Athletic Prices and Fees
27. Appointment to the Self-Insurance Board
28. Purchase of Real Property
29. Approval of Multiyear Debt Issuance Program Endowment Fund

WEXNER MEDICAL CENTER BOARD

Leslie H. Wexner
Janet B. Reid
W. G. Jurgensen
Cheryl L. Krueger
Abigail S. Wexner
David B. Fischer
Stephen D. Steinour
Robert H. Schottenstein
Alex Shumate (ex officio, voting)
Michael V. Drake (ex officio, voting)
Geoffrey S. Chatas (ex officio, voting)
Bruce A. McPheron (ex officio, voting)
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Michael A. Caligiuri (ex officio, non-voting)
Martha C. Taylor (ex officio, non-voting)
Amanda N. Lucas (ex officio, non-voting)

Location: Richard M. Ross Heart Hospital
Ross Heart Hospital Auditorium

Time: 9:00am-2:00pm

Public Session

- | | |
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| 1. Approval of August 23, 2017 Wexner Medical Center Board Meeting Minutes | 9:00-9:05am |
| 2. Team-Based Learning - Dr. Kent, Dr. Graham | 9:05-9:20am |
| 3. College of Medicine Report (verbal) - Dr. Kent | 9:20-9:30am |
| 4. Wexner Medical Center Report - Mr. McQuaid | 9:30-9:40am |
| 5. Health System Financial Summary - Mr. Larmore | 9:40-9:50am |
| 6. Authorizations Regarding Professional Services - Mr. Kasey | 9:50-9:55am |
| 7. Clinical Quality Management, Patient Safety and Service Plan - Ms. Krueger,
Dr. Gonsenhauser | 9:55-10:00am |

Executive Session

10:00am-2:00pm

August 23, 2017 meeting, Wexner Medical Center Board

Mr. Wexner called the meeting of the Wexner Medical Center Board to order on Wednesday, August 23, 2017, at 10:37am.

Present: Leslie H. Wexner, Alex Shumate, William G. Jurgensen, Cheryl L. Krueger, Abigail S. Wexner, Robert H. Schottenstein, Michael V. Drake, Geoffrey S. Chatas, Bruce A. McPheron, K. Craig Kent, E. Christopher Ellison, David P. McQuaid, Michael A. Caligiuri, Amanda N. Lucas, Elizabeth O. Seely and Marti C. Taylor. Dr. McPheron, Mr. Chatas, and Janet B. Reid were late and David B. Fischer and Stephen D. Steinour were absent.

Mr. Wexner:

Good morning. I would like to convene the meeting of the Wexner Medical Center Board.

Thank you. At this time, I move that the committee recess into executive session to consider business sensitive trade secrets required to be kept confidential by federal and state statutes, to discuss quality matters which are required to be kept confidential under Ohio law, to consult with legal counsel regarding pending or imminent litigation, and to discuss personnel matters regarding the employment, appointment and compensation of public officials.

Dr. Thompson:

May I have a motion?

Upon motion of Mr. Wexner, seconded by Mr. Shumate, the Wexner Medical Center Board members adopted the foregoing motion by unanimous roll call vote, cast of board members: Dr. Drake, Mr. Schottenstein, Mrs. Wexner, Ms. Krueger, Mr. Jurgensen, Mr. Shumate, and Mr. Wexner.

Dr. Thompson:

Motion carries.

Mr. Wexner:

We are going to reconvene. I am reminding myself to turn off my phone and you should turn off yours so we are not interrupted. The minutes of previous meeting has been circulated. I assume they can be approved, as distributed.

So, everybody has to talk fast. We begin with Pelotonia, Mark, welcome. Tell us about what happened.

Mr. Ulman:

Good to see everybody. Thank you for the opportunity to update you on what has been another record-breaking year for Pelotonia. Obviously, none of our success as a community and as a movement would be possible without many of you in this room. I want to acknowledge everybody here for their investment in the operations and their investment in riders, volunteers, and partnerships that make what we do possible. We are eternally grateful.

We just celebrated our ninth Pelotonia weekend and it was remarkable. Not the least of which had to do with the fact that we have had the best weather we have ever had. Seventy-five degrees and zero humidity for August in Columbus, Ohio is pretty special; we can't count on that going forward.

What I thought I'd do briefly is give you a quick overview. This year, our theme was *The Greatest Team Ever*. The idea was that it takes every single person who is involved in Pelotonia to make it work. Often times, you'll hear from people who say "I couldn't ride this year" or "I couldn't do this or that". The reality

August 23, 2017 meeting, Wexner Medical Center Board

is whether you volunteer, donate, a virtual rider, or rode, it all adds up to an enormous impact. I'm going to show you a quick video and this is the video that we showed on Friday night of Pelotonia weekend to about 16,000 people who gathered downtown to kick off the weekend.

(Video)

Hopefully, that gives you a sense of the community spirit, the engagement, and the teamwork that it takes to pull this off and to raise millions and millions of dollars for research here at Ohio State. We had a record-breaking year, as I mentioned earlier. We, for the first time, had more than 8,000 riders. We had never before crossed that threshold. We had more than 3,000 volunteers for the first time ever. Fundraising continues until October 7th. Since the slide was created, we are now at \$16.6 million. We will end up at over 150,000-160,000 donors from, as you have seen, more than 61 countries.

While we are proud that this is based here in Columbus, it really is growing way beyond. To be honest, a lot of that is a result of people in this room - whether it is team members from LBrands or other institutions who are participating. This year we had rides in Hong Kong and we had an indoor ride in Bangalore. You know, it is remarkable.

We are excited about the future. We also had a pretty special weekend where we had both former Vice President Joe Biden and his wife Dr. Jill Biden with us. They were amazed at what they saw when they were here. We have cancer survivor and Survivor TV show winner Ethan Zohn here to speak and ride. We also had 17 time Tour de France rider George Hincapie here to ride. We had an incredible athlete named Chris Waddell who joined us this year. He is a 14-time Paralympic Gold Medalist. He rode a hand cycle 180 miles, which is one of the more remarkable things I have ever seen. His wife rides with him. She blows by him on the uphill, then he flies by her on the downhill and then they catch up again and again. It was just a special weekend.

As you all know, very well, the results of the weekend really are not about fundraising and the participation numbers, they are really about impact. [It is about] what we are doing to translate that impact into new therapies and treatments that will ultimately save tons and tons of lives. We are really proud of Mike's team and the leadership that he has provided that allows this work to go forward.

While we can talk about any number of these, I want to highlight the last one, which I know you all are familiar with. I think it is inspiring to see the fact that a 50 plus hospital network has been created across the state where we can now invest funds raised by the community to have an impact on people who may or may not live in Columbus or who may or may not actually be treated here. [It is] where the research is done and then we're delivering care where they live and where they need to receive that care, which not only improves their outcomes but also improves their quality of life.

As we go out and recruit riders and donors, one of the things we hear all the time is "tell us more about the impact, tell us about the impact of these dollars". Moving forward, that is going to be our focus. This year we were focused on what we call 'surprise and delight'. You saw some of that in the video with the painting of barns. Thank you to the Wexner's for allowing us to paint that beautiful barn. We have actually had two families contact us since the ride who want to, at their own expense, paint their barns next year. We thought that might happen, which is great, and gives visibility across the state.

We also did other things along the route. We had video boards at the hardest point in the route this year that were playing scenes from Rocky. If you asked anybody about the ride, they will remember that moment. The speed of riding picked up dramatically at that spot. We are excited to continue to surprise and delight our participants next year. Next year is our 10th anniversary and we are already deep in planning for that.

I would just mention lastly that we will be beta testing a new app this fall, starting in October, that will allow anyone in the world, who is physically riding a bike for any purpose: commuting to work, riding with their kids to the park, to school, et cetera, to press start and stop on an app and generate money for cancer research. We are going to pilot it this fall and then launch it nationally and internationally in the

August 23, 2017 meeting, Wexner Medical Center Board

spring. Our goal is to get a couple hundred thousand people to each raise \$50-\$100 a year in micro donations that would ultimately add up to \$25 million or \$30 million, or \$40 million, or \$50 million per year. We are excited to launch that very soon, more to come on that.

Thank you for your incredible support and leadership that allows all this to be possible. With that, I'll conclude my remarks.

(See Attachment X for background information, page XX)

Mr. Wexner:

The result this year, what do you guess it will be?

Mr. Ulman:

That's a great question. I believe it will be \$25.5 million. It could be \$26 million, but roughly speaking.

Mr. Wexner:

So, would that beat...

Mr. Ulman:

Last year was \$24 million. I think it will be \$25.5 million.

Mr. Wexner:

What kind of target do you have for next year then?

Mr. Ulman:

Given that we are launching this app, we would like to see a significant increase - \$30 million plus. We are not satisfied...

Mrs. Wexner:

As a Pelotonia board member, I know I speak on behalf of the board and obviously the university, but more importantly on behalf of the community and all of us who live here, that we are truly blessed to have someone of Doug's caliber leading this organization. He is tireless in his efforts and sees the very big picture and is really galvanized an entire movement. We thank you and are appreciative.

Mr. Ulman:

Thank you very much.

Mrs. Wexner:

Oh, it's me again. Quick two second up on the strategic plan, is that where we are? Many of you know we have completed over a yearlong process in strategic planning for the medical center. We completed that in May and have spent the last three months having this plan tested with faculty, staff, and members of the community. We are very excited about it. We have an aspiration to take us to the top 20 academic medical centers in the country therefore, the world. That plan is very pivotal pillar of the university's strategic plan that will be discussed and reviewed more fully tomorrow. I am just sharing the excitement.

August 23, 2017 meeting, Wexner Medical Center Board

Ms. Marsh:

A big thank you to the patients and the students that also helped us produce it.

President Drake:

OK. We are on then to the College of Medicine report.

Dr. Kent:

Excellent. I think Doug's report on Pelotonia is a great segue into mine, because as he alluded, it is all about the research. I would like to begin my presentation today by featuring two of our researchers at Ohio State.

Many of you know that we, of course, are involved in great science here. Occasionally, science has the chance of being transformational and changing people's lives. There are two journals that, if you are a basic scientist, you would like to publish in - one is *[The American Journal of Science]* and *[the Journal of Nature]*. I think everybody in the room has heard of both of those journals. We were fortunate enough at Ohio State, over the last two months, to have an article in *[The American Journal of Science]* and another one in the *[Journal of Nature]* by two of our investigators.

I will start with Vadim Fedorov, who is part of our cardiology group and our physiology group, and is doing incredibly innovative research. If you look at that picture over on the left, you see a Petri dish that actually has a portion of a human heart. This is a human heart that's not pulsing appropriately. There is a dysrhythmia, the rhythm is not right. What he has found is that he can go in and find the cell that is producing this dysrhythmia, ablate it to make it go away, then channel the heart in a way that the new cell next door takes over and becomes a normal pacer. It takes over for the heart. You think of the clinical application of this. There are literally thousands of people that need pacemakers every year because their heart does not function well. Well, maybe there will be a day when those pacemakers go away because we can transform the patient's normal heart into something that works and functions well. In fact, to that end, the next phase of Dr. Fedorov's studies are in humans, where they are actually going to try to mimic something that is very similar to humans. That is one of our articles.

The next slide please. Chandan Sen, who is part of our Department of Surgery and is very interested and involved with regenerative medicine, has published a paper in *Nature Nanotechnology* and this is equally innovative. What he has over in the left, you can see a mouse that has poor circulation to the leg. He has created a microchip that has nanoparticles in it and the nanoparticles [contain] DNA (Deoxyribonucleic acid). He puts the chip on the leg of the mouse that does not have good circulation. The nanoparticles infiltrate the leg and go to fibroblasts, [which are the cells] just under the skin. The DNA transforms those smooth fibroblasts into cells that then create new blood vessels. The animals have chips, good blood vessel flow, good circulation to the legs and those that do not have the chips do not. This is transformational. We can think about improving circulation as one part of this technology, but it's really a way of delivering drug and transformational cellular regeneration to any part of the body, [for example] the brain. You can imagine the other uses of this. As you can imagine, this was a very notable paper and something that I think that makes OSU very proud.

We just happened to have Dr.'s Sen and Fedorov in the audience. I ask that they stand and be recognized. Thanks so much for coming.

I will use that as a segue to do a little more bragging about our research. It turns out this past year, our overall funding in the College of Medicine is up 20%, which is amazing considering the constraints on research funding now. NIH (National Institutes of Health) funding itself is up over 19% and the research funding around clinical trials is up around 38%; really a great accomplishment. The question is where did that come from? Much of it comes from faculty that have been a part of OSU for a number of years.

August 23, 2017 meeting, Wexner Medical Center Board

For those that are in research, a great accolade is to get your first NIH grant. I am proud to say that over the past year, we have had 20 investigators at OSU that have received their first RO1. If that's not enough to brag about, if you look at the NIH as a total, the average age of an individual that receives their first RO1 is 46 years old. It is amazing how you have to go that long before you receive your first federal grant. The average age of those 20 individuals that received their first RO1 at OSU is 37. We seem a little precocious, I am thinking. This is a very impressive accomplishment.

Update. Lang Li, my first department chair recruit arrived in July. Lang is a chair of Bioinformatics, one of our important departments. Lang brought along with him \$2.1 million worth of funding; seven grants from a number of different institutes. We found already in his first few weeks with us he is a very collaborative person. In fact, he has already partnered with [the College of] Arts and Sciences to recruit the next director of the Mathematical Science Institute. That seems odd, but that person is recruited and is now going to be part of the College of Medicine. What he has done was to create this relationship between mathematics and behavioral biology, which then translates into medicine. Congratulations to Lang in a very early success. We look forward to his career at OSU.

We have research recruitments underway in 16 different departments. I think many of you know from our previous conversations we have areas of focus that are developing. One of those is diabetes in metabolism, another Alzheimer's disease, and a third in opioid research. There will be many others but these are areas that we are highlighting.

We have been working on this idea around diabetes for a number of months now and I am happy to say we have a verbal commitment from our first recruit. This is an individual by the name of Doug Lewandowski. He is one of the world's experts on diabetes metabolism and brings with him four RO1's to our institution. He is extremely well funded. It was tough competition, there was Vanderbilt, Penn, Yale, and Ohio State, but he made the right decision, he is coming to Ohio State. We are excited about the beginning of that recruitment.

We are also initiating a search for a new chair of immunology and infectious disease. This is a department that has been very focused on infectious disease in the past and we are expanding it to immunology because we see that as a very important foundation for all of the disease processes. We look forward to seeing a number of great candidates over the next few years.

I am going to pause for a moment and highlight on the educational side that we had our White Coat Ceremony about two weeks ago. My first class at Ohio State, 207 bright bushy tailed and excited medical students, whose average GPA was 3.77. Their average MCAT score, which is the test to get into medical school, was in the 90th percentile. This is a very impressive class and we are excited to bring them into our College of Medicine.

I want to finish by highlighting a couple of individuals who are new to Ohio State. I am going to create an award and it is called the Award for Transformational Leadership. The first person that I would like to speak about is Mark Bechtel. He is a long-standing individual at Ohio State. About three years ago, [he] was recruited away to Penn State to be a leader in one of the programs. He missed being a Buckeye and we recruited him back to be chief of dermatology within the Department of Internal Medicine. Mark has been back here at Ohio State for three months. He has taken a department that had six clinical faculty and in three months has recruited five additional faculty; unbelievable. And, from really fantastic places including UCSF (University of California, San Francisco).

In addition to that, he has recruited two researchers that are doing transformational work in psoriasis and cutaneous malignancy. If that wasn't enough, he created this telemedicine program, which is so important now so that a family physician that has a patient with a dermatologic problem doesn't have to send a patient to a dermatologist but [can] take a picture and send it in by telemedicine and then the diagnosis is made. If that is what he can do in three months, I think in a few years, it is going to be impressive. Accolades to Mark. I asked him to come in and join us today and he said, "No, I got clinic today and I'm double booked and I can't come". I guess you got some insight into his personality.

August 23, 2017 meeting, Wexner Medical Center Board

The second program that I wanted to highlight is our lung transplant program. Brian Whitson leads that under Ken Washburn's leadership. I will acknowledge to begin with, it is not just Brian. A lung transplant is a large team of people from a lot of different disciplines. It turns out in 2013 we did four lung transplants at this institution, which is just beginning. It turns out, annualized in 2017 we'll do 41 lung transplants. Why the growth? It is all about innovation. There is a new technique called lung perfusion, where you can take a lung that really is not quite good enough for transplant and perfuse it and then you put this magic formula in the perfusion, the lung gets better, and then all of a sudden it is ok to be transplanted. Twenty-six of the lungs that he has done over the last year have been available because of this perfusion technique. The significance of that is interesting. Those 26 lungs could not have been used without this technique and there would be 26 people who did not have the ability to live because of lung transplantation. We are clearly one of the national leaders in this area and our program is growing dramatically. Again, congratulations to Brian and all he has done. I asked Brian to join us, he was here about 20 minutes ago, but guess what, he has a lung transplant that he needed to get back to.

(See Attachment X for background information, page XX)

Onward to our guests. We have two individuals that are going to be with us today. The first who is going to present is Tim Pawlik, the chairman in our Department of Surgery. Tim was recruited here about a year ago. Just a little bit about his pedigree, which is more than impressive, he was a graduate of Georgetown University, went to Tufts Medical School, did his surgery at University of Michigan, and then was a surgeon fellow at MD Anderson. After that, he joined the faculty at Johns Hopkins University where he rose to the rank of professor of surgery and then chief of the Division of Surgical Oncology. Tim has this thing about degrees. In addition to all of the others I have mentioned, he has a Masters in Theology at the Harvard Divinity School and his PhD at John's Hopkins in public health. I think he is well trained.

Tim is incredibly accomplished and very well known in the world of surgery. He has over 450 manuscripts. That is a little young for that many manuscripts. I have never seen an individual so prolific. Leadership roles at many of our important surgical organizations. His area of interest is Pancreatic and Liver Cancer. He is a superb surgeon and investigator in those areas. If I were going to use a few words to describe Tim, I would say innovative, energetic, smart, and an academic leader. Thank you Tim for joining us. Please welcome our Chair of Surgery, Tim Pawlik.

Dr. Pawlik:

From my mother and I thank you for that introduction.

Dr. Kent:

I consulted her.

Dr. Pawlik:

I am thrilled to be here today, to share with you a little bit about what has been going on in the Department of Surgery over the last year and give you a view into the vision and the future of the Department of Surgery here at the Wexner Medical Center at Ohio State University.

To give you some context, the Department of Surgery is made up of nine divisions that you see here: Cardiac, Colorectal, Transplant, and Surgical Oncology, [et cetera]. I think we have three missions. One is clinical program building and delivery of great care to our patients, one is education, and one is research. I am going to touch on those themes during this brief presentation.

The Department of Surgery is a wonderful department of surgery. It is rich in history. We have Dr. Ellison here and Dr. Zollinger, who was the longest standing chair in the Department of Surgery and a true icon and legend in American Surgery and International Surgery. We had the first female chair of surgery here at The Ohio State University. This is a place that is steeped in history.

August 23, 2017 meeting, Wexner Medical Center Board

Like any Department of Surgery, we have our challenges. We have to continue to grow our programs of distinction when it comes to clinical care. We have to continue to retain and recruit the best faculty so we can complete our missions in education and research and continuing to have innovative care in the clinical arena.

I was pretty happy where I was, but I specifically decided to come to Ohio State because I think Ohio State, and I really believe this, I think people have heard me talk, I think it is an amazing place, now and it is poised to do even greater things. I looked at the Department of Surgery and saw the Wexner Medical Center, an enormous clinical machine, 1,300 beds, a lot of great healthcare delivery. I saw great surgeons who were delivering great care who had amazing quality scores, who were hitting it out of the ballpark. I saw a program that had a large clinical mission, a large residency program, and many fellows training next generation of surgeons. I saw amazing research being done by people like Chandan Sen, and then I saw the university. We see here this road; I specifically picked this picture, this road that opens up into the whole university to leverage all of those resources for the medical center and the Department of Surgery. I think Columbus is a special town also. I think it is a great place to live for me and my four children.

I came here not to implement my vision, but really to build the shared vision with all of you and the members in my department. To do this, I think that we are really going to need talent. At the end of the day, it is all about the people - it is all about people and it is all about relationships. When I look around Ohio State and I look around at the Department of Surgery, we have some amazing people, we have some real all-stars. At the same time, I think that we need to build our bench, we need more depth. We need more depth throughout the entire department and I would argue the entire institution because I think ultimately, it is going to be talent that allows us to accomplish our tripartite mission of teaching, clinical excellence, and education.

What has occurred over the last year and what are we kind of looking for in the future? We are into clinical program building, with some minor tweaks here and there. We have had good growth over the last year. We have had a 5% growth in surgical cases across the board. We have had a growth in our work RVU's (relative value units), the metric by which we assess a surgeon's productivity and we have also increased our charges and our revenue in the department; I think a real success. That being said, I think we need to be more strategic going forward.

With the help of Craig, we've put together specific teams. We have identified four to six different areas that we want to focus on and that will bring together all of the different talent, if you will, from the medical center; people from data analytics, people from outreach, people from marketing, a surgical lead, and administrative health; to come up with a specific plan. I met with the teams yesterday and we have viewed the visual strategy maps that we are building so we can very concretely map out the way forward with regards to specific tactics and specific timelines about how we were going to grow these clinical programs. That is underway and I feel very good that we are going to be able to accomplish that in the time going forward.

We have also identified some innovative programs that we are working on. One is the Robotic Whipple. The Whipple, as some of you may know, is one of the most complex general surgery operations where we remove a third of the pancreas, part of the stomach, part of the biliary tree, and part of the intestines. It is a fairly complex operation that can be associated with some morbidity and a long length of stay. We want to do this in a minimally invasive way using a robot. This has been done at other academic medical centers, we need to be doing it here at the Wexner Medical Center, and we are doing that. Our first Robotic Whipple is booked for October 31. I hope its ok, it is Halloween, and I think it is going to go fine. We are moving at this innovative space, which I think will allow us to further differentiate ourselves as market leaders in pancreas and liver surgery.

Some other exciting things that we are doing clinically is our ECMO (Extracorporeal Membrane Oxygenation) program. This is a program by which we can basically circulate blood outside of the body. Our surgeons and cardiac surgery have been working with the Columbus Division of Fire. It is for those individuals who have a cardiac arrest, or if their heart stops out on 12th Avenue and you have tried CPR

August 23, 2017 meeting, Wexner Medical Center Board

(cardiopulmonary resuscitation) but they are not coming back. We can crash them onto a machine that will basically take the blood out of their body, act as a pump outside of their body, and then put their blood back in and keep them alive even if their heart isn't pumping to give them time to get to the medical center and allow their heart to recover. This is really moving technology out of the hospital and into the field to allow people to live long enough to get here to the Wexner Medical Center.

I think in addition to building innovative programs, we need to work on outreach. I am a huge fan of physician-to-physician communication. In the Department of Surgery this year, with a lot of help from our marketing team, we have put together a mobile app. I challenged all of our surgeons in the department to provide their personal email addresses and their personal phone numbers. This app is now being sent out to all of our referring doctors. On their phone, they can open this app, query by doctor name or by specialty and then see Tim Pawlik, have my cell phone number, click my cell phone number and get me directly. We want to make sure that we open the doors to any referring physician that they can contact us directly and we can get their patients into the medical center.

How about research? I think that we are doing pretty well in the Department of Surgery. We are ranked 15th overall in the country amongst Departments of Surgery. There are about 140 departments of surgery in the country and we are ranked 15th. We are not happy with that. We want to be top 10 and I think that we are going to get there.

We have had a lot of productivity in the department, over 300 papers published, and we are doing very well with regards to grant funding. In research, we are focused on basic science research. This is Jianjie Ma who's been doing some work with regards to a specific gene that acts as a molecular Band-Aid, if you will. When there is injury, like injury to the heart after a heart attack, they can give this molecule to help repair the heart. Just before this meeting, I heard from Jianjie that it was awarded another RO1 for five years of funding to continue this research.

We are also interested in translational research. You heard our dean talk about the work that Dr. Whitson and his team is doing with regards to rejuvenating and recuperating the lungs that are marginal so that we can deliver them to our patients.

We are also interested in health services research. This is some work done by Dr. Santry, a person I recruited, whose RO1 funded, to look at the quality access of general surgery in the country. As we know, much of surgery is not done at major medical centers, but is done in rural settings. The federal government has a big interest with regards to how access of care occurs outside of urban centers and Dr. Santry has been doing some important seminal work in this area.

Education. We have had some initiatives this year that we have embarked upon. One is a global surgery program. I think if we are going to be players and attract the best of the best residents to Ohio State, global surgery is something people are very interested in. We have launched two programs and one is in a high-income country. We are going to be sending a resident this year to Sydney, Australia to work there and she will be operating there. We are also sending a resident to a low-income country, Ethiopia. We have opportunities for our residents to experience the delivery of surgical care in both high-income and low-income countries.

We have also started a program for medical students called CUPID (cancer in the under-privileged indigent or disadvantaged). This is directed for underprivileged medical students. It pairs the medical students with a mentor to give them a research opportunity in a lab, a formal didactic program, and then the program is culminated in a visit to Washington D.C. where they go to Capitol Hill and work with the CUPID program to lobby for cancer care for underprivileged individuals in the United States. We did very well this year with regards to our surgical match, out of the six individuals that we matched, four were AOA (American Osteopathic Association), which means they were in the top 15% of their medical school class and two were from top 10 medical schools in the country.

I think faculty development is also very important. We talked about talent; it is all about recruiting and retaining talent. This year, we had a number of great recruits. We recruited Dr. Williams from Cleveland

August 23, 2017 meeting, Wexner Medical Center Board

Clinic, Dr. Cloyd and Dr. Kneuert from MD Anderson and from Memorial Sloan-Kettering respectively. As I have mentioned, we also recruited Dr. Santry, who is also RO1 funded and Dr. Sutherland and Dr. Bittner who are nationally known in their specialties of trauma and mentally invasive surgery respectively.

I was a little bit nervous about putting that Michigan thing up there, but the other thing that we started this year to create more opportunities. I engaged with my colleagues, my fellow chairs, at these institutions to create an exchange program. Many times, junior faculty do not have an opportunity to go to another institution to be a visiting professor because they are too young, their CV (curriculum vitae) isn't as thick yet. What we decided is to do is an exchange, a Big Ten exchange. We're going to send an assistant professor to Michigan, they're going to send one to us and then we're going to send an Associate's professor to Northwestern, they're going to send one back to us. I think that will be a great opportunity.

The other thing that we did was we set up a specific K-Award program. This is a career development award for young people who are trying to apply for NIH funding. I am happy to say that this year, we will have two people reapply for their K-Award. We will have one person apply for a new career development award, and we are going to have one individual apply for an RO1 award. When a department that when I entered had no young surgeons and scientists who were funded, within the next year, I think, we are going to have four or five.

The other thing that I am trying to do through philanthropy is start an emerging surgeon, scientist, scholar professorship. This is something that I think is a relatively unique idea. Most professorships go to older people who are rewarded for a great long career. This is an idea to endow professorship to an assistant professor that they will hold for three years allowing them the opportunity to get their career launched. Then, the professorship would be paid forward to a new person after three years. This way we can recruit the very best from across the country and provide them resources that they need to launch their career.

The other thing that I think is important is, like I said, all about relationships. Last year and then this year, we have a big party at my house. I had 180 people in my backyard two weekends ago. I think showing faculty that we value them, not only as professionals and as surgeons but as people, is something that I feel very passionate about.

I will conclude. As the Urban Meyer professor, I must conclude showing Urban Meyer's book. I like this. I have this whole idea that "I don't do 'very good' well". I come here to be very good. We want to be exceptional and I firmly believe that we will have a top 10 surgical program within five years with the vision that we are building and with the support that I have from Mr. McQuaid and Dean Kent. Let there be no doubt about it that is our goal. As I have mentioned, I think the department of surgery is very, very rich in history, has a solid foundation, and we have a very bright future. I am excited to be here. It has only been a year and feels like we have accomplished a lot in a year. It has really been wonderful.

With that, I will conclude and I appreciate the opportunity to address all of you today.

(See Attachment X for background information, page XX)

Dr. Kent:

That was outstanding and expected. It is hard to believe that you have only been here a year, impressive. Any questions for Tim?

Dr. Pawlik:

Everyone has been supportive already. Again, it comes back to the talent in the recruitment. One thing that I'm focusing on is philanthropy and development because I think one thing that gives us a competitive edge is the more endowed professorships and chairs that we have, will make us that much more competitive to recruit the superstars and to retain the superstars. In an era where NIH funding is so tight, we need to find other revenue streams to support our people other than clinical revenue. I think these endowed professorships are extremely important to do that.

August 23, 2017 meeting, Wexner Medical Center Board

Dr. Kent:

Excellent. Thank you Tim, that was fantastic, I really appreciate it.

Our next presentation takes a little bit of a different approach. If we are going to be successful at the academic medical center, I mentioned earlier, it is all about the teams, right. It is not just the physicians but it is the nurses, the physical therapists, the social workers, and everybody that works together as a team. One of the things that I have discovered in my year at Ohio State is that we have extraordinary teams here and extraordinary people. To tell you a story that I think you will enjoy, we have asked Larry Jones to join us. Larry is the director of our burn unit. It turns out that our burn unit at Ohio State is the largest in the state of Ohio. It is sort of a tertiary referral center where we do all of this innovative work. Larry has been for the last 35 years an academic leader in trauma and burn and six years ago, he joined the Ohio State team. Larry, thank you for joining us.

Dr. Jones:

As Dr. Kent mentioned, Ohio State houses the only burn center in central Ohio that is verified by the American College of Surgeons and the American Burn Association as meeting their very stringent criteria for what a burn center should be. That verification is based on our clinical care and our quality of improvement program, and it is judged by national leaders outside of Ohio.

Right now, we are treating about 1,100 patients a year. Most of those are outpatients; we have shifted from major inpatient to outpatient. Many of our faculty members are instructors in what is called the Advanced Burn Life Support Course, which is sponsored by the American Burn Association, and focuses on the initial resuscitation and management of severe burns. Several of our faculty have served as national faculty for that program.

We are recognized in the burn world as a leader and the use of colloid for resuscitation from burn shock. We are also on the cutting edge using lasers for remodeling of burn scars, and are known for our unique approach to the management of frostbite injuries.

We recently had a very difficult case and many of you have heard of the case over the news last year or so. This was a young lady who suffered a horrific injury. She suffered very deep burns covering a majority of her body including her entire face, head, and neck as you saw. She was an inpatient at University Hospital for over a year and then went on to other area care facilities. We were shocked when we heard earlier this month that she had died.

But, good things came from her case. One of the good things that came was that state legislature passed what has become known as Judy's Law, which prescribes very severe penalties for perpetrators of domestic, partner, and spousal abuse. Another good thing that came from this experience was that the nursing staff on '9 West Doan', which houses the burn center, was awarded the DAISY Team award by the Barnes Foundation and Thomas Jefferson University Hospital. It is a national award, one is given a year. That award is designed to honor collaboration by two or more people, led by a nurse who identifies and meets patient and family needs by going above and beyond the traditional role of nursing.

Some of the examples of this particular case were making sure that Judy had some of her favorite foods (the chili cheese fries were notorious up there), seeing that she had hair coverings, lip balm, and bracelets. When nurses and staff had the time, they would actually sit with her and watch movies and just talk and provide her with caring human contact, which is so vital to healing.

Not to make light of that award, but I want all of you to understand that going above and beyond traditional nursing happens in our burn unit every day. The nurses on '9 West Doan' and in the surgical intensive care unit are richly deserving of this award. They are also deserving of our thanks for the tremendous work that they do and for being the caring and compassionate people that they are. I have often said that standing shoulder to shoulder with every good doctor is an even greater nurse, and I have brought two of them with me today. Tova Wiesenthal is the Nurse Manager of '9 West Doan' that houses the burn unit.

August 23, 2017 meeting, Wexner Medical Center Board

and Cheryl Newton is a clinical nurse specialist from the Surgical Intensive Care Unit. Thanks to both of you.

(See Attachment X for background information, page XX)

Dr. Kent:

Thank you Larry. That was wonderful and I think exemplary of the quality of care that we provide at Ohio State. Thank you for your time.

President Drake:

Maybe just a quick comment. I will speak fast because I know our time here is short. I have a chance to visit the hospital every few weeks. It tends to be when there is a bad news circumstance or when one of our students has been injured by someone else. Many of you I see on the awards and different times doing this work that I as I mentioned to the board is going on as we speak here today, 24/7. One of the things that you know and my colleagues, the dean, and others know is we love the successful outcomes that we produce. We often, and I remember this so much from my career, form the tightest relationships with patients with whom we do not share successful outcomes. We get to the point of human care and doing our best in circumstances that we cannot come to a miracle or a good or great finish, but what we can do is to be there with that person and do all that we can to help him or her move forward. Something that gives me chills, as I speak, is thinking about patients that I knew over the years, who didn't do so well and how grateful their families were to the effort that we put forward; how much it meant to have the privilege of being able to work with people when they are at their weakest and most vulnerable, and to bond with them to try to help with them move forward. I want to make sure for all of your colleagues, that you know how much we appreciate that this work goes on every day, it makes a real difference, and it really moves us. Thank you.

Dr. Kent:

Thank you Dr. Drake. One last notation in my report, bittersweet. I want to announce that this young gentleman next to me, Chris Ellison, is up for retirement, is that right? We all know Chris, faculty member, then division chief, then chair of the Department of Surgery, then leading our practice plan, and then dean. His contributions to this organization over the past 30 years have been more than extraordinary.

It was interesting, we talked about Ken Washburn and the transplant program and Bryan Whitson, and Tim Pawlik; Chris recruited all of them. In some ways, he is responsible for much of the great news that we have heard about today. I would love to recognize Chris for all that he is done and we appreciate him coming back quickly as an emeritus professor. Thank you.

Dr. Ellison:

Thank you.

Dr. Kent:

That concludes my report.

Dr. McPherson:

If I could just lean in quickly, Chris you were going to say something?

Dr. Ellison:

Yes. I would like to take this opportunity to thank the university for the privilege and honor of serving this organization, the medical center, Department of Surgery, and the College of Medicine. I hope that my

August 23, 2017 meeting, Wexner Medical Center Board

efforts have made a difference for the institution. I am grateful that we have been able to work together to recruit some great people in surgery and in other departments. I am delighted that Dr. Kent is here taking charge of the College of Medicine. He is a fabulous leader, dean, scientist, and person. Mr. Wexner, President Drake, thank you very much.

Dr. McPherson:

Just very quickly. I work with all 19 of the deans in my role as provost. We have heard some incredible stories here today. Craig, thanks for bringing those folks forward and Chris thanks for your role in helping to recruit.

The fact of the matter is that I think this illustrates the sky is the limit for this place. Most of us who are in this room are here because of the potential for the future and Craig, we've asked you to do some heavy lifting here in your first year as dean. It is not often that you would bring in a leader and say well create a strategic plan and oh by the way, create a new compensation plan and, all of the other things we have asked you to do. I wanted to say in front of the board and your colleagues how much I have appreciated the way you have stepped in to learn your leadership role and change your style in some cases. It has been a real learning experience for all of us as we work closely together. As I have talked to the chairs around the College of Medicine, they are really appreciating the work that you are doing. That sky is within reach I think.

Mr. Wexner:

Conveniently true.

President Drake:

Absolutely. Incredible work and a real important performance across the board. We have said several times, when we were talking of the quality of the report that we were having at the College of Medicine the way things were going and those things don't happen by accident. Dean Kent is about to celebrate his first anniversary. A year of incredible progress with us, we are grateful and excited about the future Craig, thank you and congratulations.

We are able to go onto Wexner Medical Center report, Mr. McQuaid, go ahead.

Mr. McQuaid:

Ok, I have a couple of announcements. The fiscal 2017 scorecard is in your packet. I am going to reserve time because Mark Larmore, our chief financial officer, is going to give the financial report and Dr. Susan Moffatt-Bruce will talk about quality so I will tend them to that. I wanted a couple announcements because of the time.

I want to give kudos to community health day that was held June 24. This was just an outstanding day held on the east campus with 1,400 screenings performed, 401 people were screened, and 42 exhibitors. That was 100% increase in the number of screenings and a 65% increase in the attendees. It takes so many people to pull that off and I am really proud of the entire team of people that came together: the representation from the university, the different colleges, and others. Next year is going to be even bigger and better.

I want to acknowledge that Dr. Quinn Capers, one of our interventional cardiologists, won the [Columbus] Business First Diversity in Business, Outstanding Diversity Champion Award, which recognizes individuals within the community who show outstanding initiative to promote diversity and inclusion either in their organization or community, making a positive difference in other's lives through contributions to social justice, equality, and diversity. Kudos to Dr. Capers for his achievement.

August 23, 2017 meeting, Wexner Medical Center Board

We had a great meeting, roundtable discussion, coordinated by Jen Carlson in Government Affairs and her team of people, Andy Thomas and others, and Dr. Caligiuri to host Congressman Tiberi in a Medicare roundtable discussion on August 17. I will tell you that the engagement and feedback from that roundtable event, focusing on cutting red tape, focusing on administrative burden, and putting more attention on patients what he could hear from leaders, clinicians at Ohio State to lessen that burden so that we can spend more time with patients. Also, during that event, Dr.'s Drake and Caligiuri presented the congressman with the 2017 Congressional Champion Award from the Alliance of Dedicated Cancer Centers for his support of medical centers that are dedicated to fighting cancer. That was a big deal and Congressman Tiberi is a great friend of Ohio State. It was a great honor to have him here and have our faculty and staff engage with him.

Finally, what I want to say are three things quickly. The Castle Connolly Top [Doctors] were announced in June. We, at Ohio State, have 198 of our physicians whose names are featured in the August Columbus Monthly [Magazine], take a look at that. I am proud of all the work that the development team is doing, particularly around WexMed [Live] talks. You know that these are engaging presentations that were put together of medical discoveries made by our physicians and scientists. The next one is in Cleveland on September 7. It is going to be held at the Rock and Roll Hall of Fame at 6:30pm. We have [many] people already RSVP'ing to that, about 150 or 160 or so. They expect probably 250 to be there.

Finally, I received this yesterday and I want to call attention to give credit to Mark Larmore and Hal Mueller in our supply chain area. Mark, Hal, and the entire team of people received an award from Vizient. This was the Supply Chain Management Excellence Award from Vizient for the work that they had done in the past 12-18 months that improved the physical movement of supplies, lowered the cost of those, and increased internal customer satisfaction. The work that Mark, Hal, and the entire team have been doing are making a difference and Vizient has recognized the Wexner Medical Center once again.

That concludes my report.

President Drake:

Thank you very much. I appreciate the incredible work that you have done with us this last year and a half, a great report to have. We are moving, I know we are way behind, quickly on to the Financial Report, Mr. Larmore. The Vizient award winner, Mr. Larmore.

Mr. Larmore:

Thanks. I am just going to talk to two of the slides. The first one being the health system, which is the hospital's profit/loss statement. This is for the year ending June 30, 2017. [It was] a very successful year for the health system. You can see in the middle of the page that we ended the year with a bottom line of just about \$238 million, which was \$33 million better than we budgeted and \$50 million increase year over year.

The statistics on the bottom that are adjusted to mission, which is just a factor of both admissions and ambulatory volume, grew by 6%, which is larger growth than we have seen in the past. A focus this year was to make sure that we were growing our revenue faster than our expenses to see marginal improvement. Our revenue grew 1.9% and our expense grew 1.6% year over year. It was a fabulous year from the health system standpoint.

On page four, we incorporate the College of Medicine and the Practice Plan into the financials, which is presented as the medical center. You can see both of those two enterprises had successful years. The total bottom line, \$302 million, which was \$89 million better than budget and \$67 million better than the prior year. That margin of 8.8%, which last year we were at 7.7%, a good improvement year over year. Part of that was a good financial return on the market, probably about 0.7% of that. The rest is an improvement in the operations.

August 23, 2017 meeting, Wexner Medical Center Board

In the middle of the statistics is the physician encounters. These are at the practice locations. It is a huge number, almost 2.7 million encounters, which is an 8.8% growth year over year. This is a great growth. I think Dr. Kent reported earlier on the success we have had with recruiting physicians here and we see that in the physician visit volume. There is more detail in the deck and I can take questions on those, if anyone has any.

(See Attachment X for background information, page XX)

President Drake:

Are there any questions? This the strongest financial report that we have ever had and our best year ever. It is not something to look at lightly. We had an incredibly aggressive budget last year. We talked in this room about what a stretch that would be and then through the hard work of the people here. You, David, and Craig in particular wanted to focus on hard work. Throughout this time, we actually exceeded our goals significantly. We do acknowledge that is work every day.

We're going quickly so we'll save applause till the end. If there are no more comments, we move to quality. Susan?

Dr. Moffat-Bruce:

Yes, thank you. Laura if you could bring up the presentation, I just have two slides. This is the slide that I want to show you first and foremost.

Over the past six years of the federal government, CMS (Centers for Medicare and Medicaid Services), has put at risk millions of dollars initially starting with \$2 million, now up to \$6 million, around quality. We get reimbursed based on our outcomes. Over those six years, we have been able to not only improve our quality, but also our patient experience and reduce our readmission rate. Finally, this year, we are actually getting money back relative to our performance. While there are over \$6 million at risk, we were in the positive this year based on our outcomes. You can see here the trajectory has been positive over the past six years. As I said, this is a composite of readmissions, quality, and patient satisfaction and I would anticipate continued success going forward.

The other slide that I want to show the board and team members is our *U.S. News and World Report* top ranked specialties. This year, we had seven specialties ranked. The 2017 *U.S. News and World Report* is a composite of reputation, safety, mortality, and structure. It reflects data from 2013-2015. However, it gets resulted in 2017, you're always two years behind. Having said that, over the past year, these seven specialties: Cancer, Cardiology, Diabetes, ENT (ear, nose and throat), Nephrology, Neurology, and Pulmonary Medicine, have made tremendous increases and good movement in the rankings. We now have these seven specialties that are moving up the board. For the others that are not yet on the leaderboard, they are very close behind having managed structure, reputation, safety, and outcomes.

Those are the two publicly reported quality programs that I wanted to let the board know about. These are obviously very important to us because it helps us understand our true north around quality and outcomes and how it is reflected in others as to our performance. There is some other information in the book and I am happy to take any questions, but those two slides summarize the public reporting of quality outcomes for any institution.

(See Attachment X for background information, page XX)

President Drake:

Again, very good work. There are about 5,300 hospitals in the country and only 170 get points in even one of these at any time. To score in seven of these categories puts us in the top .5% of hospitals.

August 23, 2017 meeting, Wexner Medical Center Board

Dr. Moffat-Bruce:

Absolutely, there are only 38 hospitals that have seven specialties ranked, so we are at 1%.

President Drake:

I apologize, I was rounding off the .5%. We were close enough. This is a very distinguished company. This ranks specialties that fit into the top 50 across the country. We have several that are in the 50's.

Dr. Moffatt-Bruce:

Absolutely.

President Drake:

We have many others that are very good and I always point this out. We heard in the beginning about the quality of our academic programs and saw the incredible work were are doing there. We saw how successful the hospital has been financially, the most successful year ever, but this is our patient quality and safety and we are at the top of the rung of this as well. It is important to know that all of those things are modifying each other. Thanks very much for that report.

Dr. Moffat-Bruce:

Very good, thank you. That ends my report.

President Drake:

Great. We are now ready to move on to Approval to Enter into Professional Services and Construction Contracts, Mrs. Taylor.

Ms. Taylor:

Thank you President Drake. Today, we are asking for approval of \$5.2 million for renovation and relocation of Histology and Immunochemistry Histology labs or IHC labs. This would be movement from the third floor of Doan [Hall] in University Hospital to 680 Ackerman Road.

The rationale for this move is defined by a few key issues. First, our past inspections by the College of [American] Pathologists cited these areas as having inadequate space for quality of work and personnel. This citation was based on the fact that the IHC and Histology labs do not meet basic square-footage requirements, being 36 inches of clear passage between work stations. Currently, these laboratories only have 25 inches passageway between workstations. This was space that was built originally without those requirements in place but now, over time as Doan has aged, we no longer meet those requirements.

Our own internal environment of care rounds find and manage issues ongoing in these two laboratories of inadequate airflow and humidity issues due to the many pieces of equipment that are now being housed in this confined space. The ventilation system in Doan simply cannot keep up with the heat that is being thrown off from this equipment. Based on our overall patient volume growth, there is demand for this type of work being performed in these laboratories. However, given the constraints previously outlined, there is no ability for these areas to grow their book of business. We are beginning to see recruitment and retention issues, both with faculty and staff because of these environment of care and facility issues.

The benefit of moving to 680 Ackerman will be to enhance the operational efficiencies, eliminate workplace and environmental concerns, and meet our regulatory requirements. This new Ackerman space will double in size from the current Doan footprint. The expansion will allow for clinical growth, helping to create adequate workflows, and help with recruitment and retention of our staff and faculty.

August 23, 2017 meeting, Wexner Medical Center Board

The services provided by IHC and Histology are not mission critical to be on this campus, as they are really moving to a digital platform. I think Mike and certainly, other experts in the room can talk about the digital platform. It is no longer necessary that we have them here on the main campus - 680 Ackerman Road is a space that we have been looking at for the past year and we are asking for the funding be approved for this project.

APPROVAL TO ENTER INTO PROFESSIONAL SERVICES AND CONSTRUCTION CONTRACTS

Resolution No. 2018-05

680 ACKERMAN - IHC/HISTOLOGY LAB

Synopsis: Authorization to enter into professional services and construction contracts, as detailed in the attached material, is proposed.

WHEREAS in accordance with the attached material, the university desires to enter into professional services and construction contracts for the following project:

	Prof. Serv. Approval Requested	Construction Approval Requested	Total Project Cost	
680 Ackerman - IHC/Histology Lab	\$0.5M	\$4.7M	\$5.2M	Auxiliary funds

NOW THEREFORE

BE IT RESOLVED, That the Wexner Medical Center Board hereby approves and proposes that the professional services and construction contracts for the project listed above be recommended to the University Board of Trustees for approval; and

BE IT FURTHER RESOLVED, That the president and/or senior vice president for business and finance be authorized to enter into professional services and construction contracts for the project listed above in accordance with established university and State of Ohio procedures, with all actions to be reported to the board at the appropriate time.

(See Attachment X for background information, page XX)

Dr. Thompson:

May I ask Mr. Meyers to go ahead with his resolution?

Mr. Meyers:

Thank you. This is for the Acquisition of real property of 2001 Polaris Parkway. The university would like to purchase 9.316 acres of improved land at 2001 Polaris Parkway. The property has been leased by the university for its Wexner Medical Center since 2004. It contains a two-story, 72,000 square foot office and research facility. The university currently uses the building for office space, lab medical office, and a vivarium. We expect improvements to be made to accommodate additional labs and administrative space for the James.

Recent appraisals of the facility put its value between \$6.775 million and \$6.825 million. As set forth in the option to purchase in OSU's lease, if the closing occurs prior to October 31, then the purchase price will be \$2,054,840. If it closes after October 31, but before February 1, then the purchase price will be \$2,075,937 million. If closing cannot occur by February 1, then the university will have the option to extend for two 30-day periods, each costing \$20,000. If the university cannot close by April 1, then its option to purchase will be terminated.

August 23, 2017 meeting, Wexner Medical Center Board

Money from the purchase comes from the Wexner Medical Center capital budget. Because the title would be taking the name of the state of Ohio, this acquisition will require approval from the State Controlling Board. The Ohio Legislature, we are prepared to appear at the board at the September 25 meeting.

ACQUISITION OF IMPROVED REAL PROPERTY

Resolution No. 2018-06

2001 Polaris Parkway
Columbus, Delaware County, Ohio 43240
Parcels 318-443-02-003-000 and 318-443-02-003-001

Synopsis: Authorization to purchase real property located at 2001 Polaris Parkway, Columbus, Delaware County, Ohio, is proposed.

WHEREAS The Ohio State University seeks to purchase improved real property located at 2001 Polaris Parkway, Columbus, Ohio identified as Delaware County parcels 318-443-02-003-000 and 318-443-02-003-001; and

WHEREAS the property is currently zoned as a Commercial Planned District and consists of a two-story office and research facility occupied by The Ohio State University Wexner Medical Center; and

WHEREAS the Wexner Medical Center currently leases the entire building and has determined that the acquisition of this property will support its research and lab programs; and

WHEREAS all costs associated with the acquisition of the property will be provided by the Wexner Medical Center:

NOW THEREFORE

BE IT RESOLVED, That the Wexner Medical Center Board hereby approves and proposes that the acquisition of improved real property located at 2001 Polaris Parkway be recommended to the University Board of Trustees for approval; and

BE IT FURTHER RESOLVED, That the president and/or senior vice president for business and finance be authorized to take action required to effect the purchase of the referenced property in the name of the State of Ohio for the use and benefit of The Ohio State University upon terms and conditions deemed to be in the best interest of the university.

(See Attachment X for background information, page XX)

Dr. Thompson:

Both of these resolutions are on the consent agenda by the full board later this week. May I have a motion to recommend the resolutions to the University Board of Trustees?

Upon motion of Mr. Schottenstein, seconded by Ms. Krueger, the Wexner Medical Center Board members adopted the foregoing motion by unanimous voice vote.

Dr. Thompson:

The motion carries. Final item is Ms. Krueger.

August 23, 2017 meeting, Wexner Medical Center Board

Ms. Krueger:

Yes, thank you. QPAC (Quality and Professional Affairs Committee) met yesterday and I will be reporting the following. Both the University Hospital System and the James Cancer Hospital are required by regulating bodies to define in writing how they effectively manage programs, services, sights, and departments, as well as defining in writing the nurse executive's authority and responsibility.

OSU Wexner Medical Center accomplishes this through two plans for patient care services. One, which encompasses all the business units under Ohio State University Medical Center, its hospital through their CMS provider number, and the other is encompassed through all business units under the James Cancer Hospital and Solove Research Institute CMS provider number.

The 2017 University Hospital plan was reviewed by key members of a management team for the university hospital including representation from Dodd Rehabilitation, Brain and Spine, Ross Heart, University Hospital East, as well as the Ambulatory services.

In addition to minor grammatical changes throughout, the changes in the 2017 University Hospital Plan for Patient Care Services are as follows: updated role for the chief nurse to reflect the current structure with ACNO (Associate Chief Nursing Officer) and updated appendix A to be encompassing more of any ancillary services.

In 2017, the James Hospital plan was reviewed by key members of the management team for the James including representation from the operations leadership, ambulatory care, as well as patient care service leadership team.

In addition to grammatical changes throughout, changes in the 2017 James Cancer Hospital Plan for Patient Care Services are, again, updated appendix include the addition of the clinical call center, a telephone triage department addressing established James patient needs after hours.

That will conclude my report.

PLAN FOR PATIENT CARE SERVICES

Resolution No. 2018-07

University Hospitals

Synopsis: Approval of the annual review of the plan of care and scope of services for The Ohio State University Hospital, Richard M. Ross Heart Hospital, Harding Hospital, and University Hospital East, is proposed.

WHEREAS the mission of the Wexner Medical Center is to improve people's lives through the provision of high quality patient care; and

WHEREAS the University Hospitals plan for inpatient and outpatient care describes the integration of clinical departments and personnel who provide care and services to patients at The Ohio State University Hospital, Richard M. Ross Heart Hospital, Harding Hospital, and University Hospital East; and

WHEREAS the University Hospitals Plan for Patient Care Services was approved by the Quality and Professional Affairs Committee of the Wexner Medical Center Board on June 27, 2017:

NOW THEREFORE

BE IT RESOLVED, That the Wexner Medical Center Board hereby approves the plan of care and scope of services process for The Ohio State University Hospital, Richard M. Ross Heart Hospital, Harding Hospital, and University Hospital East as outlined in the attached Plan for Patient Care Services.

(See Attachment X for background information, page XX.)

August 23, 2017 meeting, Wexner Medical Center Board

PLAN FOR PATIENT CARE SERVICES

Resolution No. 2018-08

Arthur G. James Cancer Hospital

Synopsis: Approval of the annual review of the plan of care and scope of services for the Arthur G. James Cancer Hospital, is proposed.

WHEREAS the mission of the Wexner Medical Center is to improve people's lives through the provision of high quality patient care; and

WHEREAS the plan for inpatient and outpatient care describes the integration of clinical departments and personnel who provide care and services to patients at the Arthur G. James Cancer Hospital:

WHEREAS the Arthur G. James Cancer Hospital Plan for Patient Care Services was approved by the Quality and Professional Affairs Committee of the Wexner Medical Center Board on August 22, 2017:

NOW THEREFORE

BE IT RESOLVED, That the Wexner Medical Center Board hereby approves the plan of care and scope of services process for the Arthur G. James Cancer Hospital as outlined in the attached Plan for Patient Care Services.

(See Attachment X for background information, page XX)

Dr. Thompson:

May I have a motion to approve the plan for patient care services?

Upon motion of Dr. McPheron, seconded by Dr. Reid, the Wexner Medical Center Board members adopted the foregoing motion by unanimous roll call vote, cast by board members Dr. McPheron, Mr. Chatas, Dr. Drake, Mr. Schottenstein, Ms. Krueger, Dr. Reid, and Mr. Shumate.

Dr. Thompson:

The motion carries.

President Drake:

Great, that just about does our meeting, for the good of the org. One more bit of information that we did not share. If I could ask Dr. Kent to say a word about the American Board of Surgery and the recent election that they had. I want to make sure you say it so that it done correctly.

Dr. Kent:

Well that's very kind, thank you. I have been involved for the past few years in the American Board of Surgery. Just a month or so ago, I was elected vice chair, so I will be chair of the American Board of Surgery this coming year. I am excited about that. I think, amongst all of the accolades of everyone in this group, it raises OSU to another level.

Thank you again for mentioning that.

August 23, 2017 meeting, Wexner Medical Center Board

President Drake:

And, it's a great reflection of the esteem that you're held in nationally by your most critical colleagues and I think that deserves a round of applause.

That concludes our meeting, thank you again to everybody for being here; long day and great work. Thank you.

Attest:

Leslie H. Wexner
Chairman

Blake Thompson
Secretary

DRAFT



THE OHIO STATE UNIVERSITY

Total Health and Wellness Clinic
Interprofessional Learning Experience for Students
Team Training in Primary Care



Presenters

- Margaret Graham, PhD, CRNP – Vice Dean, OSU College of Nursing
- Candy Rinehart, DNP – Director, Ohio State Total Health and Wellness
- John Wegman – 4th year medical student
- Shana Straka – 3rd year nurse practitioner student
- Rachel Lavelle – 4th year pharmacy student
- Elana Curry – 2nd year medical student



Interprofessional Collaborative Practice

- Values Ethics
- Roles/ Responsibilities
- Communication
- Teamwork

American Association of Colleges of Nursing

American Association of Colleges of Osteopathic Medicine

American Association of Colleges of Pharmacy

American Dental Education Association

Association of American Medical Colleges

Association of Schools of Public Health

Interprofessional Education Collaborative Expert Panel. (2011). Core competencies for interprofessional collaborative practice: Report of an expert panel. Washington, D.C.: Interprofessional Education Collaborative.







External funding for interprofessional care: HRSA Project

- 1) Sustain a NP-led interprofessional collaborative practice (IPCP) clinic located in East Columbus that integrates primary care and mental health services to improve health outcomes in an at-risk underserved population
- 2) To increase the number of health professional students skilled in interprofessional collaborative practice



TEAMcare Model

- Patient Centered Focus
- Collaborative Goal Setting
- Practical Care Planning
- Consistent targeted multidisciplinary healthcare team management



(Katon, Lin, Von Korff, Ciechanowski, Ludman, Young, Rutter, Oliver, McGregor, 2010).



Student Disciplines in Interprofessional Clinic

- Medical Dietetics
- Medicine
- Nurse Practitioners
- Pharmacy
- Social Work

November 2017 Board Meeting - Wexner Medical Center Board

OSU WEXNER MEDICAL CENTER - ENTERPRISE PERFORMANCE SCORECARD FY2018 September Year-To-Date Results



Strategic Priorities	Champion	Metric(s)	FY 17 Actual	FY18 YTD - September Actual	Status	FY 18 Target	FY24 – 7 Year Aspirational Target
TALENT & CULTURE	Basso/ McQuaid/ Kent	Medical Center Overall Engagement Score	Number of Tier 3 workgroups reduced by 46.5%	Full census survey conducted November 2017.		4.15	Top Quartile
	Basso/ Kent	Develop and implement a plan to enhance faculty engagement	N/A	Plan Development in Process	◄►	Plan Developed - Yes/No	N/A
	Basso/ McQuaid	Turnover Rate - Staff	13.4%	4.3%	◄►	13.3% (25th Percentile)	11.8% (10th Percentile)
	Basso/ Kent	Turnover Rate - Physician	9.1%	4.3%	◄►	8.9%	8.7%
	Basso/ McQuaid/ Kent	Women and URM in Leadership Positions	Women (47.4%) URM (10.7%)	Women (47.8%) URM (10.0%)	◄►	Women (48.5%) URM (12%)	Women (53.0%) URM (16.0%)
RESEARCH	Mohler/ Kent	Total Awards	\$232.7M	\$72.3M	▲	\$237.4M	\$374.9M
	Mohler/ Kent	NIH Awards	\$118.3M	\$45.2M	▲	\$112.8M	\$178.2M
	Mohler/ Kent	New Federally Funded Faculty	19	8	▲	20	20 in FY24 Cumulative 140
EDUCATION	Clinchot/ Kent	US News and World Report Best Medical Schools Ranking	31	Update Available March 2018		31	20
	Clinchot/ Kent/ Holliday	% of top students matched as residents	25.3%	Data Available Summer 2018		27.0%	30.0%
	Clinchot/ Kent	Develop an inter-professional health sciences curriculum	N/A	Under Development	◄►	Develop Curriculum - Yes/No	N/A
HEALTHCARE DELIVERY	Taylor/ Seely/ Lucas/ Kipp	Inpatient Admissions	61,701	16,148	▲	64,000	77,500
	Like/ Forrest	New Patient Visits with a Physician & APP ¹	127,942	21,295	▲	131,580	166,000
	N.Ali/ E. Schumacher/ Kipp	Inpatient Length of Stay Index	1.02	1.03	▲	0.97	Top Decile
	Adkins/ Steinberg	Emergency Department Length of Stay	424 Minutes	431 Minutes	▼	376 Minutes	266 Minutes
	Like/ Forrest	Access - Days to 1st appointment for new patients with a physician & APP - Primary Care	43 days	42 Days	▲	41	7 Days
	Like/ Forrest	Access - Days to 1st appointment for new patients with a physician & APP - Specialty Care	35 days	35 Days	▲	32	14 Days
	Thomas/ Nash/ Gonsenhauser	Patient Satisfaction - HCAHPS ²	79.30%	79.10%	▼	80%	83%
	Thomas	Readmissions ³	12.60%	13.58%	▼	11.39%	7.43%
	Thomas/ Gonsenhauser	Mortality ⁴	0.77	0.74	▲	0.76	0.73
	Thomas/ Gonsenhauser	Gain from Quality Based Reimbursement Programs	\$7,000	Data Available July 2018		\$300,000	\$2 Million
	Thomas/ Necamp	USNWR Best Hospitals - Number of Specialties Ranked	7	Update Available July 2018		9	16
RESOURCE STEWARDSHIP	Larmore	Integrated Net Margin	\$301.6M(8.8%)	\$66.9M (7.6%)	▲	\$261.6M (7.29%)	\$128M (2.71%)
	Larmore/ Taylor/ Seely/ Lucas/ Like/ Walker	Operating Expenses per AA	\$20,710	\$20,919	▲	\$21,111	\$23,198
	Larmore/ Hamilton	Health Plan Per Member Per Year Costs ⁵	\$5,007	\$5,007	◄►	\$5,168	Beat National Trend by 1%
	McQuaid/ Kent/ Larmore	Efficiency Target	N/A	Data available January 2018		\$20M	Cumulative \$420M
	Hill-Callahan	Philanthropy \$	\$180.4M	\$48.3M	▲	\$130.0M	\$250.0M
	McQuaid/ Kent	Priority facilities' programming on schedule and under budget	N/A	Programming is on schedule for all 4 projects	◄►	4 out of 4	All Facilities Opened
HEALTHY COMMUNITIES	Necamp/ Blincoe/ Thomas	Develop focused programs to address community health needs in the areas of chronic diseases, opioid addiction and infant mortality	N/A	Under Development	◄►	Program Developed - Yes/No	N/A
	Blincoe/ Gluck	Tertiary/Quaternary Critical Care Access for Patients From Regional Areas	15,388	4,133	▲	15,865	17,825
	Marsh/ Blincoe	Number of patient encounters in affiliated regional locations	167,259	38,906	▲	173,491	210,087

▲ Meets or Exceeds Goal
▲ Caution
▲ Below Goal - Action Needed
▲ Data Pending

▲ Performance Up from last Scorecard Update
◄► No Performance Change from last Scorecard Update
▼ Performance Down from last Scorecard Update

1. New Patient visits updated through August 2017
2. HCAHPS Updated through August 2017
3. Readmissions updated through July 2017
4. Monthly updated; through August 2017
5. Health Plan Per Member Per Year Costs represents the 12 month period of June 2016 through May 2017

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November 2017 Board Meeting - Wexner Medical Center Board

OSU WEXNER MEDICAL CENTER FY18 ENTERPRISE PERFORMANCE SCORECARD DEFINITIONS



Metric(s)	Definition
Engagement Score	Press Ganey determines the metric of workforce engagement based on employees' response to three metrics 1. Willingness to refer OSUWMC to family, friends and colleagues for employment and healthcare 2. Pride in affiliation with OSUWMC 3. Overall, satisfaction in employment at OSUWMC
Develop and implement a plan to enhance faculty engagement	N/A
Turnover Rate - Staff	Turnover Rate - Staff is the count of Staff members who actually exit the system, leave the Medical Center.
Turnover Rate - Physician	Turnover Rate - Physician is the count of Physicians who actually exit the system, leave the Medical Center.
Women and URM in Leadership Positions	Percent of women and underrepresented minorities in leadership positions. Underrepresented minorities: Asian, Black, and Hispanic. Health System management positions: Director/Sr. Director/Administrative Director/Associate Exec Director/Chief XX Officers. COM management positions: Dean, Vice Deans, Chairs, Division Directors, Vice Chairs, Center Directors, College-level staff leaders and Department Administrators.
Total Awards	The sum of all research award funding received by the College of Medicine during the period in question.
NIH Awards	The sum of all NIH Award funding segments (less sub-Awards) received by the College of Medicine during the period in question.
New Federally Funded Faculty	Report of faculty receiving either their first federal funding (current faculty) or new faculty with new federal funding for OSU.
US News and World Report Best Medical Schools Ranking	The overall rank of the medical school among all the medical schools ranked by U.S. News and World Report's Best Medical Schools.
% of top students matched as residents	The percentage of students, residents or fellows matching to train at OSUWMC that graduate(d) from top-ranked USNWR Best Medical Schools or has been inducted into AOA National Medical Honor Society. Top ranked is the top 30 USNWR Best Medical Schools for that specific year.
Develop an inter-professional health sciences curriculum	N/A
Inpatient Admissions	A count of patients admitted to the Health System during the reporting period. Inpatients are defined by the patient class assigned in IHS. Excludes normal newborns. Excludes Observations and Outpatients in a Bed.
New Patient Visits with a Physician & APP	The number of unique new ambulatory patients seen in an OSUWMC outpatient location by a provider (physician, NP or PA). Will be tracked monthly and report fiscal YTD figures. A "unique new ambulatory patient" is a patient that has had no OSUWMC activity (IP or OP) in last rolling three years with a triggering event of a billable encounter with a provider in one of our ambulatory locations. Will be calculated for all departments/divisions and include AfterHours and the ED but will show separately. A unique patient will only be counted once.
Inpatient Length of Stay Index	The ratio of length of stay to Vizient expected length of stay for a given population and time period.
Emergency Department Length of Stay	Median time in minutes from ED arrival to ED departure for patients admitted to the facility from the ED.
Access - Days to 1st appointment for new patients with a physician - Primary Care	The average wait time for a new patient appointment with a Physician in a Family Medicine or General Medicine office as measured by when the appointment was requested to the scheduled date of service for the appointment.
Access - Days to 1st appointment for new patients with a physician - Specialty Care	The average wait time for a new patient appointment with a Physician in a Specialty Care office as measured by when the appointment was requested to the scheduled date of service for the appointment.
HCAHPS Score	Percent of inpatients who gave the hospital a rating of 9 or 10 on a scale from 0 (lowest) to 10 (highest) - across all system hospitals including The James.
Readmissions	Estimates of unplanned readmission for any cause to an acute care hospital within 30 days of discharge from a hospitalization.
Mortality	This measure is expressed as the observed (actual) mortality in the inpatient hospital (deaths per 100 patients), compared to the "expected" mortality rate for similar patients at academic medical centers in the United States who participate in the University Healthsystem Consortium's Clinical Data Base.
Gain from Quality Based Reimbursement Programs	Financial gain (penalty) from CMS based programs i.e. Value Based Purchasing, Reimbursement Reduction Program and Hospital Acquired Conditions
USNWR Specialties Ranked	Total number of specialties OSUWMC was ranked in by U.S. News and World Report's Best Hospitals; A specialty is ranked if it is among the Top 50 hospitals for that specialty. This applies to specialties with a data-driven ranking methodology; for specialties that have a reputation-only methodology, the number of hospitals that make the ranked list varies depending on the specialty.
Integrated Net Margin	Combined financial reporting represents entire financial position of the OSU Wexner Medical Center including the OSU Health System, OSU Physicians Inc, and College of Medicine. Combined Medical Center Margin includes operating revenues, operating expenses, and Medical Center Investments.
Operating Expenses per AA	Serves as an indicator that presents a metric that accounts for both inpatient and outpatient activities and indicates how well expenses are in line with volumes for the health system.
Health Plan Per Member Per Year Costs	Per member per year costs (PMPY) are based on the sum of all medical/Rx costs including 90 day run out and IBNR (incurred but not reported) factors divided by the number of members with medical coverage. It is the sum of Net Pay PMPY for medical claims and Net Pay PMPY for pharmacy claims. PMPY will be calculated on a calendar year to align with the benefit year and allow for the reporting lag due to 90 days claim run out.
Efficiency Target	Operational efficiency will be achieved by streamlining our core processes in order to more effectively respond to the continually changing healthcare environment in a cost-effective manner. In order to obtain operational efficiency, the Medical Center will evaluate ways to maximize and leverage the resources that contribute to success and utilize the best of its workforce, technology and business processes. The reduced internal costs that result from operational efficiency will enable the Medical Center to achieve the financial targets required to achieve the Medical Center's long term strategic mission to provide world class healthcare to our patients.
Philanthropy \$	This metric represents new fundraising activity comprised of Development Dollars (including OSP) including outright gifts and pledges, planned gifts (irrevocable and revocable) and private grants (industry, foundations and other organizations).
Priority facilities' programming on schedule and under budget	This metric represents status of programming for the 4 priority facilities namely - Replacement Hospital, West Campus Ambulatory Center, Interdisciplinary Research Tower, and Inter-Professional Education Center.
Develop focused programs to address community health needs in the areas of chronic diseases, opioid addiction and infant mortality	N/A
# Hospital Transfers	Outside hospital/facility patient transfers for inpatients accepted as direct admissions or transfers to the Emergency Department (Main, OSUE).
Number of patient encounters in affiliated regional locations	Total count of patient encounters resulting from the following Outreach initiatives: OSU Physician Placement, Clinical Service Line Development/Expansion, and Virtual Health Consulting Services. All encounters outside of Franklin county as well as encounters identified as a virtual encounter are included in the total.



Improving People's Lives Through Innovations in Personalized Health Care

Wexner Medical Center Board Public Session Health System Financial Summary

November 1, 2017

The Ohio State University Health System

Financial Highlights

For the YTD ended: September 30, 2017

Admissions	
Budget	0.6%
Prior Yr	4.4%
Actual	16,148
Budget	16,051
Prior Yr	15,469

Surgeries	
Budget	-0.9%
Prior Yr	1.6%
Actual	10,962
Budget	11,058
Prior Yr	10,788

O/P Visits	
Budget	-1.7%
Prior Yr	1.7%
Actual	444,198
Budget	451,982
Prior Yr	436,783

Worked Hrs / Adjusted Admit	
Budget	0.0%
Prior Yr	-3.6%
Actual	202
Budget	202
Prior Yr	195

The Ohio State University Health System

Financial Highlights

For the YTD ended: September 30, 2017

Operating Revenue	
Budget	0.5%
Prior Yr	7.7%
Actual	\$723,952
Budget	\$720,200
Prior Yr	\$672,072

Controllable Costs	
Budget	-0.3%
Prior Yr	-6.7%
Actual	\$555,281
Budget	\$553,511
Prior Yr	\$520,656

Excess Revenue over Expense	
Budget	4.7%
Prior Yr	33.3%
Actual	\$60,710
Budget	\$57,983
Prior Yr	\$45,532

Days Cash on Hand	
Jun FY17	2.8%
PY MTD	17.4%
Actual	131.0 \$861M
Jun FY17	127.5 \$826M
PY MTD	111.6 \$680M

The Ohio State University Health System

Consolidated Statement of Operations

For the YTD ended: September 30, 2017
(in thousands)

OSUHS						
	Actual	Budget	Act-Bud Variance	Budget % Var	Prior Year	PY % Var
OPERATING STATEMENT						
Total Operating Revenue	\$ 723,952	\$ 720,199	\$ 3,753	0.5%	\$ 672,074	7.7%
Operating Expenses						
Salaries and Benefits	312,383	312,789	406	0.1%	292,978	-6.6%
Resident/Purchased Physician Services	27,237	27,296	59	0.2%	25,093	-8.5%
Supplies	77,528	77,248	(280)	-0.4%	74,820	-3.6%
Drugs and Pharmaceuticals	73,520	70,748	(2,772)	-3.9%	67,708	-8.6%
Services	76,846	77,662	816	1.1%	72,043	-6.7%
Depreciation	38,439	38,495	56	0.1%	35,098	-9.5%
Interest	9,640	9,723	83	0.9%	10,029	3.9%
Shared/University Overhead	13,360	13,360	-	0.0%	12,226	-9.3%
Total Expense	628,953	627,321	(1,632)	-0.3%	589,995	-6.6%
Gain (Loss) from Operations (pre MCI)	94,999	92,877	2,122	2.3%	82,076	15.7%
Medical Center Investments	(37,525)	(37,467)	(58)	-0.2%	(37,513)	0.0%
Income from Investments	2,908	2,573	335	13.0%	983	195.8%
Other Gains (Losses)	327	-	327	---	(14)	---
Excess of Revenue over Expense	\$ 60,710	\$ 57,983	\$ 2,727	4.7%	\$ 45,532	33.3%



THE OHIO STATE UNIVERSITY
WEXNER MEDICAL CENTER

The Ohio State University Health System

Consolidated Activity Summary

For the YTD ended: September 30, 2017

OSUHS

	Actual	Budget	Act-Bud Variance	Budget % Var	Prior Year	PY % Var
CONSOLIDATED ACTIVITY SUMMARY						
Activity						
Admissions	16,148	16,051	97	0.6%	15,469	4.4%
Surgeries	10,962	11,058	(96)	-0.9%	10,788	1.6%
Outpatient Visits	444,198	451,982	(7,784)	-1.7%	436,783	1.7%
Average Length of Stay	6.31	6.20	(0.10)	-1.7%	6.10	-3.4%
Case Mix Index (CMI)	1.80	1.85	(0.05)	-2.5%	1.81	-0.6%
Adjusted Admissions	30,066	29,978	87	0.3%	29,512	1.9%
Operating Revenue per AA	\$ 24,079	\$ 24,024	55	0.2%	\$ 22,773	5.7%
Operating Expense per AA	\$ 20,919	\$ 20,926	7	0.0%	\$ 19,992	-4.6%



The Ohio State University Health System

Consolidated Outpatient Visit Summary

For the YTD ended: September 30, 2017

CATEGORY	ACTUAL	BUDGET	ACT-BUD VAR	BUDGET % VAR	PRIOR YEAR	PY % VAR
Surgeries	6,675	6,821	(146)	-2.1%	6,750	-1.1%
ED Visits	26,818	26,555	263	1.0%	28,939	-7.3%
Procedures	30,363	30,968	(605)	-2.0%	30,443	-0.3%
Cath Lab	786	880	(94)	-10.7%	914	-14.0%
EP Lab	606	690	(84)	-12.2%	658	-7.9%
Interventional Radiology	1,270	1,093	177	16.2%	1,008	26.0%
Radiation Oncology	11,921	11,959	(38)	-0.3%	11,719	1.7%
All Other	15,780	16,346	(566)	-3.5%	16,144	-2.3%
Clinic Visits	112,448	113,250	(802)	-0.7%	110,373	1.9%
Clinic/Office Visits	104,830	106,191	(1,361)	-1.3%	103,192	1.6%
Chemo Visits	7,618	7,059	559	7.9%	7,181	6.1%
Rehab Services	51,487	53,596	(2,109)	-3.9%	50,197	2.6%
Radiology	45,882	45,615	267	0.6%	42,693	7.5%
Lab	67,378	65,894	1,484	2.3%	65,582	2.7%
Pharmacy	4,481	4,892	(411)	-8.4%	4,419	1.4%
Other OP Visits	1,654	1,235	419	33.9%	1,204	37.4%
Physician Visits	97,012	103,156	(6,144)	-6.0%	96,183	0.9%
TOTAL OUTPATIENT VISITS	444,198	451,982	(7,784)	-1.7%	436,783	1.7%

OSU Wexner Medical Center

Combined Statement of Operations

For the YTD ended: September 30, 2017
(in thousands)

	Actual	Budget	Act-Bud Variance	Budget % Var	Prior Year	PY % Var
OPERATING STATEMENT						
Total Operating Revenue	\$ 884,893	\$ 885,630	\$ (737)	-0.1%	\$ 819,839	7.9%
Operating Expenses						
Salaries and Benefits	459,351	463,373	4,022	0.9%	429,258	-7.0%
Resident/Purchased Physician Services	27,237	27,296	59	0.2%	25,093	-8.5%
Supplies	83,568	83,144	(424)	-0.5%	80,944	-3.2%
Drugs and Pharmaceuticals	76,294	73,462	(2,832)	-3.9%	70,150	-8.8%
Services	96,324	99,870	3,546	3.6%	90,639	-6.3%
Depreciation	41,775	43,138	1,363	3.2%	37,604	-11.1%
Interest/Debt	12,486	12,422	(64)	-0.5%	12,912	3.3%
Shared/University Overhead	10,125	10,787	662	6.1%	11,257	10.1%
Other Operating Expense	8,454	8,663	209	2.4%	7,550	-12.0%
Medical Center Investments	2,427	2,370	(57)	-2.4%	2,635	7.9%
Total Expense	818,041	824,525	6,484	0.8%	768,042	-6.5%
Excess of Revenue over Expense	\$ 66,851	\$ 61,103	\$ 5,748	9.4%	\$ 51,793	29.1%
Financial Metrics						
Integrated Margin Percentage	7.6%	6.9%	0.7%	9.5%	6.3%	19.6%
Adjusted Admissions	30,066	29,978	87	0.3%	29,512	1.9%
OSUP Physician Encounters	660,403	679,263	(18,860)	-2.8%	636,768	3.7%
Operating Revenue per AA	\$ 24,079	\$ 24,024	\$ 55	0.2%	\$ 22,773	5.7%
Total Expense per AA	\$ 20,919	\$ 20,926	\$ 7	0.0%	\$ 19,992	-4.6%

This statement does not conform to Generally Accepted Accounting Principles. Different accounting methods are used in each of these entities and no eliminating entries are included.

OSU Wexner Medical Center

Combined Statement of Operations

For the YTD ended: September 30, 2017
(in thousands)

	ACTUAL	BUDGET	ACT-BUD VARIANCE	BUDGET % VAR	PRIOR YEAR	PY % Var
Health System						
Revenues	\$ 723,952	\$ 720,199	\$ 3,753	0.5%	\$ 672,074	7.7%
Expenses	663,243	662,215	(1,028)	-0.2%	626,539	-5.9%
Net	60,710	57,983	2,727	4.7%	45,532	33.3%
OSUP						
Revenues	\$ 101,291	\$ 105,506	\$ (4,215)	-4.0%	\$ 97,262	4.1%
Expenses	102,599	106,804	4,205	3.9%	93,090	-10.2%
Net	(1,309)	(1,299)	(10)	-0.8%	4,172	-131.4%
COM/OHS						
Revenues	\$ 59,650	\$ 59,925	\$ (275)	-0.5%	\$ 50,503	18.1%
Expenses	52,199	55,506	3,307	6.0%	48,413	-7.8%
Net	7,450	4,419	3,031	68.6%	2,089	256.6%
Total Medical Center						
Revenues	\$ 884,893	\$ 885,630	\$ (737)	-0.1%	\$ 819,839	7.9%
Expenses	818,041	824,525	6,484	0.8%	768,042	-6.5%
Net	66,851	61,103	5,748	9.4%	51,793	29.1%
This statement does not conform to Generally Accepted Accounting Principles. Different accounting methods are used in each of these entities and no eliminating entries are included.						

OSU Wexner Medical Center

Combined Balance Sheet

As of: September 30, 2017
(in thousands)

	September 2017	June 2017	Change
Cash	\$ 767,842	\$ 734,302	\$ 33,540
Net Patient Receivables	429,372	410,404	18,968
Other Current Assets	392,060	395,833	(3,773)
Assets Limited as to Use	403,110	403,052	58
Property, Plant & Equipment - Net	1,487,190	1,503,002	(15,812)
Other Assets	434,808	428,241	6,567
Total Assets	\$ 3,914,381	\$ 3,874,834	\$ 39,547
Current Liabilities	\$ 325,224	\$ 323,892	\$ 1,332
Other Liabilities	92,033	93,741	(1,708)
Long-Term Debt	837,431	852,129	(14,698)
Net Assets - Unrestricted	2,085,292	2,026,145	59,147
Net Assets - Restricted	574,401	578,927	(4,526)
Liabilities and Net Assets	\$ 3,914,381	\$ 3,874,834	\$ 39,547

This Balance sheet is not intended to conform to Generally Accepted Accounting Principles. Different accounting methods are used in each of these entities and no eliminating entries are included.

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; and

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

NOW THEREFORE

BE IT RESOLVED, That the Wexner Medical Center Board hereby approves and proposes that the professional services contracts for the project listed above be recommended to the University Board of Trustees for approval; and

BE IT FURTHER RESOLVED, 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
Wexner Medical Center Board

November 1, 2017

CLINICAL QUALITY MANAGEMENT, PATIENT SAFETY AND SERVICE PLAN

Synopsis: Approval of the annual review of the Clinical Quality Management, Patient Safety and Service Plan for The Ohio State University Hospital, Richard M. Ross Heart Hospital, Harding Hospital, University Hospital East, and the Arthur G. James Cancer Hospital, is proposed.

WHEREAS the mission of the Wexner Medical Center is to improve people's lives through the provision of high quality patient care; and

WHEREAS the Clinical Quality Management, Patient Safety and Service Plan outlines assessment and improvement of processes in order to deliver safe, effective, optimal patient care and services in an environment of minimal risk for inpatients and outpatients of The Ohio State University Hospital, Richard M. Ross Heart Hospital, Harding Hospital, University Hospital East, and the Arthur G. James Cancer Hospital; and

WHEREAS the proposed Clinical Quality Management, Patient Safety and Service Plan was approved by the Quality and Professional Affairs Committee of the Wexner Medical Center Board on October 24, 2017:

NOW THEREFORE

BE IT RESOLVED, That the Wexner Medical Center Board hereby approves the Clinical Quality Management, Patient Safety and Service Plan for The Ohio State University Hospital, Richard M. Ross Heart Hospital, Harding Hospital, University Hospital East, and the Arthur G. James Cancer Hospital.



LEADERSHIP COUNCIL

FOR CLINICAL QUALITY, SAFETY AND SERVICE

The Ohio State University Wexner Medical Center

Clinical Quality Management, Patient Safety, & Service Plan

FY18

July 1, 2017 -June 30, 2018

Clinical Quality Management, Patient Safety, & Service Plan

MISSION, VISION, AND VALUES	4
DEFINITION	4
PROGRAM SCOPE	4 5
PROGRAM PURPOSE	5
OBJECTIVES	5
STRUCTURE FOR QUALITY OVERSIGHT	5
APPROACH TO QUALITY, SAFETY & SERVICE MANAGEMENT	16
CONSISTENT LEVEL OF CARE	18
PERFORMANCE TRANSPARENCY	18
CONFIDENTIALITY	18 19
CONFLICT OF INTEREST	19
DETERMINING PRIORITIES	19 20
DATA MEASUREMENT AND ASSESSMENT	20
Determination of data needs.....	20
Collection of data	20 21
Assessment of data	21
Surveillance system.....	21
PERFORMANCE BASED PHYSICIAN QUALITY & CREDENTIALING	22 23
ANNUAL EVALUATION	24

ATTACHMENTS

I. PRIORITY CRITERIA.....25

II. LCCQSS PRIORITIES & QUALITY & SAFETY SCORECARD.....26

III. PHYSICIAN PERFORMANCE-BASED PROFILE 27

Clinical Quality Management, Patient Safety, & Service Plan

Mission, Vision and Values

Our Mission:

To improve people's lives through innovation in research, education and patient care

Our Values:

- Excellence
- Collaborating as One University
- Integrity and Personal Accountability
- Openness and Trust
- Diversity in People and Ideas
- Change and Innovation
- Simplicity in Our Work
- Empathy and Compassion
- Leadership

Our Vision:

Working as a team, we will shape the future of medicine by creating, disseminating and applying new knowledge, and by personalizing health care to meet the needs of each individual

Definition

The Clinical Quality Management, Patient Safety and Service Plan is the organization-wide approach to the systematic assessment and improvement of process design and performance aimed at improving in areas of quality of care, patient safety, and patient experience. It integrates all activities defined in the Clinical Quality Management, Patient Safety & Service Plan to deliver safe, effective, optimal patient care and services in an environment of minimal risk.

Program Scope

The Clinical Quality Management, Patient Safety & Service Plan includes all inpatient and outpatient facilities in The OSU Wexner Medical Center (OSUWMC) and appropriate entities across the continuum of care.

Program Purpose

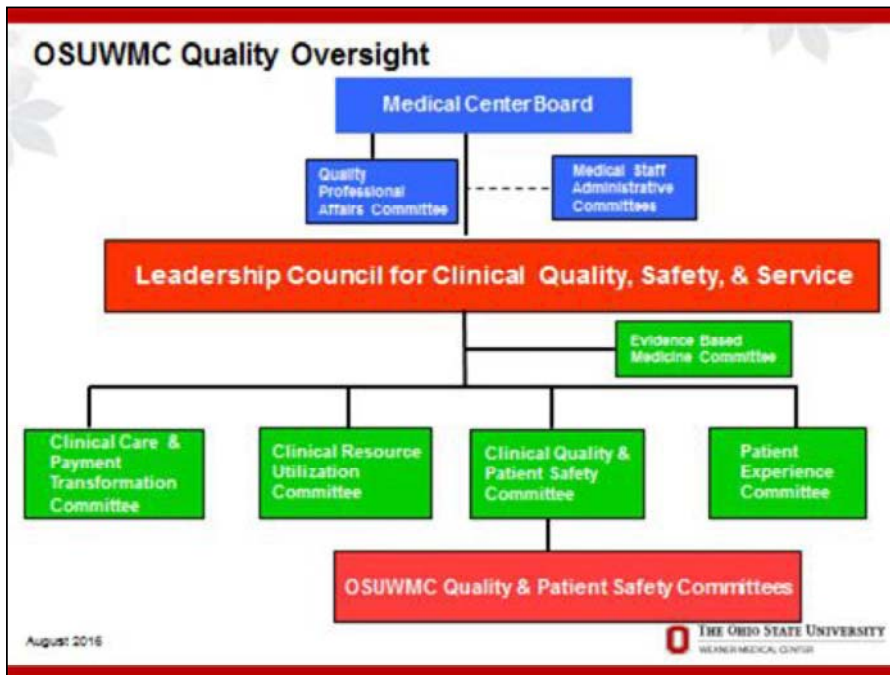
The purpose of the Clinical Quality Management, Patient Safety & Service Plan is to show measurable improvements in areas for which there is evidence they will improve health outcomes and value of patient care provided within The OSUWMC. The OSUWMC recognizes the importance of creating and maintaining a safe environment for all patients, visitors, employees, and others within the organization.

Objectives

- 1) Continuously monitor, evaluate, and improve outcomes and sustain improved performance.
- 2) Recommend reliable system changes that will improve patient care and safety by assessing, identifying, and reducing risks within the organization and responding accordingly when undesirable patterns or trends in performance are identified, or when events requiring intensive analysis occur.
- 3) Assure optimal compliance with accreditation standards, state, federal and licensure regulations.
- 4) Develop, implement, and monitor adherence to evidenced-based practice guidelines and companion documents in accordance with best practice to standardize clinical care and reduce practice variation.
- 5) Improve patient experience and their perception of treatment, care and services by identifying, evaluating, and improving performance based on their needs, expectations, and satisfaction.
- 6) Improve value by providing the best quality of care at the minimum cost possible.
- 7) Provide a mechanism by which the governance, medical staff and health system staff members are educated in quality management principles and processes.
- 8) Provide appropriate levels of data transparency to both internal and external customers.
- 9) Assure processes involve an interdisciplinary teamwork approach.
- 10) Improve processes to prevent patient harm.

Structure for Quality Oversight

The Leadership Council for Clinical Quality, Safety & Service serves as the single, multidisciplinary quality and safety oversight committee for the OSUWMC. The Leadership Council utilizes criteria **[Attachment I]** to determine annual priorities for the health system that are reported in the Quality & Safety Scorecard **[Attachment II]**.



COMMITTEES:

Medical Center Board

The Medical Center Board is accountable to The Ohio State University Board of Trustees through the President and Executive Vice President (EVP) for Health Sciences and is responsible for overseeing the quality and safety of patient care throughout the Medical Center including the delivery of patient services, quality assessment, improvement mechanisms, and monitoring achievement of quality standards and goals.

The Medical Center Board receives clinical quality management, patient safety and service quality reports as scheduled, and provides resources and support systems for clinical quality management, patient safety and service quality functions, including medical/health care error occurrences and actions taken to improve patient safety and service. Board members receive information regarding the responsibility for quality care delivery or provision, and the Hospital's Clinical Quality Management, Patient Safety and Service Plan. The Medical Center Board ensures all caregivers are competent to provide services.

Quality Professional Affairs Committee

Composition:

The committee shall consist of: no fewer than four voting members of the university Wexner medical center board, appointed annually by the chair of the university Wexner medical center board, one of whom shall be appointed as chair of the committee. The chief executive officer of the Ohio state university health system; chief medical officer of the medical center; the director of medical affairs of the James; the medical director of credentialing for the James; the chief of the medical staff of the university hospitals; the chief of the medical staff of the James; the associate dean of graduate medical education; the chief quality and patient safety officer; the chief nurse executive for the OSU health system; and the chief nursing officer for the James shall serve as ex-officio, voting members. Such other

members as appointed by the chair of the university Wexner medical center board, in consultation with the chair of the quality and professional affairs committee.

Function: The quality and professional affairs committee shall be responsible for the following specific duties:

- (1) Reviewing and evaluating the patient safety and quality improvement programs of the university Wexner medical center;
- (2) Overseeing all patient care activity in all facilities that are a part of the university Wexner medical center, including, but not limited to, the hospitals, clinics, ambulatory care facilities, and physicians' office facilities;
- (3) Monitoring quality assurance performance in accordance with the standards set by the university Wexner medical center;
- (4) Monitoring the achievement of accreditation and licensure requirements;
- (5) Reviewing and recommending to the university Wexner medical center board changes to the medical staff bylaws and medical staff rules and regulations;
- (6) Reviewing and approving clinical privilege forms;
- (7) Reviewing and approving membership and granting appropriate clinical privileges for the credentialing of practitioners recommended for membership and clinical privileges by the university hospitals medical staff administrative committee and the James medical staff administrative committee;
- (8) Reviewing and approving membership and granting appropriate clinical privileges for the expedited credentialing of such practitioners that are eligible by satisfying minimum approved criteria as determined by the university Wexner medical center board and are recommended for membership and clinical privileges by the university hospitals medical staff administrative committee and the James medical staff administrative committee;
- (9) Reviewing and approving reinstatement of clinical privileges for a practitioner after a leave of absence from clinical practice;
- (10) Conducting peer review activities and recommending professional review actions to the university Wexner medical center board;
- (11) Reviewing and resolving any petitions by the medical staffs for amendments to any rule, regulation or policy presented by the chief of staff on behalf of the medical staff pursuant to the medical staff bylaws and communicating such resolutions to the university hospitals medical staff administrative committee and the James medical staff administrative committee for further dissemination to the medical staffs; and
- (12) Such other responsibilities as assigned by the chair of the university Wexner medical center board.

Medical Staff Administrative Committees (MSACs)

Composition: Refer to Medical Staff Bylaws and Rules and Regulations

Function: Refer to Medical Staff Bylaws and Rules and Regulations

The organized medical staff, under the direction of the Medical Director and the MSAC(s) for each institution, implements the Clinical Quality Management and Patient Safety Plan throughout the clinical departments.

The MSAC(s) reviews reports and recommendations related to clinical quality management, efficiency, patient safety and service quality activities. This committee has responsibility for evaluating the quality and appropriateness of clinical performance and service quality of all individuals with clinical privileges. The MSAC(s) reviews corrective actions and provides authority within their realm of responsibility related to clinical quality management, patient safety, efficiency, and service quality activities.

Leadership Council for Clinical Quality, Safety and Service (LCCQSS):

Composition: Refer to Medical Staff Bylaws and Rules and Regulations

Function: Refer to Medical Staff Bylaws and Rules and Regulations

The LCCQSS is responsible for designing and implementing systems and initiatives to enhance clinical care, outcomes and the patient experience throughout the integrated health care delivery system. The LCCQSS serves as the oversight council for the Clinical Quality Management and Patient Safety Plan as well as the goals and tactics set forth by the Patient Experience Council.

Evidence-Based Practice Committee (EBPC)

Composition:

The EBPC consists of multidisciplinary representatives from Hospital Administration, Medical Staff, Information Technology, Pharmacy, and Nursing. An active member of the medical staff chairs the committee. The EBPC reports to LCCQSS and shares pertinent information with the Medical Staff Administrative Committees. The EBPC provides guidance and support to all committees under the LCCQSS for the delivery of high quality, safe efficient, effective patient centered care.

Function:

1. Develop and update evidence-based guidelines and best practices to support the delivery of patient care that promotes high quality, safe, efficient, effective patient centered care.
2. Develop and implement Health System-specific resources and tools to support evidence-based guideline recommendations and best practices to improve patient care processes, reduce variation in practice, and support health care education.
3. Develop processes to measure and evaluate use of guidelines and outcomes of care.

Clinical Quality and Patient Safety Committee (CQPSC)

Composition:

The CQPSC consists of multidisciplinary representatives from Hospital Administration, Medical Staff, Information Technology, Nursing, Pharmacy, Laboratory, Respiratory Therapy, Diagnostic Testing and Risk Management. An active member of the Medical Staff chairs the Committee. The committee reports to Leadership Council and additional committees as deemed applicable.

Function:

1. Creates , a culture of safety which promotes organizational learning and minimizes individual blame or retribution for reporting or involvement in a medical/health care error.
2. Assure optimal compliance with patient safety-related accreditation standards.
3. Proactively identifies risks to patient safety and initiates actions to reduce risk with a focus on process and system improvement.
4. Oversees completion of proactive risk assessment as required by TJC.
5. Oversees education & risk reduction strategies as they relate to Sentinel Event Alerts from TJC.
6. Provides oversight for clinical quality management committees.
7. Evaluates and, when indicated, provides recommendations to improve clinical care and outcomes.
8. Ensures actions are taken to improve performance whenever an undesirable pattern or trend is identified.
9. Receive reports from committees that have a potential impact on the quality & safety in delivering patient care such as, but not limited to, Environment of Care committee, Health Safety Committee, Clinical IHIS Steering Committee, Value Based Clinical Transformation Committee, and Infection Prevention Committee.

Patient Experience Council

Composition:

The Patient Experience Council consists of executive, physician, and nursing leadership spanning the inpatient and outpatient care settings. The Council is co-chaired by the Chief Nurse Executive for the Health System, Executive Director of Patient Services and Chief Nursing Officer of The James, and Chief Quality and Patient Safety Officer. The committee reports to the Leadership Council and reports out to additional committees as applicable.

Function:

1. Create a culture and environment that delivers an exceptional patient experience consistent with the OSU Medical Center's mission, vision and values focusing largely on service quality.
2. Set strategic goals and priorities for improving the patient experience to be implemented by area specific patient experience councils.
3. Serve as a communication hub reporting out objectives and performance to the system.
4. Serve as a coordinating body for subcommittees working on specific aspects of the patient experience.
5. Measure and review voice of the customer information in the form of Patient and Family Experience Advisor Program and related councils, patient satisfaction data, comments, letters and related measures.
6. Monitor publicly reported and other metrics used by various payers to ensure optimal reimbursement.

7. Collaborate with other departments to reward and recognize faculty and staff for service excellence performance.

Clinical Resource Utilization Committee (CRU)

Composition:

The CRU committee consists of multidisciplinary representatives from Hospital Administration, Medical Staff, Patient Care Resource Management, Financial Services, Information Technology, and Nursing. The Utilization Management Medical Director chairs the committee. CRU reports to LCCQSS, Health System Committee, and shares pertinent information with the Medical Staff Administrative Committees.

Function:

1. Promote the efficient utilization of resources for patients while assuring the highest quality of care.
2. Direct the development of action plans to address identified areas of improvement.
3. Resolve or escalate barriers related to clinical practice patterns in the health care delivery system, which impede the efficient, appropriate utilization of resources.
4. Review patients for appropriate level of care (e.g., inpatient, observation, outpatient, extended care facility, etc.) and for the efficiency and effectiveness of professional services rendered (physician, nursing, lab, therapists).
5. Ensure compliance with regulatory requirements related to utilization management (ie: RAC Audits, denial management, etc.).
6. Administration of the Utilization Management Plan.

Key areas of focus:

Availability and appropriateness of clinical resources and services

- OP/IP beds appropriateness
 - Availability of necessary services
 - Timeliness of necessary services
 - Appropriate use of necessary services
- Medical necessity and appropriateness of level of care and related denial management.

Clinical Care & Payment Transformation (CPPT) Governance Committee

Composition:

The CPPT Governance Committee consists of multidisciplinary representatives from Administration, Medical Staff, Nursing, Information Technology, Financial Services, Government Affairs and the OSU Health Plan. The Committee is co-chaired by the Chief Quality Officer and the CEO of University Hospital. The committee reports to LCCQSS and shares pertinent information with other committees as needed. The Committee's charter is to "Transform our care delivery model, across the continuum. We will accomplish this through the alignment of people, processes and technology in order to create measurable value for the organization and the people we serve."

Function:

1. Provides strategic vision and oversight of all clinical transformation activities, which include alternative payment model programs such as bundled payments, population health management and care redesign.
2. Prioritizes episodes of care for transformation based on their overlap with payer initiatives, quality improvement efforts, financial performance, consumer preferences and leadership engagement.
3. Oversees care redesign efforts to ensure alignment across business units and holds leaders accountable for improved quality and financial outcomes.
4. Ensures awareness of and preparation for payer-mandated alternative payment programs.

Practitioner Evaluation Committee (PEC)

Composition:

The Practitioner Evaluation Committee (PEC) is the PEER review committee that provides medical leadership in overseeing the PEER review process. The PEC is chaired by the CQP composed of the Chair of the Clinical Quality and Patient Safety Committee, physicians, and advanced practice licensed health care providers from various business units & clinical areas as appointed by the CMO & Physician in Chief at the James. The Medical Center CMO & Physician-in-Chief at the James serves Ex- Officio.

Function:

1. Provide leadership for the clinical quality improvement processes within The OSU Health System.
2. Provide clinical expertise to the practitioner peer review process within The OSU Health System by thorough and timely review of clinical care and/or patient safety issues referred to the Practitioner Evaluation Committee.
3. Advise the CMO & Director of Medical Affairs at the James regarding action plans to improve the quality and safety of clinical care at the Health system.
4. Develop follow up plans to ensure action is successful in improving quality and safety.

Health System Information Technology Steering (HSITS)

Composition:

The HSITS is a multi-disciplinary group chaired by the Chief Medical Information Officer of The Ohio State University Health System.

Function:

The HSITS shall oversee Information Technology technologies on behalf of The Ohio State University Health System. The committee will be responsible for overseeing technologies and related processes currently in place, as well as reviewing and overseeing the replacement and/or introduction of new systems as well as related policies and procedures. The individual members of the committee are also charged with the responsibility to communicate and receive input from their various communities of interest on relevant topics discussed at committee meetings.

Sentinel Event Team

Composition:

The OSU Health System Sentinel Event Team (SET) includes an Administrator, the Chief Quality and Patient Safety Officer, the Associate Executive Director for Quality & Patient Safety, a member of the Physician

Executive Council, a member of the Nurse Executive Council, representatives from Quality and Operations Improvement and Risk Management and other areas as necessary.

The Sentinel Event Determination Group (SEDG)

The SEDG is a sub-group of the Sentinel Event Team and determines whether an event will be considered a sentinel event or near miss, assigns the Root Cause Analysis (RCA) Executive Sponsor, RCA Workgroup Leader, RCA Workgroup Facilitator, and recommends the Workgroup membership to the Executive Sponsor. The Sentinel Event Team facilitator will attend to support the members.

Composition:

The SEDG membership includes the CMO or designee, Director of Risk Management, and Quality Director of respective business unit for where the event occurred (or their designee).

Function:

1. Approves & makes recommendations on sentinel event determinations and teams, and action plans as received from the Sentinel Event Determination Group.
2. Evaluates findings, recommendations, and approves action plans of all root cause analyses.

Clinical Quality & Patient Safety Sub-Committees

Composition:

For the purposes of this plan, Quality & Patient Safety Sub-Committees will refer to any standing committee or sub-committee functioning under the Quality Oversight Structure. Membership on these committees will represent the major clinical and support services throughout the hospitals and/or clinical departments. These committees report, as needed, to the appropriate oversight committee(s) defined in this Plan.

Function:

Serve as the central resource and interdisciplinary work group for the continuous process of monitoring and evaluating the quality and services provided throughout a hospital, clinical department, and/or a group of similar clinical departments.

Process Improvement Teams

Composition:

For the purposes of this plan, Process Improvement Teams are any ad-hoc committee, workgroup, team, taskforce etc. that function under the Quality Oversight Structure and are generally time-limited in nature. Process Improvement Teams are comprised of owners or participants in the process under study. The process may be clinical (e.g. prophylactic antibiotic administration or not clinical (e.g. appointment availability). Generally, the members fill the following roles: team leader, facilitator, physician advisor, administrative sponsor, and technical expert.

Function:

Improve current processes using traditional QI tools and by focusing on customer needs.

ROLES AND RESPONSIBILITIES:

Clinical quality management, patient safety & service excellence are the responsibilities of all staff members, volunteers, visitors, patients and their families.

Chief Executive Officer (CEO)

The CEO for the Medical Center is responsible for providing leadership and oversight for the overall Clinical Quality Management and Patient Safety Plan across the OSUWMC.

OSUCCC – James Physician-in-Chief

The OSUCCC-James Physician-in-Chief reports to the CEO of The James Cancer Hospital and Solove Research Institute and the Director of the Comprehensive Cancer Center. The Physician-in-Chief provides leadership and strategic direction to ensure the delivery of high quality, cost-effective health care consistent with the OSUCCC-James mission.

Chief Quality and Patient Safety Officer (CQPSO)

The CQPSO reports to the Medical Center CEO and provides oversight and leadership for the OSUWMC in the conceptualization, development, implementation and measurement of OSUWMC approach to quality, patient safety and adverse event reduction.

Associate Chief Quality and Patient Safety Officers

The Associate Chief Quality and Patient Safety Officers supports the CQPSO in the development, implementation and measurement of OSUWMC's approach to quality, safety and service.

Chief Medical Officer (CMO)

The CMO for the Medical Center is responsible for facilitating the implementation of the overall Clinical Quality Management, Patient Safety & Service Plan at OSUWMC. The CMO is responsible for facilitating the implementation of the recommendations approved by the various committees under the Leadership Council for Clinical Quality, Safety & Service.

Medical Director/Director of Medical Affairs

Each business unit Medical Director is responsible for the implementation and oversight of the Clinical Quality Management, Patient Safety & Service Plan. Each Medical Director is also responsible for reviewing the recommendations from the Clinical Quality Management, Patient Safety & Service Plan.

Associate Medical Directors

The Associate Medical Directors assist the CQPSO in the oversight, development, and implementation of the Clinical Quality Management, Patient Safety & Service Plan as it relates to the areas of quality, safety, evidence-based medicine, clinical resource utilization and service.

Health System Chief Executive Officer (CEO)

The OSUWMC CEO is responsible to the Board for implementation of the Clinical Quality Management Patient Safety & Service Plan.

Business Unit Associate Executive Directors

The OSU Health System staff, under the direction of the Health System CEO and Hospital Administration, implements the program throughout the organization. Hospital Administration provides authority and supports corrective actions within its realm for clinical quality management and patient safety activities.

Clinical Department Chief and Division Directors:

Each department chairperson and division director is responsible for ensuring the standards of care and service are maintained within their department/division. In addition, department chairpersons/division director may be asked to implement recommendations from the Clinical Quality Management Patient

Safety & Service Plan, or participate in corrective action plans for individual physicians, or the division/department as a whole.

Medical Staff

Medical staff members are responsible for achieving the highest standard of care and services within their scope of practice. As a requirement for membership on the medical staff, members are expected and must participate in the functions and expectations set forth in the Clinical Quality Management, Patient Safety, & Service Plan. In addition members may be asked to serve on quality management committees and/or quality improvement teams.

A senior quality council with representation from each medical staff department through a faculty quality liaison will support the overall Quality Program reporting to the Leadership Council for Clinical Quality, Safety & Service.

House Staff Quality Forum (HQF)

The House Staff Quality Forum (HQF) is comprised of representatives from each Accreditation Council for Graduate Medical Education (ACGME) program. HQF has Executive Sponsorship from the CQPSO and the Associate CQPSO.

The purpose of the HQF is to provide post-graduate trainees an opportunity to participate in clinical quality, patient safety and service-related initiatives while incorporating the perspective of the frontline provider. HQF will work on quality, safety and service-related projects and initiatives that are aligned with the health system goals and will report to the Clinical Quality and Patient Safety committee. The Chair HQF will serve as a member of the Leadership Council.

Nursing Quality

The primary responsibility of the Nursing Quality Improvement and Patient Safety Department is to coordinate and facilitate nursing quality improvement, participation/collaboration with system-wide patient safety activities, the use of evidence-based practice (EBP) and research to improve both the delivery and outcomes of personalized nursing care, and the submission of outcome data to the National Database for Nursing Quality Indicators (NDNQI). The primary responsibility for the implementation and evaluation of nursing quality improvement, patient safety, and EBP resides in each department/program; however, the Nursing Quality Improvement and Patient Safety staff members also serve as internal consultants for the development and evaluation of quality improvement, patient safety, and EBP activities. The department maintains human and technical resources for team facilitation, use of performance improvement tools, data collection, statistical analysis, and reporting. The Nursing Quality Improvement and Patient Safety Department collaborates with the OSUWMC Hospital Quality and Operations Department.

Hospital Department Directors

Each department director is responsible for ensuring the standards of care and service are maintained or exceeded within their department. Department directors are responsible for implementing, monitoring, and evaluating activities in their respective areas and assisting medical staff members in developing appropriate mechanisms for data collection and evaluation. In addition, department directors may be asked to implement recommendations from the Clinical Quality Management, Patient

Safety & Service Plan or participate in corrective action plans for individual employees or the department as a whole. Department directors provide input regarding committee memberships, and serve as participants on quality management committees and/or quality improvement teams.

Health System Staff

Health System staff members are responsible for ensuring the standards of care and services are maintained or exceeded within their scope of responsibility. The staff is involved through formal and informal processes related to clinical quality improvement, patient safety and service quality efforts, including but not limited to:

- Reporting events that reach the patient and those that almost reach the patient via the internal Patient Safety Reporting System
- Suggesting processes to improve quality, safety and service
- Monitoring activities and processes, such as patient complaints and patient satisfaction participating in focus groups
- Attending staff meetings
- Participating in efforts to improve quality and safety including Root Cause Analysis and Proactive Risk Assessments

Quality and Operations Improvement Department:

The primary responsibility of the Quality and Operations Improvement (Q&OI) Department is to coordinate and facilitate clinical quality management and patient safety activities throughout the Health System. The primary responsibility for the implementation and evaluation of clinical quality management and patient safety activities resides in each department/program; however, the Q&OI staff also serves as an internal consultant for the development and evaluation of quality management and patient safety activities. The Q&OI Department maintains human and technical resources for team facilitation, use of performance improvement tools, data collection, statistical analysis, and reporting.

Patient Experience Department

The primary responsibility of the Patient Experience Department is to coordinate and facilitate a service oriented approach to providing healthcare throughout the Health System. This is accomplished through both strategic and program development as well as through managing operational functions within the Health System. The implementation and evaluation of service-related activities resides in each department/program; however, the Patient Experience staff also serves as an internal consultant for the development and evaluation of service quality activities. The Patient Experience Department maintains human and technical resources for interpreter services, information desks, patient relations, pastoral care, team facilitation, and use of performance improvement tools, data collection, statistical analysis, and reporting. The Department also oversees the Patient and Family Experience Advisor Program which is a group of current/former patients, or their primary caregivers, who have had experiences at any OSU Health System facility. These individuals are volunteers who serve as advisory members on committees and workgroups, complete public speaking engagements and review materials.

Approach to Quality, Safety & Service Management

The OSU Health System approach to clinical quality management, patient safety, and service is leadership-driven and involves significant staff and physician participation. Clinical quality management patient safety and service activities within the Health System are multi-disciplinary and based on the Health System's mission, vision, values, and strategic plan. It embodies a culture of continuously measuring, assessing, and initiating changes including education in order to improve outcomes. The Health System employs the following principles of continuous quality improvement in its approach to quality management and patient safety:

Principles

The principles of providing high quality, safe care support the Institute of Medicines Six Aims of Care:

- Safe
- Timely
- Effective
- Efficient
- Equitable
- Patient-centered

These principles are:

Customer Focus: Knowledge and understanding of internal and external customer needs and expectations.

Leadership & Governance: Dedication to continuous improvement instilled by leadership and the Board.

Education: Ongoing development and implementation of a curriculum for quality, safety & service for of all staff, employees, clinicians, patients, and students.

Everyone is involved: All members have mutual respect for the dignity, knowledge, and potential contributions of others. Everyone is engaged in improving the processes in which they work.

Data Driven: Decisions are based on knowledge derived from data. Both data as numerator only as well as ratios will be used to gauge performance

Process Improvement: Analysis of processes for redesign and variance reduction using a scientific approach.

Continuous: Measurement and improvement are ongoing.

Just Culture: A culture that is open, honest, transparent, collegial, team-oriented, accountable and non-punitive when system failures occur.

Personalized Health Care: Incorporate evidence based medicine in patient centric care that considers the patient's health status, genetics, cultural traditions, personal preferences, values family situations and lifestyles.

Model

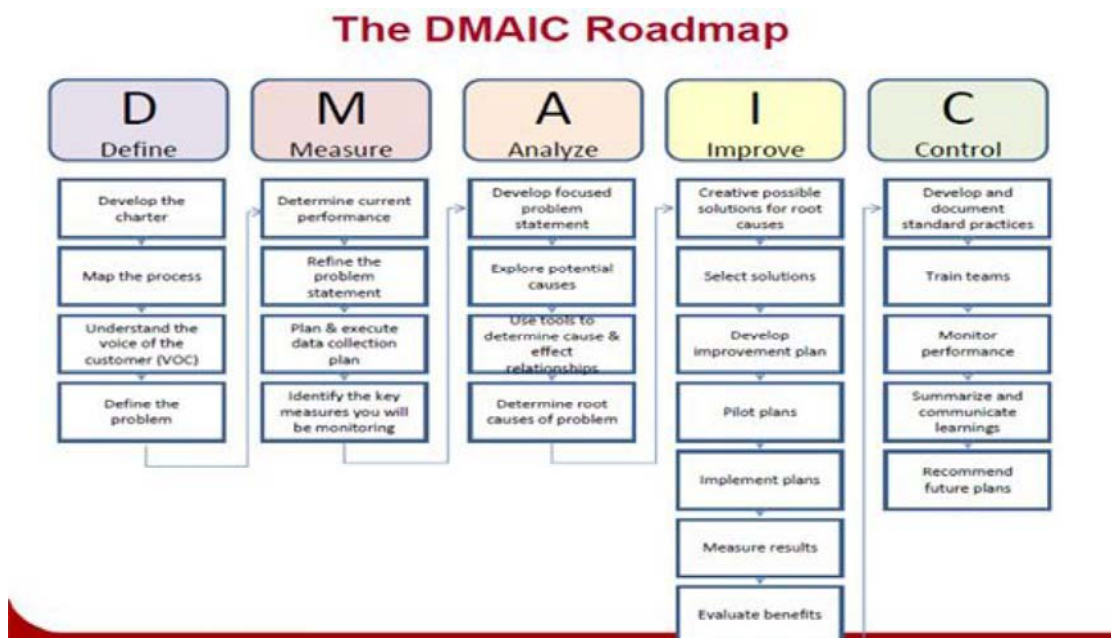
Systematic Approach/Model to Process Improvement

The OSU Medical Center embraces change and innovation as one of its core values. Organizational focus on process improvement and innovation is embedded within the culture through the use of a general Process Improvement Model that includes 1) an organizational expectation that the entire workforce is responsible for enhancing organizational performance, 2) active involvement of multidisciplinary teams and committees focused on improving processes and 3) a toolkit* of process improvement methodologies and expert resources that provide the appropriate level of structure and support to assure the deliverables of the project are met with longer term sustainability.

***The Process Improvement Toolkit**

Methodology
PDCA
Rapid Cycle Improvement
DMAIC
Lean Principles

Recognizing the need for a systematic approach for process improvement, the health system has traditionally utilized the PDCA methodology. While PDCA has the advantage of being easily understood and applied as a systematic approach, it also has the limitation of not including a “control step” to help assure longer term sustainability of the process improvement. To address this need for additional structure at the end of the project, the DMAIC model was added to the toolkit. With the increased organizational emphasis on utilizing metric-driven approaches to reducing unintended medical errors, eliminating rework, and enhancing the efficiency/effectiveness of our work processes, the DMAIC methodology will be instrumental as a tool to help focus our process improvement efforts.



Consistent Level of Care

Certain elements of The OSU Health System Clinical Quality Management, Patient Safety, & Service Plan assure that patient care standards for the same or similar services are comparable in all areas throughout the health system:

- Policies and procedures and services provided are not payer driven.
- Application of a single standard for physician credentialing.
- Health system monitoring tools to measure like processes in areas of the Health System.
- Standardize and unify health system policies and procedures that promote high quality, safe care.

Performance Transparency

The Health System Medical and Administrative leadership, working with the Board has a strong commitment to transparency of performance as it relates to clinical, safety and service performance. Clinical outcome, service and safety data are shared on the external OSUMC website for community viewing. The purpose of sharing this information is to be open and honest about OSUMC performance and to provide patients and families with information they can use to help make informed decisions about care and services.

Performance data are also shared internally with faculty and staff through a variety of methods. The purpose of providing data internally is to assist faculty and staff in having real-time performance results and to use those results to drive change and improve performance when applicable. On-line performance scorecards have been developed to cover a variety of clinical quality, safety and service metrics. When applicable, on-line scorecards provide the ability to “drilldown” on the data by discharge service, department and nursing unit. In some cases, password authentication also allows for practitioner-specific data to be viewed by Department Chairs and various Quality and Administrative staff. Transparency of information will be provided within the limits of the Ohio law that protects attorney –client privilege, quality inquiries and reviews, as well as peer review.

Confidentiality

Confidentiality is essential to the quality management and patient safety process. All records and proceedings are confidential and are to be marked as such. Written reports, data, and meeting minutes are to be maintained in secure files. Access to these records is limited to appropriate administrative personnel and others as deemed appropriate by legal counsel. As a condition of staff privilege and peer review, it is agreed that no record, document, or proceeding of this program is to be presented in any hearing, claim for damages, or any legal cause of action. This information is to be treated for all legal purposes as privileged information. This is in keeping with the Ohio Revised Code 121.22 (G)-(5) and Ohio Revised Code 2305.251.

Conflict of Interest

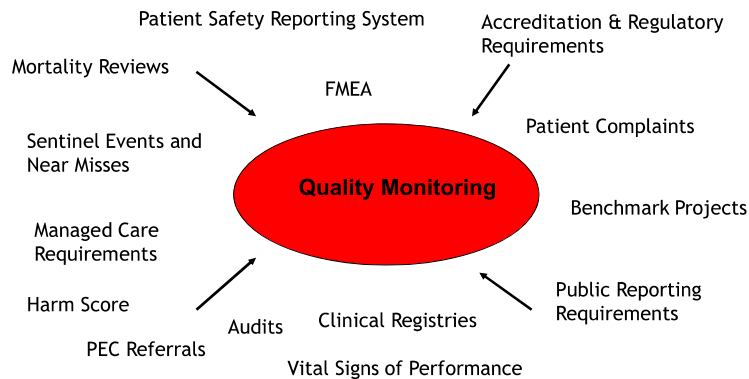
Any person, who is professionally involved in the care of a patient being reviewed, should not participate in peer review deliberations and voting. A person is professionally involved if they are responsible for patient care decision making either as a primary or consulting professional and/or have a financial interest (as determined by legal counsel) in the case under review. Persons who are professionally involved in the care under review are to refrain from participation except as requested by the appropriate administrative or medical leader. During peer review evaluations, deliberations, or voting, the chairperson will take steps to avoid the presence of any person, including committee members, professionally involved in the care under review. The chairperson of a committee should resolve all questions concerning whether a person is professionally involved. In cases where a committee member is professionally involved, the respective chairperson may appoint a replacement member to the committee. Participants and committee members are encouraged to recognize and disclose, as appropriate, a personal interest or relationship they may have concerning any action under peer review.

Determining Priorities

The OSU Health System has a process in place to identify and direct resources toward quality management, patient safety, and service activities. The Health System's criteria are approved and reviewed by the Leadership Council and the Medical Center Board. The prioritization criteria are reevaluated annually according to the mission and strategic plan of the Health System. The leaders set performance improvement priorities and reevaluate annually in response to unusual or urgent events.

Data Measurement and Assessment

Methods for Monitoring



Determination of data needs

Health system data needs are determined according to improvement priorities and surveillance needs. The Health System collects data for monitoring important processes and outcomes related to patient care and the Health System's functions. In addition, each department is responsible to identify quality indicators specific to their area of service. The quality management committee of each area is responsible for monitoring and assessment of the data collected.

External reporting requirements

There are a number of external reporting requirements related to quality, safety, and service. These include regulatory, governmental, payer, and specialty certification organizations.

Collection of data

Data, including patient demographic and clinical information, are systematically collected throughout the Health System through various mechanisms including:

- Administrative and clinical registries and databases
- Retrospective and concurrent medical record review (e.g., infection surveillance)
- Reporting systems (e.g., patient safety reporting system)
- Surveys (i.e. patients, families, and staff)

Assessment of data

Statistical methods such as control charts, g-charts, confidence intervals, and trend analysis are used to identify undesirable variance, trends, and opportunities for improvement. The data is compared to the Health System's previous performance, external benchmarks, and accepted standards of care are used to establish goals and targets. Annual goals are established as a means to evaluate performance.

Surveillance system

The Health System systematically collects and assesses data in different areas to monitor and evaluate the quality and safety of services, including measures related to accreditation and other requirements. Data collection also functions as a surveillance system for timely identification of undesired variations or trends in quality indicators.

Quality & Safety Scorecard

The Quality and Safety Scorecard is a set of health system-wide indicators related to those events considered potentially preventable. The Quality & Safety Scorecard covers the areas such as, hospital-acquired infections, falls, patient safety indicators, mortality, length of stay, readmissions, and patient experience. The information is shared in various Quality forums with staff, clinicians, administration, and the Boards. The indicators to be included in the scorecard are reviewed each year to represent the priorities of the quality and patient safety program **[Attachment II]**.

Vital Signs of Performance

The Vital Signs of Performance is an online dashboard available to everyone in the Medical Center with a valid user account. It shows Mortality, Length of Stay, Patient Safety Indicator, and Readmission data over time and compared to goals and external benchmarks. The data can be displayed at the health system, business unit, clinical service, and nurse station level.

Patient Satisfaction Dashboard

The Patient Satisfaction dashboard is a set of health system-wide patient experience indicators gathered from surveys after discharge or visit to a hospital or outpatient area. The dashboard covers performance in areas such as physician communication, nurse communication, responsiveness, pain management, admitting and discharging speed and quality. It also measures process indicators, such as nurse leader rounding, as well as serves as a resource for best practices. The information contained on the dashboard is shared in various forums with staff, clinicians, administration, including the Boards. Performance on many of these indicators serves as annual goals for leaders and members of clinical and patient facing teams.

Quality, Patient Safety, and Service Educational Information

Education is identified as a key principle for providing safe, high quality care, and excellent service for our patients. There is on-going development and implementation of a curriculum for quality, safety & service of all staff, employees, clinicians, patients, and students. There are a variety of forums and venues utilized to enhance the education surrounding quality and patient safety including, but not limited to:

- On line videos
- Quality & Patient Safety Simulcasts
- Newsletters

- Classroom forums
- Simulation Training
- Computerized Based Learning Modules
- Partnerships with IHI Open School
- Curriculum Development within College of Medicine
- Websites (internal OneSource and external OSUMC)
- Patient Safety Lessons Learned
- Patient Safety Alerts

Benchmark data

Both internal and external benchmarking provides value to evaluating performance (Attachment V).

Internal Benchmarking

Internal benchmarking uses processes and data to compare OSUMCs performance to itself overtime. Internal benchmarking provides a gauge of improvement strategies within the organization.

External Benchmarking

The OSU Health System participates in various database systems, clinical registries and focused benchmarking projects to compare performance with that of peer institutions. Vizient, The US News Report, National Database of Nursing Quality Indicators, and The Society of Thoracic Surgery are examples of several external organizations that provide benchmarking opportunities.

Design and evaluation of new processes

- New processes are designed and evaluated according to the Health System's mission, vision, values, priorities, and are consistent with sound business practices.
- The design or re-design of a process may be initiated by:
- Surveillance data indicating undesirable variance
- Patients, staff, or payers perceive the need to change a process
- Information from within the organization and from other organizations about potential risks to patient safety, including the occurrence of sentinel events
- Review and assessment of data and/or review of available literature confirm the need

Performance Based Physician Quality & Credentialing

Performance-based credentialing ensures processes that assist to promote the delivery of quality and safe care by physicians and advanced practice licensed health care providers. Both Focused Professional

Practice Evaluation (FPPE) and Ongoing Professional Practice Evaluation (OPPE) occur. Focused Professional Practice Evaluation (FPPE) is utilized on 3 occasions: initial appointment, when a Privileged Practitioner requests a new privilege, and for cause when questions arise regarding the practitioner's ability to provide safe, high quality patient care. Ongoing Professional Practice Evaluation (OPPE) is performed on an ongoing basis (every 6 months).

Profiling Process:

- Data gathering from multiple sources
- Report generation and indicator analysis
- Department chairs (division directors as well) have online access 24/7 to physician profiles for their ongoing review
 - Individual physician access to their profiles 24/7
- Discussion at Credentialing Committee
- Final Recommendation & Approval:
 - Medical Staff Administrative Committees
 - Medical Director
 - Hospital Board

Service-Specific Indicators

Several of the indicators are used to profile each physician's performance. The results are included in a physician profile [Attachment IV], which is reviewed with the department chair as part of credentialing process.

The definition of service/department specific indicators is the responsibility of the director/chair of each unit. The performance in these indicators is used as evidence of competence to grant privileges in the re-appointment process. The clinical departments/divisions are required to collect the performance information as necessary related to these indicators and report that information to the Department of Quality & Operations Improvement.

Purpose of Medical Staff Evaluation

- To monitor and evaluate medical staff performance ensuring a competent medical staff
- To integrate medical staff performance data into the reappointment process and create the foundation for high quality care, safe, and efficacious care
- To provide periodic feedback and inform clinical department chairs of the comparative performance of individual medical staff
- To identify opportunities for improving the quality of care

Annual Evaluation

The Clinical Quality Management, Patient Safety & Service Plan is approved by the Leadership Council, the Medical Staff Administrative Committees, and the Medical Center Board on an annual basis. The annual evaluation includes a review of the program activities and an evaluation of the effectiveness of the structure.

Attachment I: Priority Criteria

The following criteria are used to prioritize clinical value enhancement initiatives to ensure the appropriate allocation of resources.

1. Ties to strategic initiatives and is consistent with hospital's mission, vision, and values
2. Reflects areas for improvement in patient safety, appropriateness, quality, and/or medical necessity of patient care (e.g., high risk, serious events, problem-prone)
3. Has considerable impact on our community's health status (e.g., morbidity/mortality rate)
4. Addresses patient experience issues (e.g., access, communication, discharge)
5. Reflects divergence from benchmarks
6. Addresses variation in practice
7. Is a requirement of an external organization
8. Represents significant cost/economic implications (e.g., high volume)

Attachment II: LCCQSS FY17 Priorities & Scorecard

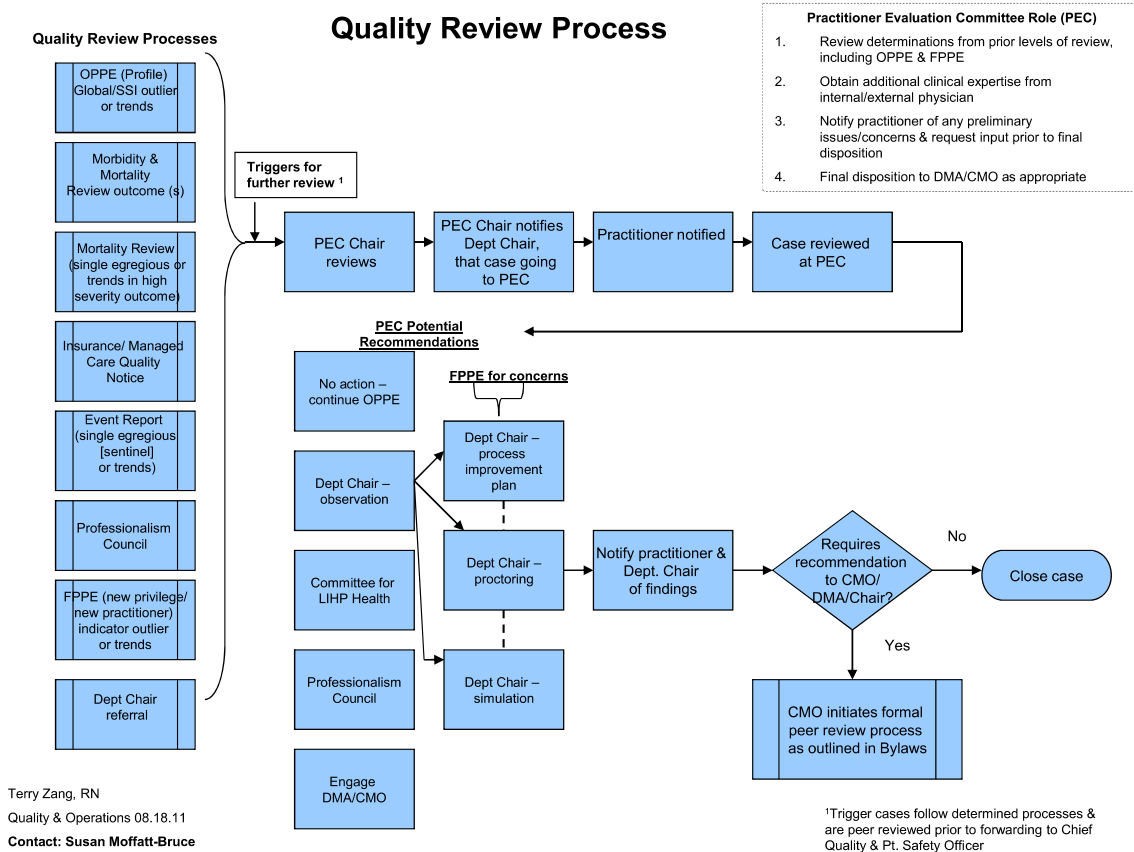
FY 2018 Targets – Vizient Based Data

Performance Incentive Metrics	Current Performance	Peer Rank (Est)	FY 18 Target	Target Standard
Mortality Index – Median Center	0.77	6	0.76	Top Decile
Mortality Index–System (No James)	0.75	3	0.73	Best Perf
LOS Index	1.02	9	0.99	Top Quartile
PSI-90	0.66	12	0.62	Top Quartile
PSI-90 – Acute Kidney Injury	2.97	22	1.65	Median
PSI-11 – Post Op Resp. Failure	5.16	15	4.65	Median
PSI-12 – Post Op MI/DrT	5.17	12	4.18	Top Quartile
PSI-13 – Post Op Sepsis	6.27	14	5.48	Median
Overall 30 Day All Cause Readmission Rate	12.62%	22	11.59	Median
Overall 30 Day All Cause Readmission Rate (without James)	10.68%	7	8.91%	Top Decile
Overall 30 Day All Cause Readmission Rate – AMI	14.26	16	12.32%	Median
Overall 30 Day All Cause Readmission Rate – HF	19.89	9	18.24%	Median
Overall 30 Day All Cause Readmission Rate – PN	17.06	4	10.14%	Top 2
Overall 30 Day All Cause Readmission Rate – COPD	17.12	14	17.08%	Median
Overall 30 Day All Cause Readmission Rate – THA/TKA	4.27	15	4.0%	Median
Overall 30 Day All Cause Readmission Rate – CABG	14.50%	16	13.9%	Median

FY 2018 Targets – Hospital Compare Data

Performance Incentive Metrics	Current Performance	Peer Rank	FY 18 Target	Target Standard
CLABSI – SIR	0.561	n/a	0.786	Maintain
CAUTI – SIR	0.303	n/a	0.380	Maintain
CDI – SIR	0.777	n/a	0.771	Maintain
MRSA – SIR	0.662	n/a	0.579	Maintain
SSI – Colon SIR	0.431	n/a	1.000	Expected rate
SSI – Ab hysterectomy SIR	0.894	n/a	1.000	Expected Rate
ED-18: Door to Departure for Admitted ED Patients	431	14	376	Top Quartile
ED-29: Admit Decision to ED Departure	185	16	182	Median
OP-18B: Door to Departure for Discharged ED Patients	220	12	192	Top Quartile
OP-20: ED Door to Evaluation	27	15	22	Top Quartile
OP-21: Time to Pain Management (LBP)	71	21	61	Median
OP-22: ED Left Without Being Seen	4.68%	22	5%	Median

Attachment IV: Physician Performance Based Profile



Profile for: Wexner SERVICE: INTERNAL MEDICINE-CARDIOVASCULAR MEDICINE Profile last revised by: Provider: Nasser									
Status	Indicator	My Score	Peer Score	Target	SPC Alert	Current Period	6 Month Values		
							My Score	Peer Score	Start Month
A - Volume and Quality									
	CMI	n/a	2.03	n/a		Q2 2013	No Data	1.67	Feb 2013
	IP Discharges	n/a	14.6	n/a		Q2 2013	No Data	14.6	Feb 2013
★ ▼	IP LOS Index (Obs_Exp Total Days)	0.93	1.06	1.00		Q1 2013	No Data	1.06	Feb 2013
▼	IP Procedures	4	42.7	n/a		Q2 2013	4	34.5	Mar 2013
▼	Observation Cases	0	1.85	n/a		Q2 2013	0	2.83	Feb 2013
▲	Outpatient Visits	189	107	n/a		Q2 2013	206	102	Feb 2013
B - Patient Care									
★ —	Autopsy Discrepancy	0	0.00	0		Q2 2013	0	1.00	Feb 2013
	Cath PCI Post-procedure AMI	No Data	1.1%	n/a		Q2 2013	No Data	1.2%	Mar 2013
	Cath PCI Retro-peritoneal Bleed	No Data	0.3%	n/a		Q2 2013	No Data	0.2%	Mar 2013
	CW - AMI_3 Aspirin Prescribed at Discharge	n/a	91.0%	100.0%		Q4 2012	No Data	No Data	No Data
	CW - AMI_3 ACEI or ARB for LVSD	n/a	24.6%	100.0%		Q4 2012	No Data	No Data	No Data
	CW - AMI_5 Beta Blocker at Discharge	n/a	87.7%	100.0%		Q4 2012	No Data	No Data	No Data
	CW - AMI_9 Inpatient Mortality	n/a	0.0%	0.0%		Q4 2012	No Data	No Data	No Data
	CW - HF_2 Evaluation of LVS Function	n/a	95.7%	100.0%		Q4 2012	No Data	No Data	No Data
	CW - HF_3 ACEI or ARB for LVSD	n/a	48.9%	100.0%		Q4 2012	No Data	No Data	No Data
	ICD Registry CVA	No Data	0.0%	n/a		Q1 2013	No Data	0.0%	Mar 2013
★ ▼	IP Mort Index (Obs_Exp)	0.00	0.50	0.75		Q1 2013	No Data	0.47	Feb 2013
—	Mortality Reviewed	1	0.44	n/a		Q2 2013	1	1.57	Mar 2013
★ —	Mortality Sent for Peer Review	0	0.14	0		Q2 2013	0	1.07	Feb 2013
★ —	Mortality Peer Review #1 Score 4 or 5	0	0.00	0		Q2 2013	0	No Data	No Data
★ —	Quality Management Events - Standard of Care Not Met	0	0.04	0		Q2 2013	0	1.14	Mar 2013
—	Related Readmit 30 days	0.00%	3.34%	n/a		Q1 2013	No Data	3.10%	Feb 2013
	SSI CABG Procedures	No Data	0.0%	3.0%		Q2 2013	No Data	0.0%	May 2013
	SSI Pacemaker and AICD	No Data	0.0%	n/a		Q2 2013	No Data	0.0%	Apr 2013
C - Medical and Clinical Knowledge									
★ —	Formal Peer Reviews	0	0.00	0		Q2 2013	0	0.00	Feb 2013
E - Interpersonal and Communication									
★ —	Patient Complaints	0	0.02	0		Q2 2013	0	1.00	Mar 2013

Status	Indicator	My Score	Peer Score	Target	SPC Alert	Current Period	4 Month Values		
							My Score	Peer Score	Start Month
	Patient Satisfaction Ave Score	98.6%	91.9%	n/a		Q2 2018	99.2%	91.0%	Feb 2018
G - Practice Based Learning and Improvement									
	Surgical Team Safety Checklist Variations	0	0.00	0		Q2 2018	0	0.00	Feb 2018
Points Generated 29/04/2018 13:53:57 Next Review Due: Aug 13, 2018									
Reviewed By	Outcome		Notes						
Jan 26, 2018	Kramer	Maintain privileges without modification		The Provider's performance meets expectations					

SPC Alert Legend

-  Most recent period is below Lower Control Limit
-  Most recent period is above Upper Control Limit
-  Process shift: Most recent 8 periods are all above the Center Line
-  Process shift: Most recent 8 periods are all below the Center Line
-  Most recent 8 periods are all increasing
-  Most recent 8 periods are all decreasing
-  Green border: The alert is in a positive direction
-  Red border: The alert is in a negative direction
-  No border: There is no target direction for the indicator

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The Ohio State University
Board of Trustees

November 3, 2017

THURSDAY, NOVEMBER 2, 2017
MASTER PLANNING AND FACILITIES COMMITTEE MEETING

Alexander R. Fischer
James D. Klingbeil
Brent R. Porteus
Alan A. Stockmeister
H. Jordan Moseley
Robert H. Schottenstein
Alex Shumate (*ex officio*)

Location: Recreation and Physical Activity Center (RPAC)
Meeting Rooms 1-2, B255/B257

Time: 8:00-9:45am

ITEMS FOR DISCUSSION

- | | |
|---|-------------|
| 1. Physical Environment Scorecard - Mr. Kasey | 8:00-8:10am |
| 2. Major Project Update - Ms. Readey | 8:10-8:15am |
| 3. Capital Projects Annual Report: Fiscal Year 2017 - Ms. Readey | 8:15-8:30am |
| 4. Advanced Materials Corridor: Phase 1 Design Review - Mr. Myers | 8:30-8:40am |
| 5. Programing Studies Updates (verbal) - Mr. Myers | 8:40-8:55am |

ITEMS FOR ACTION

- | | |
|--|-------------|
| 6. Authorizations Regarding Professional Services - Ms. Readey | 8:55-9:10am |
| 7. Approval for Fiscal Year 2018 Utility System Capital Improvement Projects - Ms. Readey | 9:10-9:15am |
| 8. Acceptance of Gift of Unimproved Real Property: 352 West Dodridge Street - Mr. Myers | 9:15-9:20am |
| 9. Acceptance of Gift of Improved Real Property and Approval of Sale of Improved Real Property - Mr. Myers | 9:20-9:25am |

Executive Session	9:25-9:45am
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PHYSICAL ENVIRONMENT	Actual Prior Year Same Period (FY17 YTD)	FY18 Year-To-Date				Actual vs Target	FY18 Annual Target (Budget)	Comments
		Actual	Target (Budget)	Target %Var				
A. FINANCIAL								
1. A&P Tot. Operating Expenses (General & Earnings Funds)	\$33,086,446	\$35,110,763	\$38,062,317	-7.8%	—	\$134,294,415		
B. OPERATIONAL								
1. %Total Projects Completed on Time	91.3%	88.8%	90.0%	-1.3%	➤	90.0%		
2. %Total Projects Completed on Budget	95.0%	98.3%	90.0%	9.2%	—	90.0%		
3. Capital Investment Program Spend *	\$372.7	\$308.3	\$398.2 M	-22.6%	➤	\$398.2 M	Metric is measured Quarterly, showing 4th Quarter FY17	
4. Facility Condition Index % - Conditioned Academic/Research Bldgs	74.3%	74.7%	80.0%	-6.7%	—	80.0%	Avg. composite FCI to-date.	
5. CABS Riders	778,979	727,911	805,000	-9.6%	➤	3,945,000	Additional routes require system adjustments. Data unaudited at time of retrieval.	
6. All Parking Garage Occupancy % **	79.7%	75.0%	85.0%	-3.5%	—	85.0%	YTD (Jul-Sept) Occupancy: Transient= 66%, Permit= 84%, Mixed= 69%	
7. WMC Parking Garage Occupancy % **	87.7%	86.3%	85.0%	1.6%	—	85.0%	YTD (Jul-Sept) Occupancy: Transient= 84%, Permit= 81%, Mixed= 94%	
8. Sum of Daily Temporary Parking Space Closures	1,841	51,798	5,000	936.0%	➤	20,000	Data provided through August, 2017 (one month behind) due to data validation requirements.	
9. WOSU Audience (Viewers + Listeners + Visitors + Classroom)	2,495,792	2,685,184	2,495,792	7.6%	➤	12,635,360		
C. SAFETY								
1. EHS Recordable Accident Rate (CYTD):	1.00	1.57	2.00	-21.5%	—	2.00	2017 Calendar YTD	
2. Major On-Campus Crimes (theft, burglary, assault, arson, etc.)	149	133	149	-10.7%	➤	571	Recort Mgmt. Sys. Data unaudited at time of retrieval	
3. Average Police Response Time to High Priority Calls for Service	4:28	4:50	5:00	-3.2%	➤	5:00		
4. Traffic Accidents Injury	4	13	6	100.0%	➤	26	Recort Mgmt. Sys. Data unaudited at time of retrieval	
5. Traffic Accidents Non-Injury	90	80	94	-14.9%	—	338	Recort Mgmt. Sys. Data unaudited at time of retrieval	
6. Off-Campus Crime Statistics	700	562	700	-19.7%	➤	2,340	Recort Mgmt. Sys. Data unaudited at time of retrieval	

* For B5. Capital Investment Program Spend, Green = "Target %Variance" of + or - 10%, with an additional Yellow range extending 10% above and 20% below the Green range.

** For B6&7. Parking Garage Occupancy %, the target is 85% + or - 5%, with an additional 5% Yellow range in both directions.

Meets or surpasses Target

Within 10% of Target

Does not meet Target by >10%

Data Pending

4-Mo Target %Var improved from Prior 4-Mo

Within +/- 2.5% of Prior 4-Mo Target %Var

4-Mo Target %Var decline from Prior 4-Mo



THE OHIO STATE UNIVERSITY

Major Project Updates

Projects Over \$20M

November 2017



PROJECT STATUS REPORT – PROJECTS OVER \$20M

PROJECT	APPROVALS			ON TIME	ON BUDGET
	Des	Con	BUDGET		
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
construction manager at risk
Acock Associates
Gilbane

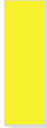
PROJECT UPDATE

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

3



SCHOTTENSTEIN CENTER – NORTH EXPANSION AND CONCOURSE RENOVATION

Upgrade the concourse, create new sports program offices and provide improved visibility and functionality for the ticket office and team store operations

The building addition will include offices, create a new north entry, and align the new practice gym with the rest of the building

PROJECT FUNDING

development funds; university debt

CURRENT PROJECT BUDGET

construction w/cont \$27.0M
total project \$31.5M

PROJECT SCHEDULE

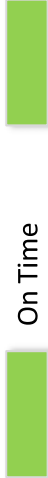
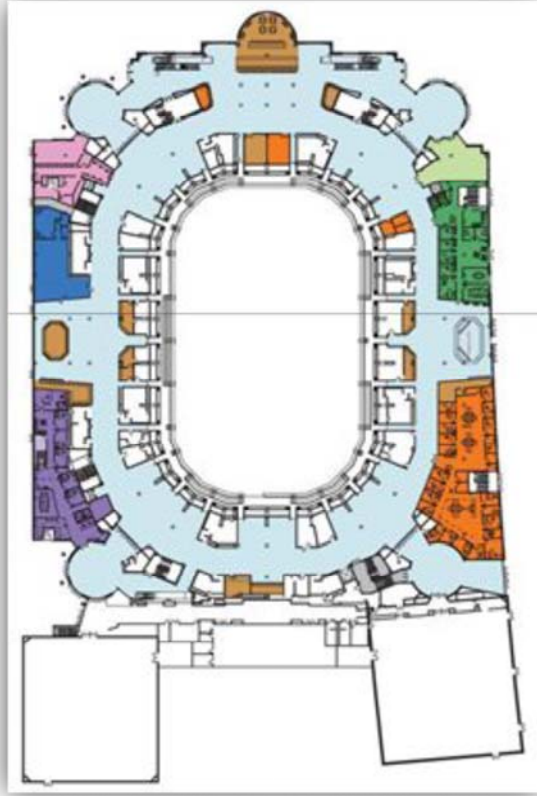
BoT approval 8/15
construction 5/17-7/18

CONSULTANTS

architect of record
construction manager at risk
NBBJ
Barton Malow

PROJECT UPDATE

Building addition steel structure is complete; site work and phased interior construction are in progress



On Budget



WEXNER MEDICAL CENTER – 72-BED BUILD OUT

Build out shelled space on the 10th and 12th floors to add patient beds. The project budget includes approximately \$20M for medical and technology equipment

PROJECT FUNDING

auxiliary funds

CURRENT PROJECT BUDGET

construction w/cont	\$23.0M
total project	\$60.0M

PROJECT SCHEDULE

BoT approval	1/16
construction	5/17-7/18

CONSULTANTS

architect of record	AECOM
general contractor	Elford

PROJECT UPDATE

construction work is ongoing, nearing completion of wall framing on all floors



On Time



On Budget

5



SCHUMAKER STUDENT-ATHLETE DEVELOPMENT CENTER

Construct a new athletic training center with facilities for weight training and cardio conditioning, dining area, classrooms, equipment room, locker rooms and offices

The facility will replace the existing Biggs Facility, located to the west of the Woody Hayes Athletic Center

PROJECT FUNDING

development funds; university debt

CURRENT PROJECT BUDGET	PROJECT SCHEDULE
construction w/cont	BoT approval
\$37.7M	8/15
total project	construction
\$43.0M	4/17-10/18

CONSULTANTS

architect of record
construction manager at risk

HOK
Ruscilli

PROJECT UPDATE

project construction continues on schedule

steel framing completed

adjacent road project progressing on schedule



On Time



On Budget





COVELLI MULTI-SPORT ARENA / JENNINGS FAMILY WRESTLING PRACTICE FACILITY

Construct a new multi-sport arena in the Athletics district to serve as the home for Men's and Women's Varsity Volleyball teams including home and visitor locker rooms

The facility will also be the home competition site for Men's and Women's Fencing, Gymnastics, and Men's Wrestling

PROJECT FUNDING

development funds

CURRENT PROJECT BUDGET

construction w/cont \$40.7M
total project \$49.7M

PROJECT SCHEDULE

BoT approval 8/15
construction 6/17-5/19

CONSULTANTS

architect of record
construction manager at risk

Moody Nolan
Gilbane

PROJECT UPDATE

project construction is underway

steel framing is complete

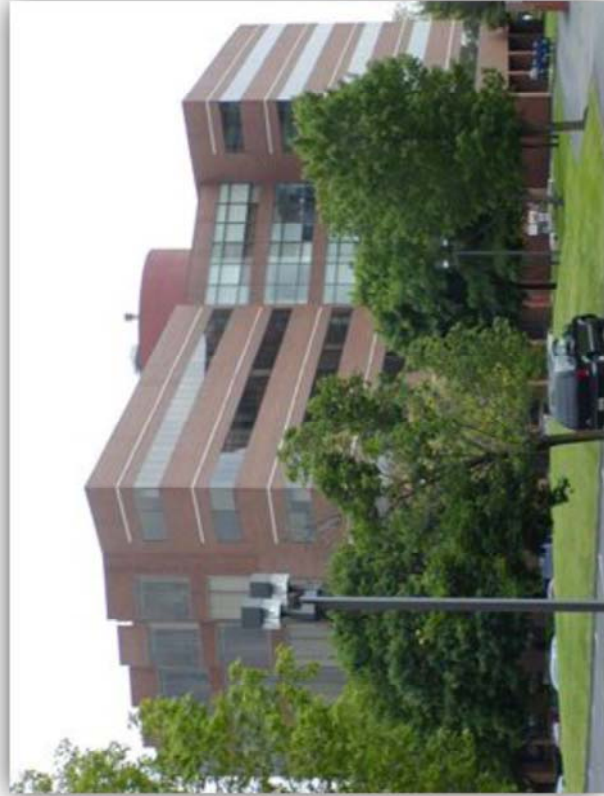
adjacent road project progressing on time



On Time



On Budget



700 ACKERMAN – CONSOLIDATED CALL CENTER

Full building renovation to house OSU Physicians, Central Scheduling and Customer Service, Health Plan, Corporate Operations and Hospital Compliance

Project will also include some minor interior renovations for 660 Ackerman and 600 Ackerman

Phase 1 includes glass replacement, roof replacement, elevator and mechanical/electrical systems; phase 2 includes tenant improvements in 700 Ackerman

PROJECT FUNDING

auxiliary funds

CURRENT PROJECT BUDGET

construction w/cont	\$19.3M	BoT approval	1/17
total project	\$21.8M	construction	8/17-12/19

PROJECT SCHEDULE

CONSULTANTS

architect of record	Baxter Hodell Donnelly & Preston
construction manager at risk	Corna/Kokosing

PROJECT UPDATE

project design continues

phase 1 work has begun, including glass replacement, roof, elevator and mechanical/electrical

phase 2 work is expected by the end of the year

On Time

On Budget

OSU EAST – WEST WING EXPANSION/RENOVATION



Renovation of 12,500 GSF and expansion of 13,900 GSF on the second floor of the west wing of the hospital tower

Renovated and expanded spaces include operating rooms, pre-operative/PACU spaces; imaging; and improvements to the patient arrival experience

PROJECT FUNDING

auxiliary funds

CURRENT PROJECT BUDGET	PROJECT SCHEDULE
construction w/cont	BoT approval 6/17
total project	construction 6/18-12/19

CONSULTANTS

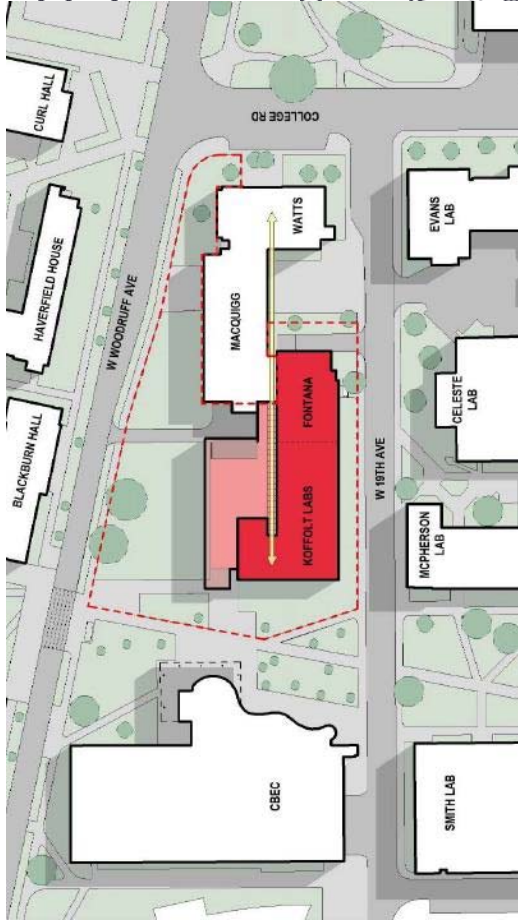
architect of record	Moody Nolan
construction manager at risk	Elford

PROJECT UPDATE

project programming is underway

 On Time

 On Budget



ADVANCED MATERIALS CORRIDOR – PHASE 1

Renovation of the former Koffolt Lab and Fontana Lab to create research labs, offices, and classrooms

PROJECT FUNDING

state appropriations; development; department funds; university debt

CURRENT PROJECT BUDGET		PROJECT SCHEDULE	
construction w/cont	\$53.2M	BoT approval	9/16
total project	\$59.1M	construction	4/18-12/19

CONSULTANTS

architect of record Moody Nolan/Perkins and Will
construction manager at risk Ruscilli

PROJECT UPDATE

design development continues





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
general contractor
EMHT, Inc.
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



On Time



On Budget



CONTROLLED ENVIRONMENT FOOD PRODUCTION COMPLEX



Construct a new horticulture greenhouse complex and aquaponics facility to address urban and traditional food security

PROJECT FUNDING

development funds

CURRENT PROJECT BUDGET

construction w/cont \$21.2M
total project \$24.0M

PROJECT SCHEDULE

BoT approval 6/17
construction 8/18-12/19

CONSULTANTS

architect of record
construction manager at risk

TBD
TBD

PROJECT UPDATE

design team selection is underway



On Time



On Budget



POSTLE PARTIAL REPLACEMENT

Replace the southern portion of the east wing and renovate/upgrade portions of the west wing

PROJECT FUNDING

development; state appropriations; department funds; university debt

CURRENT PROJECT BUDGET

construction w/cont \$85.4M
total project \$95.0M

PROJECT SCHEDULE

BoT approval 9/16
construction 4/18-2/20

CONSULTANTS

architect of record
design architect
construction manager at risk

Design Group
Robert A. M. Stern Architects
Gilbane

PROJECT UPDATE

project design continues
swing space and enabling work have begun



On Time



On Budget



OHIO STADIUM UPGRADES

Consists of several projects to modernize and improve the Stadium including electrical upgrades; concrete coating and restoration; the addition of loge seating; renovate of existing suites; and additional donor suites and loge boxes

Construction work will be phased over several seasons

PROJECT FUNDING

auxiliary funds; university debt

CURRENT PROJECT BUDGET

construction w/cont	\$34.1M
total project	\$39.1M

PROJECT SCHEDULE

BoT approval	4/16
construction	3/17-8/20

CONSULTANTS

architect of record
construction manager at risk

Osborn Engineering
Barton Malow

PROJECT UPDATE

project work is over multiple phases; the phase 1, including concrete repairs and suite renovations, continues on schedule; phase 2 GMP, electrical upgrades, will pause during the football season; and phase 3, suite and loge renovations, will begin construction in November

On Time

On Budget



Capital Projects

Annual Report – Fiscal Year 2017

Projects Approved by the Board of Trustees – FY17

Advanced Materials Corridor – Phase 1	Franklin County Extension Office
Wooster – New Laboratory Building	Controlled Environment Food Production Complex
Postle Partial Replacement	Fry Hall – Optometry Clinic Entrance
Vet Hospital – Simulation Lab	OSU East – West Wing Expansion/Renovation
700 Ackerman Renovation	300 W 10 th Avenue – 7 th Floor
Wexner Medical Center – 72-Bed Build Out	Cannon Drive Relocation – Phase 1
Elevator Safety Repairs and Replacements	Fire System Replacements
HVAC Repair and Replacements	Roof Repair and Replacements
Morehouse – Chiller and Electrical Distribution	Bricker – HVAC Repairs and Replacements
Transportation Plan Implementation	Athletic District Road & Storm Water
Covelli Multi-Sport Arena	Schumaker Student-Athlete Development Center
Ohio Stadium Upgrades	Schottenstein Center – North Expansion

Board Approved Projects Completed in FY17

PROJECT	APPROVALS			ON TIME	ON BUDGET
	Des	Con	BUDGET		
Newark – Adena Hall	✓	✓	\$4M	<div></div>	<div></div>
Mount Hall	✓	✓	\$15M	<div></div>	<div></div>
Brain and Spine Hospital	✓	✓	\$17.6M	<div></div>	<div></div>
Tunnel Replacement Projects	✓	✓	\$6.4M	<div></div>	<div></div>
East Regional Chiller Plant	✓	✓	\$68.5M	<div></div>	<div></div>

Active Projects as of 2017 Fiscal Year End

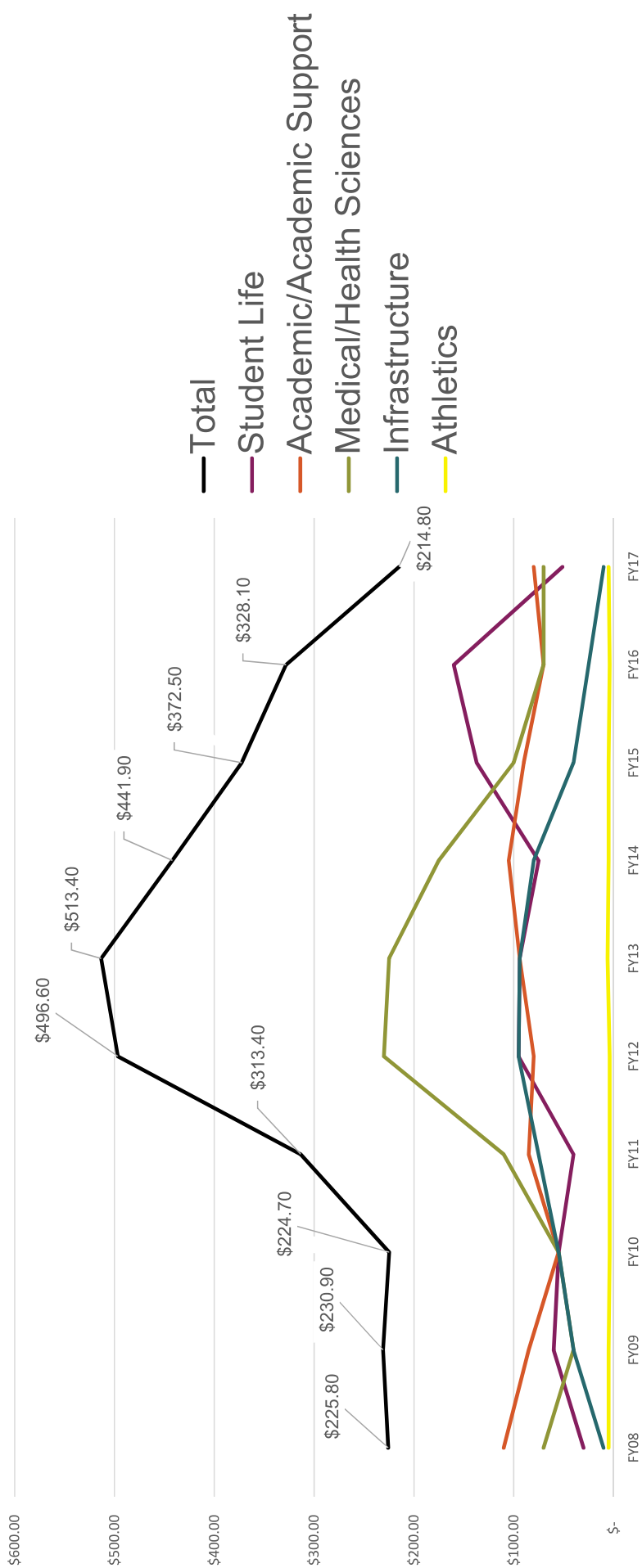
	# of Projects		Total Budget	
	FY 17	FY 16	FY 17	FY 16
Emerging/Funded	92	73	\$76.9M	\$83.6M
Design/Bidding	92	85	\$396.1M	\$316.7M
Construction	253	168	\$465.6M	\$718.1M
Study	14	17	\$53.4M	\$3.1M
Total	451	343	\$992.0M	\$1,121.5M

Total Expenditures by District – FY17

Total Expenditures = **\$214.8M**



Total Expenditures by District – 10 Year FY Analysis



Construction Reform Background

June 30, 2011

- Governor Kasich signs House Bill 153

July 1, 2011 – February 10, 2012

- Draft Administrative Rules and Update Contract Documents
- The university, with the Attorney General's Office and Ohio Facilities Construction Commission, establishes working group
- Review, edit, and propose administrative rules and contract language

February 12, 2012

- Administrative Rules Issued to implement HB 153 and CMR Contract Documents

May 5, 2012

- The university enters into first construction reform contract
- Construction Manager at Risk for Sullivant Hall and Billy Ireland Cartoon Library and Museum

Construction Reform Background

Delivery of public improvement projects authorized to include:

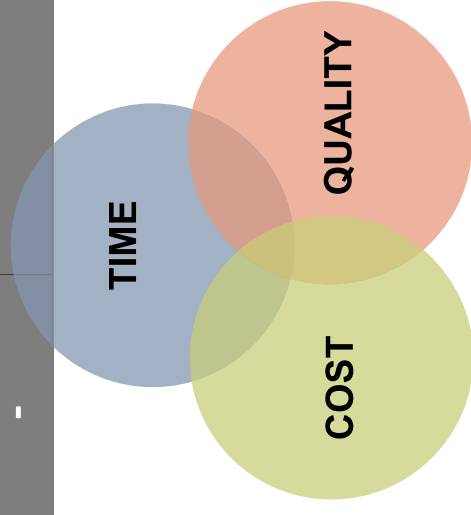
- Construction Manager at Risk
- Design-Build
- General Contracting

Delivery method driven by project characteristics:

- Complexity
- Schedule
- Cost
- Quality

Construction Reform Experience

	# of Projects	Value	% by Value	Average Fee
Construction Manager at Risk (CMR)	46	\$1.66B	65%	2.22%
Design-Build (DB)	61	\$454M	18%	3.53%
General Contracting	286	\$450M	18%	
Total	393	\$2.56B	-	



Benefits Experienced

CMR and DB

- Value based selection
- Time to market
- Pre-qualified subcontractors with owner participation and competitive bidding
- Open book bidding
- Integrated project team
- Constructability input during design
- Enhanced estimating
- Advantageous construction phasing
- Guaranteed Maximum Price proposals
- Project risk shifts to professional construction contractors
- Improvements to contracting process

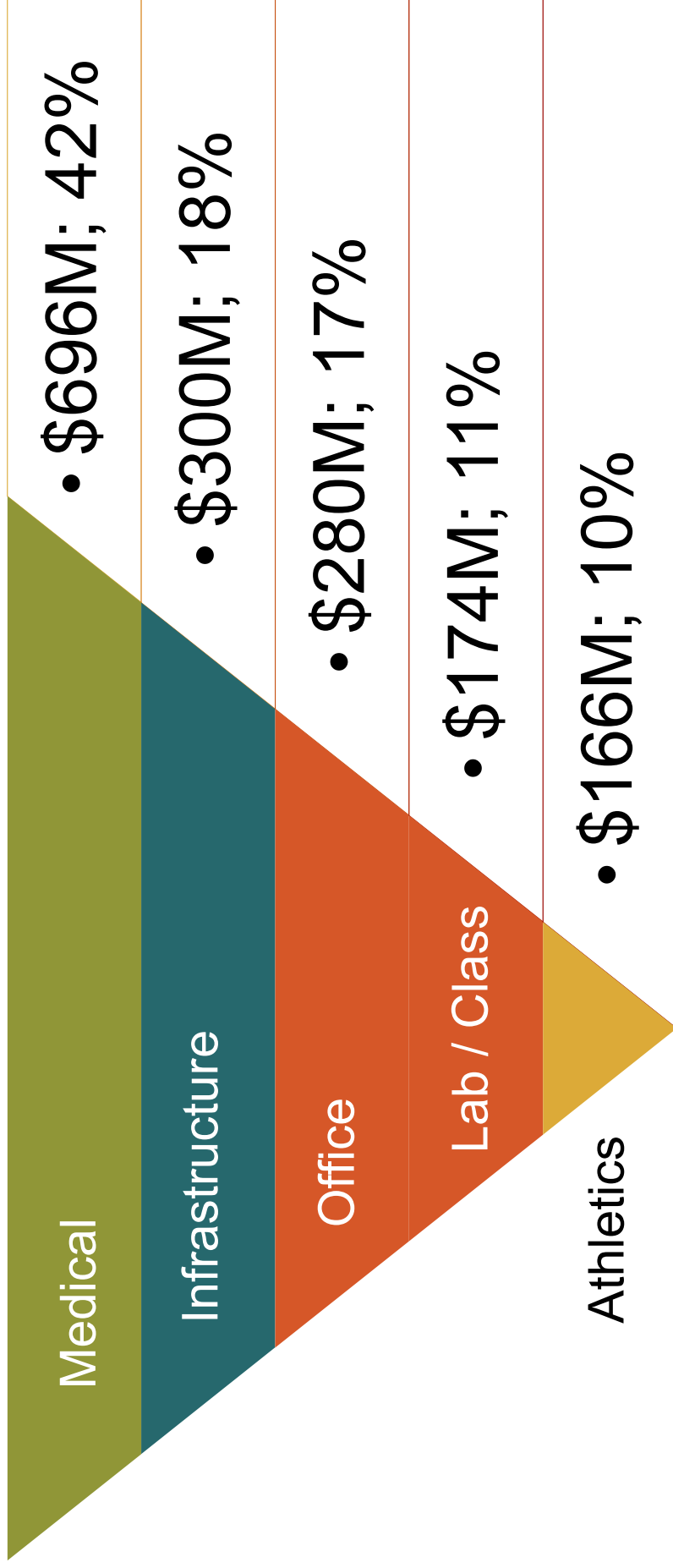
Operational Impact

13 FTE reduction in project management staff

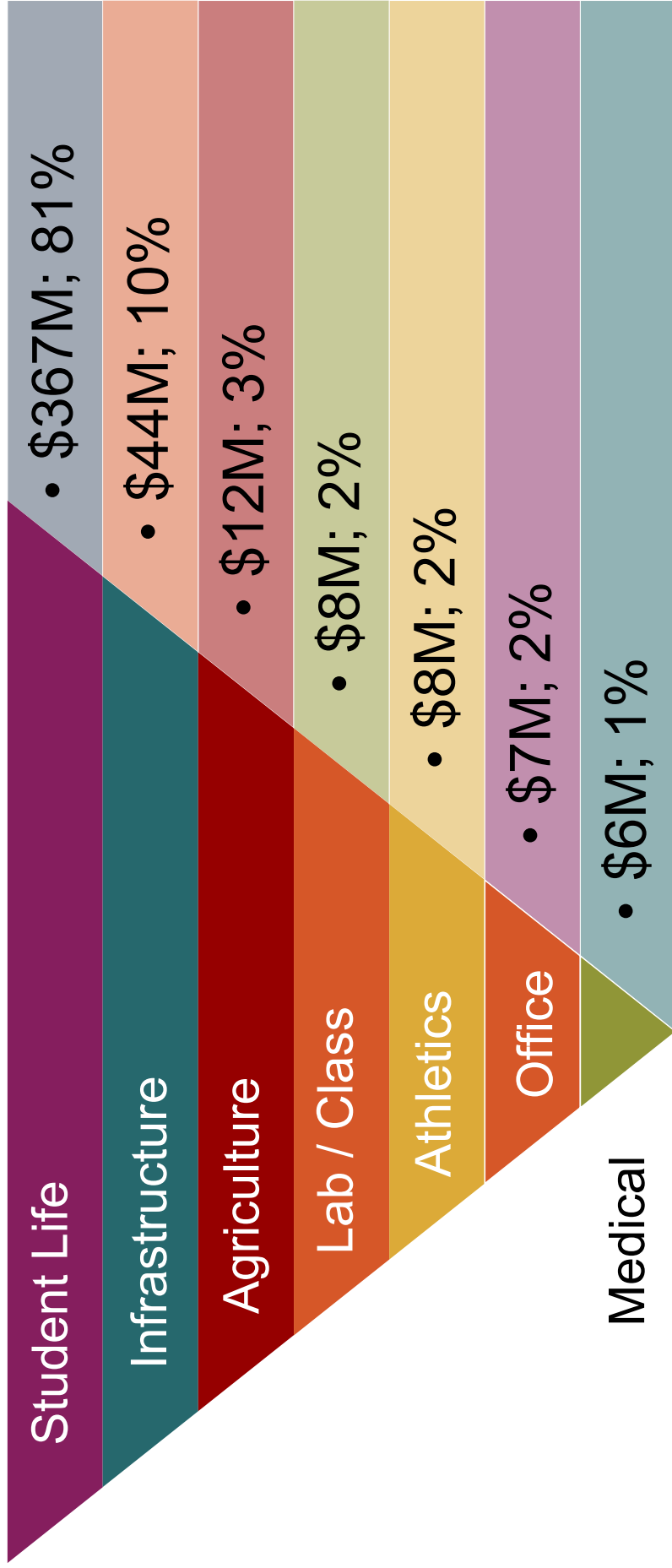
- 52 project managers in May 2011
- 39 project managers in November 2017

Workload Comparison	2007-2012	2012-2017
Completed Projects	322	326
Cumulative Project Value	\$1.54B	\$2.56B

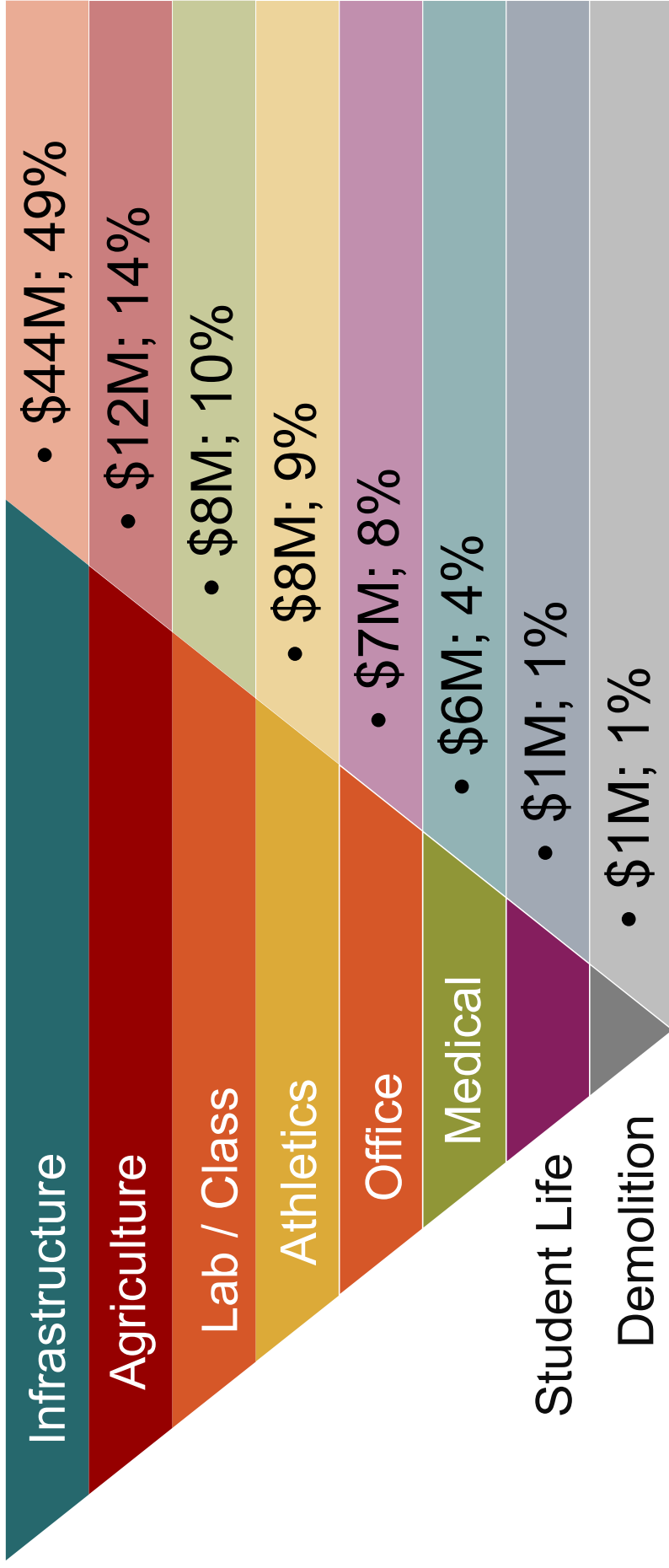
Construction Manager at Risk



Design-Build



Design-Build (minus NRDT)



Sample Projects

Project	Value	Size	Delivery
Brain and Spine Hospital	\$17.6M	59,100 ft ²	CMR
CBEC	\$120M	225,000 ft ²	CMR
Mount Hall	\$14M	72,000 ft ²	CMR
Pomerene & Oxley	\$60M	122,000 ft ²	CMR
NRDT	\$364M	1,100,000 ft ²	DB
WMC Training Center	\$500K	2,900 ft ²	DB

“Without the CM, it is doubtful we would have completed on time.”

CM kept “the entire buy-out under the client’s budget!”

“Design intent known by all parties!”

Including incentives reduced risk to the university and the CM

Projects under \$200,000

927 projects managed since 2012

Valued at \$66.6M

Current Improvements to Process

- **Design-Build Process**
 - Allows contractors to partner with pre-qualified designers to deliver small projects more quickly
 - Competitive Pricing Proposals for each project

Future Improvements to Process

- **Standard Process for Bidding Threshold**
- **Indefinite-Delivery-Indefinite-Quantity (IDIQ) Contract**
 - Pre-qualified contractor teams on contract
 - Faster turnaround from customer request to project start

Opportunities and Challenges

Managing Bid Risk:

- The university is currently the only state entity requiring “date certain” Guaranteed Maximum Price proposals
 - Duration for GMP proposal delivery is contractually set
 - Liquidated damages are established in the event delivery duration agreement is breached

Relationship with Market Cost:

- The university is the only state entity to deliver Mega-Projects
 - Wexner Medical Center Expansion Project - \$1B
 - North Residential District Transformation - \$366M
- Both delivered inside of 4 years
 - WMCEP Opening December 2014
 - NDRT Opening August 2015 & 2016
- Projects are delivered within boundaries of existing buildings and infrastructure
- Projects have inflexible completion dates
- All leading to market pricing impacts

Five Keys to Success

1. Mega-Project Experience
2. An Integrated Capital Planning and Project Delivery Process
3. Knowledge of Campus
4. Lifecycle Project Delivery
5. Ongoing Maintenance and Landscaping Responsibility



ADVANCED MATERIALS CORRIDOR

OSU-160973

MASTER PLANNING & FACILITIES COMMITTEE

NOVEMBER 2017



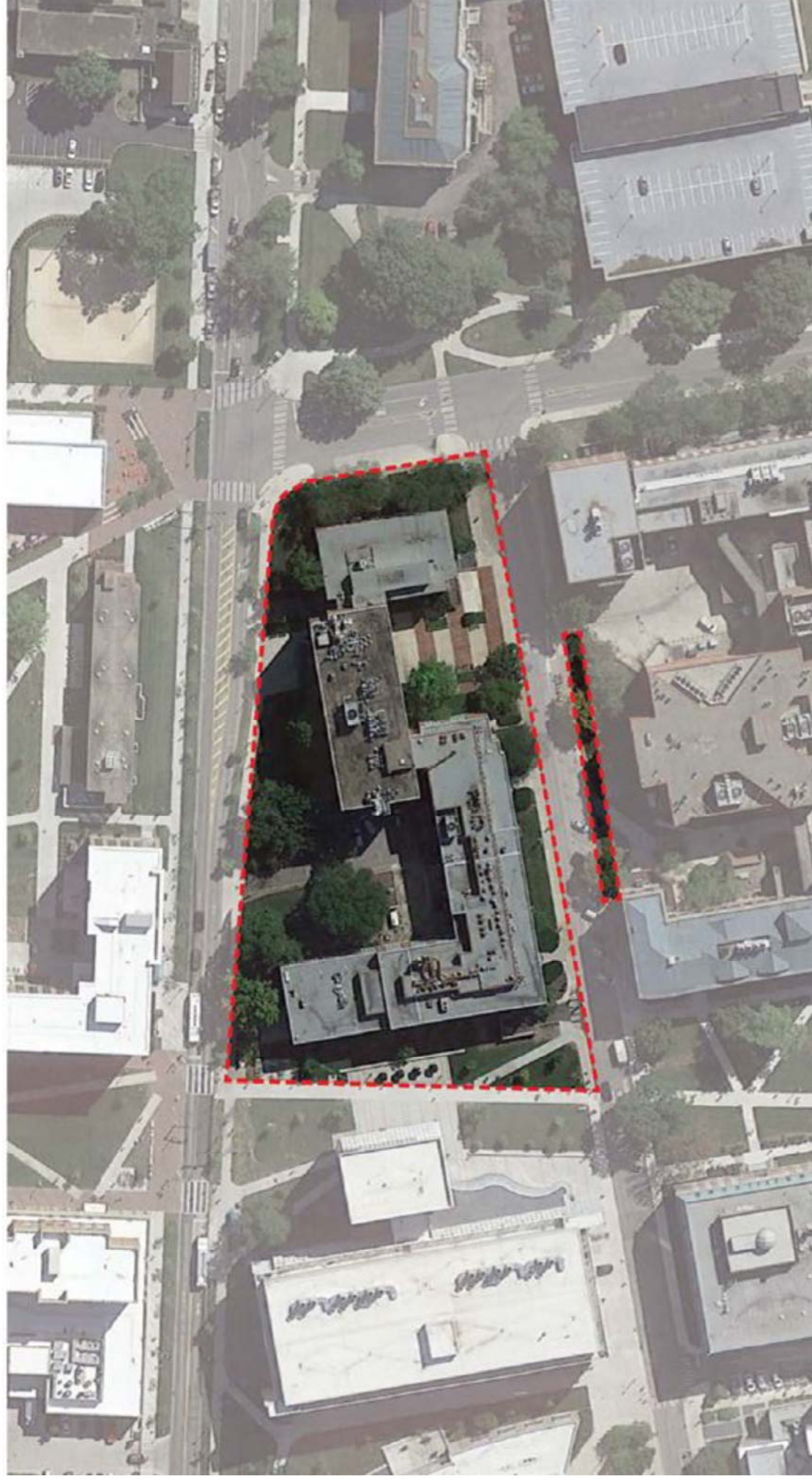
MOODY•NOLAN

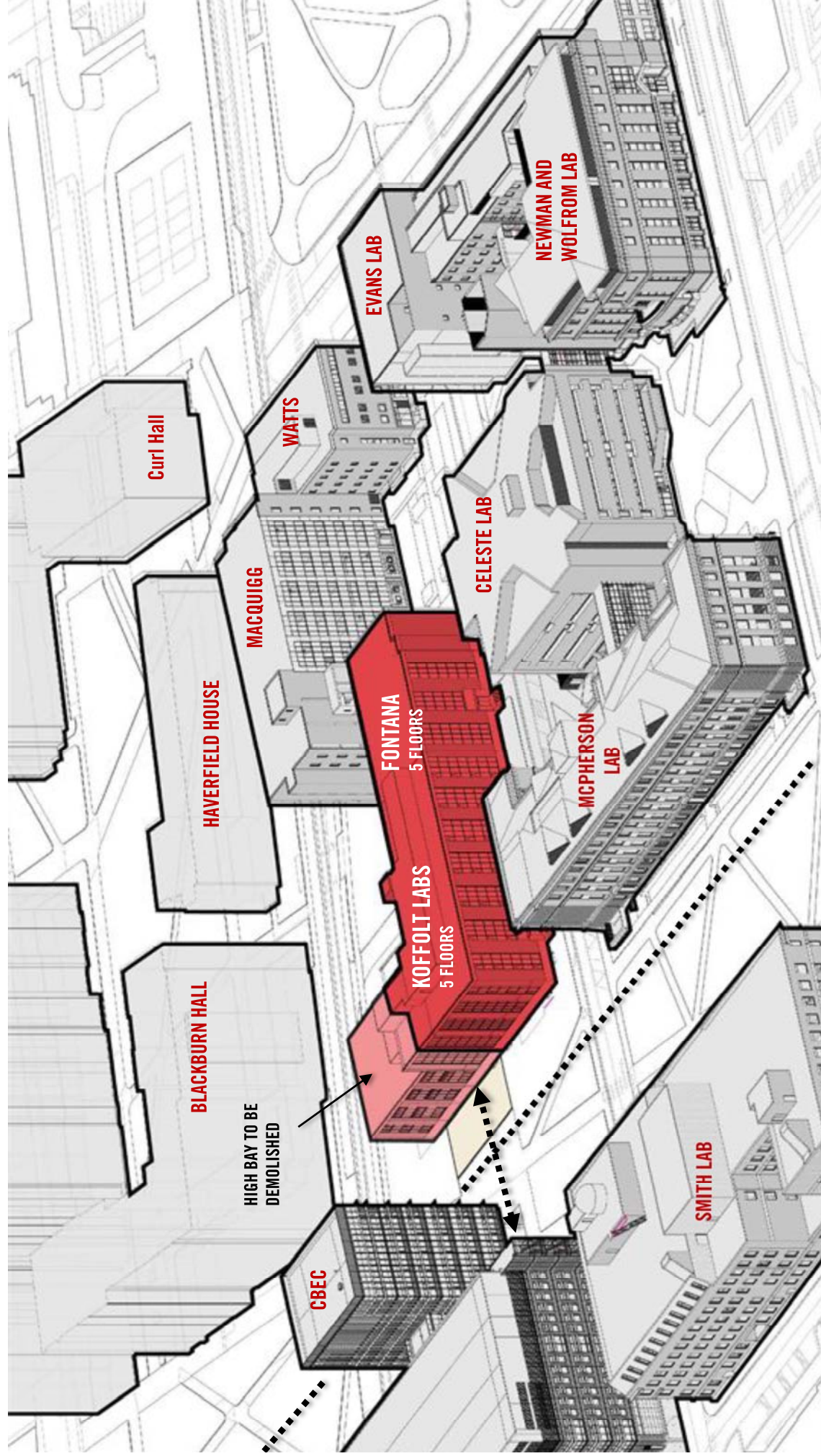


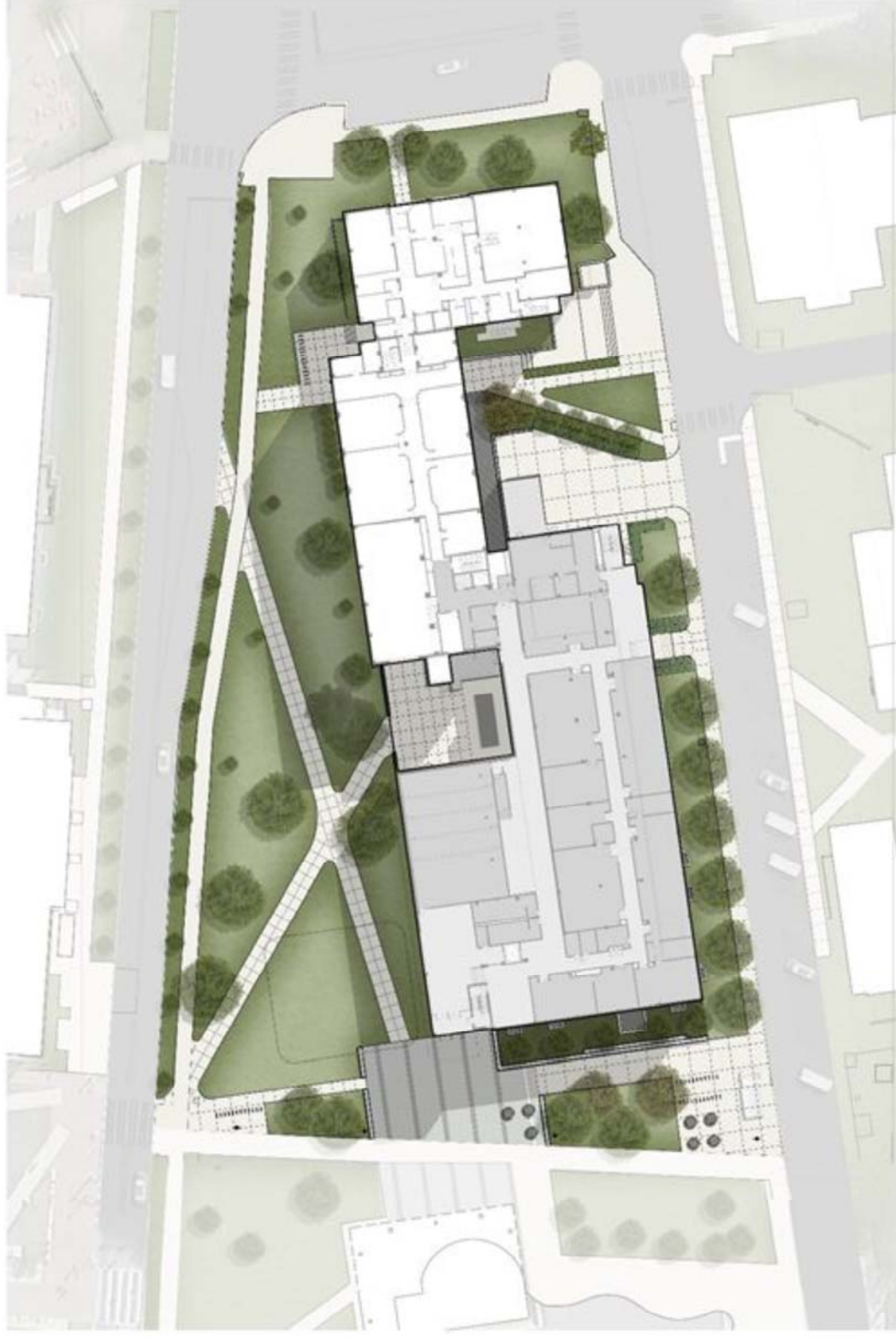
PERKINS+WILL



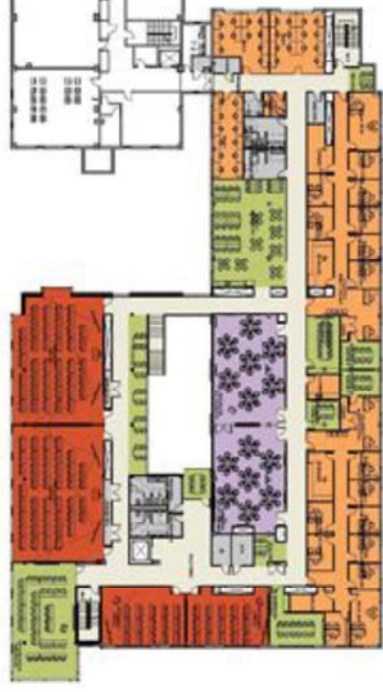
THE OHIO STATE
UNIVERSITY







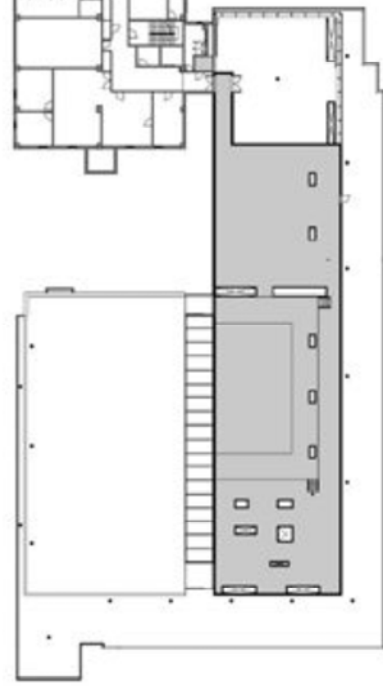
SITE PLAN



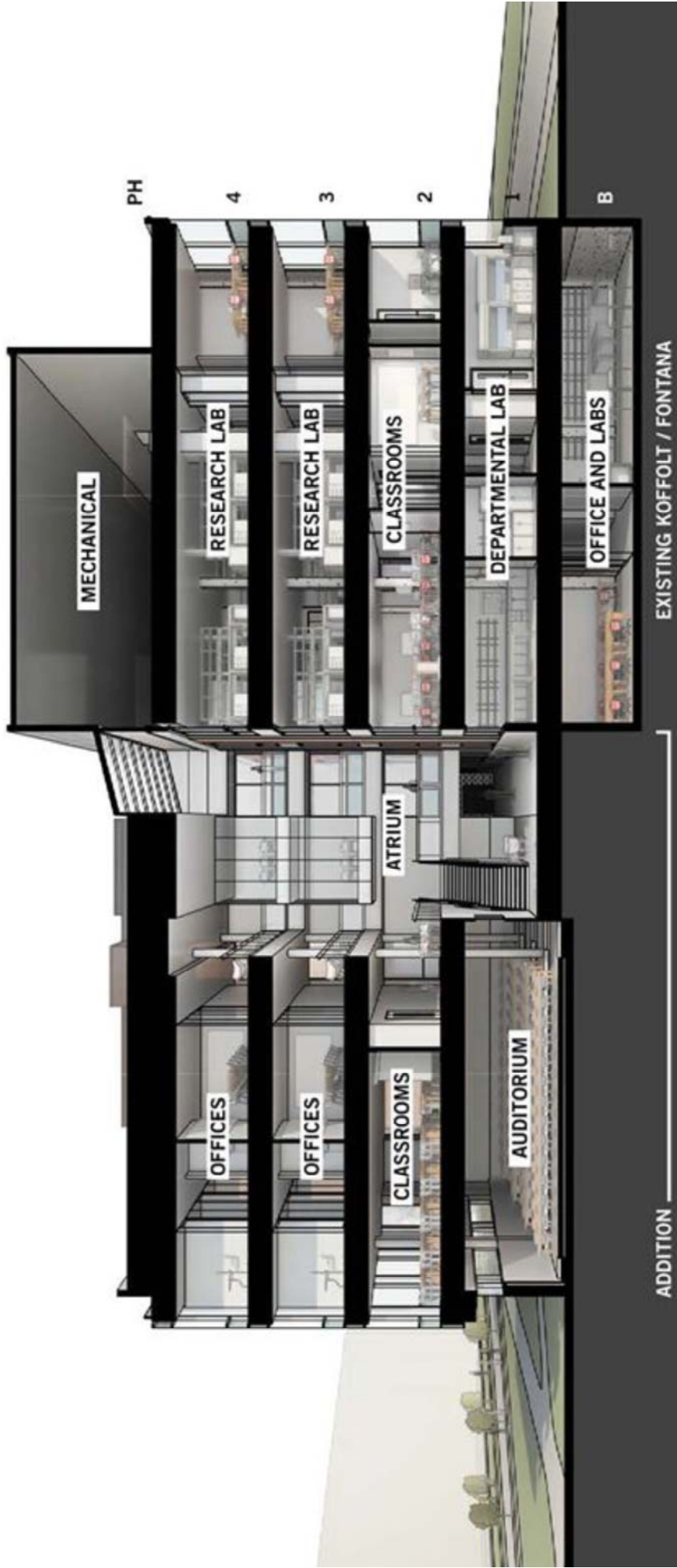
LEVEL 2



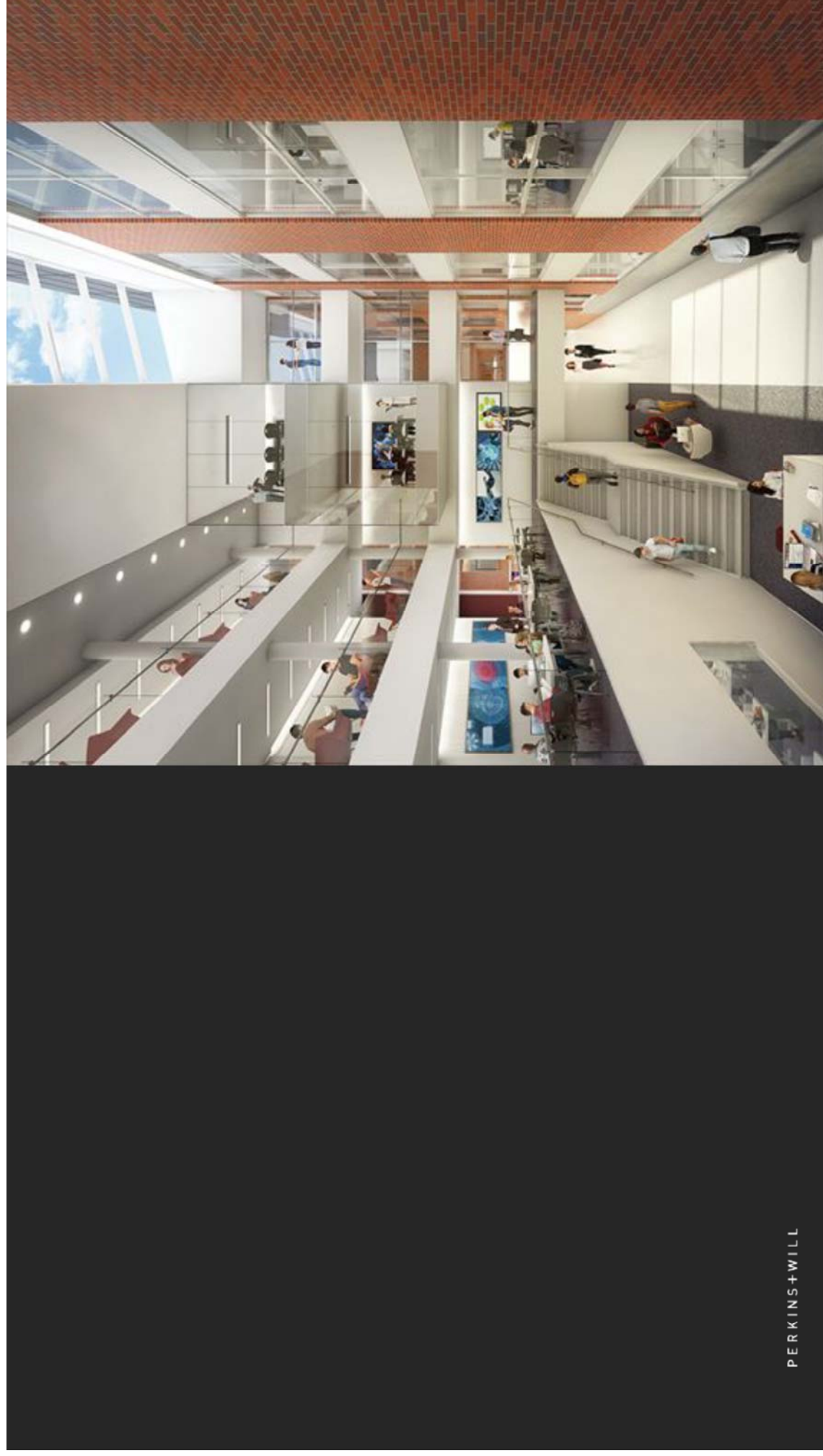
LEVEL 3 / 4



PENTHOUSE



SECTION LOOKING EAST



PERKINS+WILL



EXISTING WEST PLAZA



NEW WEST ENTRY



EXISTING VIEW FROM NORTH RESIDENTIAL QUAD



VIEW FROM NORTH RESIDENTIAL QUAD

THANK YOU.

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
Steam Capacity Upgrades to enable Postle Hall Expansion - Design Only
Postle Hall - Utility System Infrastructure
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. 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: \$14.5M

Project Cost Breakdown	Cost	Funding Source
Utility Systems	\$ 10.7 M	OSEP
Non-Utility Systems	\$ 3.8 M	University

Steam Capacity Upgrades to Enable Postle Hall Expansion - Design Only

Scope: Upgrade steam piping in the south Neil Tunnel to support the Postle Hall Expansion and to enable steam supply to future buildings and building renovations noted in the Health Sciences Site Plan. Without this project, steam demands will exceed capacities during peak heating loads, which will negatively impact Postle, Hamilton, Starling Loving, the Ohio Union, and South Residence Halls.

Estimated Cost: \$75,000 (design only)

Postle Hall - Utility System Infrastructure

Scope: Enabling project to install chilled water, electrical, natural gas and steam infrastructure for Postle Hall. OSEP was approved only for the chilled water scope and the other systems were originally approved in the Postle Hall Expansion project scope. This approval would move all the Utility System scope to OSEP. OSEP is contracting directly with the project CM, Gilbane, for the delivery of this scope.

Amount Previously Approved \$1.6M

Project Increase for Additional Scope: \$1.83M

Estimated Total Cost: \$3.43M

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.

Estimated Cost: \$945,000

The Ohio State University
Board of Trustees

November 3, 2017

ACCEPTANCE OF GIFT OF UNIMPROVED REAL PROPERTY

**.5+/- ACRES OF UNIMPROVED LAND
FRANKLIN COUNTY, OHIO**

Synopsis: Authorization to accept the gift of approximately .5 acres of unimproved real property in Franklin County, Ohio, is proposed.

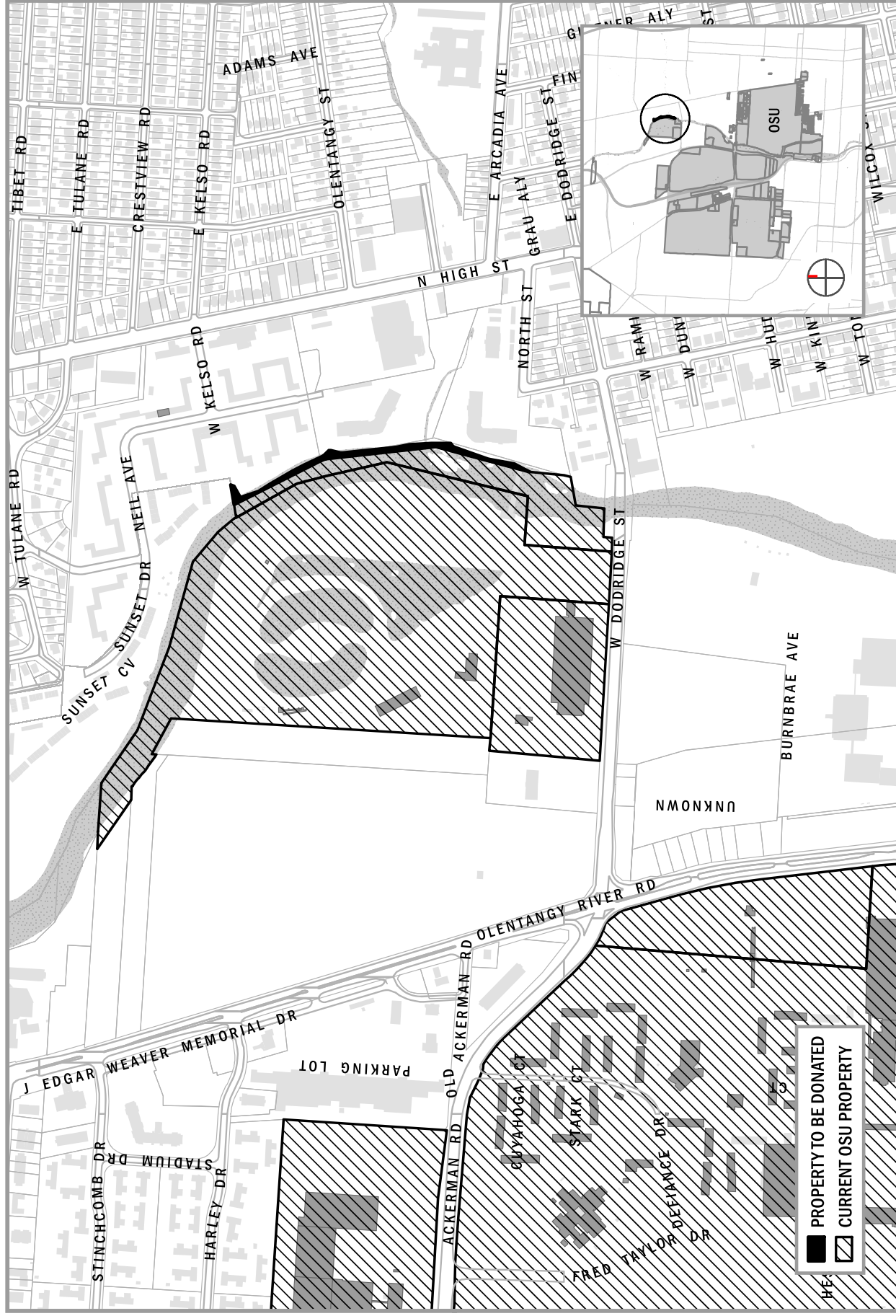
WHEREAS Olentangy Village Associates V LLC desires to donate approximately .5 acres of land adjacent to the Wilma H. Schiermeier Olentangy River Wetland Research Park at 352 West Dodridge Street, Columbus, Ohio; and

WHEREAS pending satisfactory completion of all real estate due diligence, the appropriate university offices believe that acceptance of this gift will be in the best interest of the university; and

WHEREAS acquisition of this property would increase the riparian protection along the east riverbank as well as provide increased control for wetland research projects.

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves that pending satisfactory evaluation of all real estate due diligence through the standard university process, this property be accepted as a gift to The Ohio State University from Olentangy Village Associates V LLC and that the president and/or senior vice president for administration and planning be authorized to acquire title to this property in the name of the state of Ohio for the use and benefit of The Ohio State University, upon such terms and conditions deemed to be in the best interest of the university.



**DONATION OF .563 ACRES OF REAL PROPERTY FROM OLENTANGY VILLAGE TO
THE OHIO STATE UNIVERSITY
NORTH OF DODRIDGE STREET ALONG THE OLENTANGY RIVER
COLUMBUS, FRANKLIN COUNTY, OHIO**

The Ohio State University
Board of Trustees

November 3, 2017

**ACCEPTANCE OF GIFT OF IMPROVED REAL PROPERTY
AND APPROVAL OF SALE OF IMPROVED REAL PROPERTY**

**2011 REDLEAF DRIVE
LOUISVILLE, JEFFERSON COUNTY, KENTUCKY**

Synopsis: Authorization to accept the gift of approximately .26 acres of improved real property located at 2011 Redleaf Drive in Louisville, Kentucky and to negotiate the sale of property under terms and conditions acceptable to the university, is proposed.

WHEREAS the gift is vested in the name of The Kevin M. Rabe Living Trust and upon the death of Mr. Rabe was bequeathed to the College of Food, Agricultural, and Environmental Sciences of The Ohio State University Sequest Arboretum for support and upkeep of its Garden of Roses; and

WHEREAS pending satisfactory completion of all real estate due diligence, the appropriate university offices believe that acceptance of this gift and immediate sale is in the best interest of the university:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves that pending satisfactory evaluation of all real estate due diligence through the standard university process, this property be accepted as a gift to The Ohio State University from The Kevin M. Rabe Living Trust and that the president and/or senior vice president for business and finance be authorized to acquire title to this property in the name of The Board of Trustees of The Ohio State University, upon such terms and conditions deemed to be in the best interest of the university; and

BE IT FURTHER RESOLVED, that the president and/or senior vice president for business and finance be authorized to sell the property upon such terms and conditions deemed to be in the best interest of the university.



**ACQUISITION OF REAL PROPERTY
2011 REDLEAF DRIVE
LOUISVILLE, JEFFERSON COUNTY, KENTUCKY**



Prepared By: The Ohio State University
Office of Planning and Real Estate
Issue Date: September 25, 2017
The Ohio State University Board of Trustees

The Ohio State University
Board of Trustees

November 3, 2017

**THURSDAY, NOVEMBER 2, 2017
TALENT AND COMPENSATION COMMITTEE MEETING**

W. G. Jurgensen
Janet B. Reid
Michael J. Gasser
Erin P. Hoefflinger
Hiroyuki Fujita
John W. Zeiger
Lydia A. Lancaster
Alex Shumate (*ex officio*)

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

Time: 8:00-9:45am

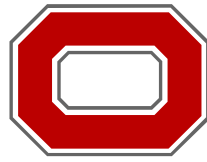
ITEMS FOR DISCUSSION

- | | |
|---|-------------|
| 1. Susan Basso Introductory/Remarks - Ms. Basso | 8:00-8:10am |
| 2. Student Employment Overview - Ms. Basso, Mr. Fuzer, Dr. Adams-Gaston | 8:10-8:30am |
| 3. Key Critical Searches - Ms. Basso | 8:30-8:35am |

ITEMS FOR ACTION

- | | |
|---|-------------|
| 4. Personnel Actions - Ms. Basso | 8:35-8:40am |
| 5. Presidential Review and Compensation - Mr. Jurgensen | 8:40-8:45am |
| 6. Approval of Presidential Goals - Mr. Jurgensen | 8:45-8:50am |

Executive Session	8:50-9:45am
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THE OHIO STATE UNIVERSITY

HUMAN RESOURCES



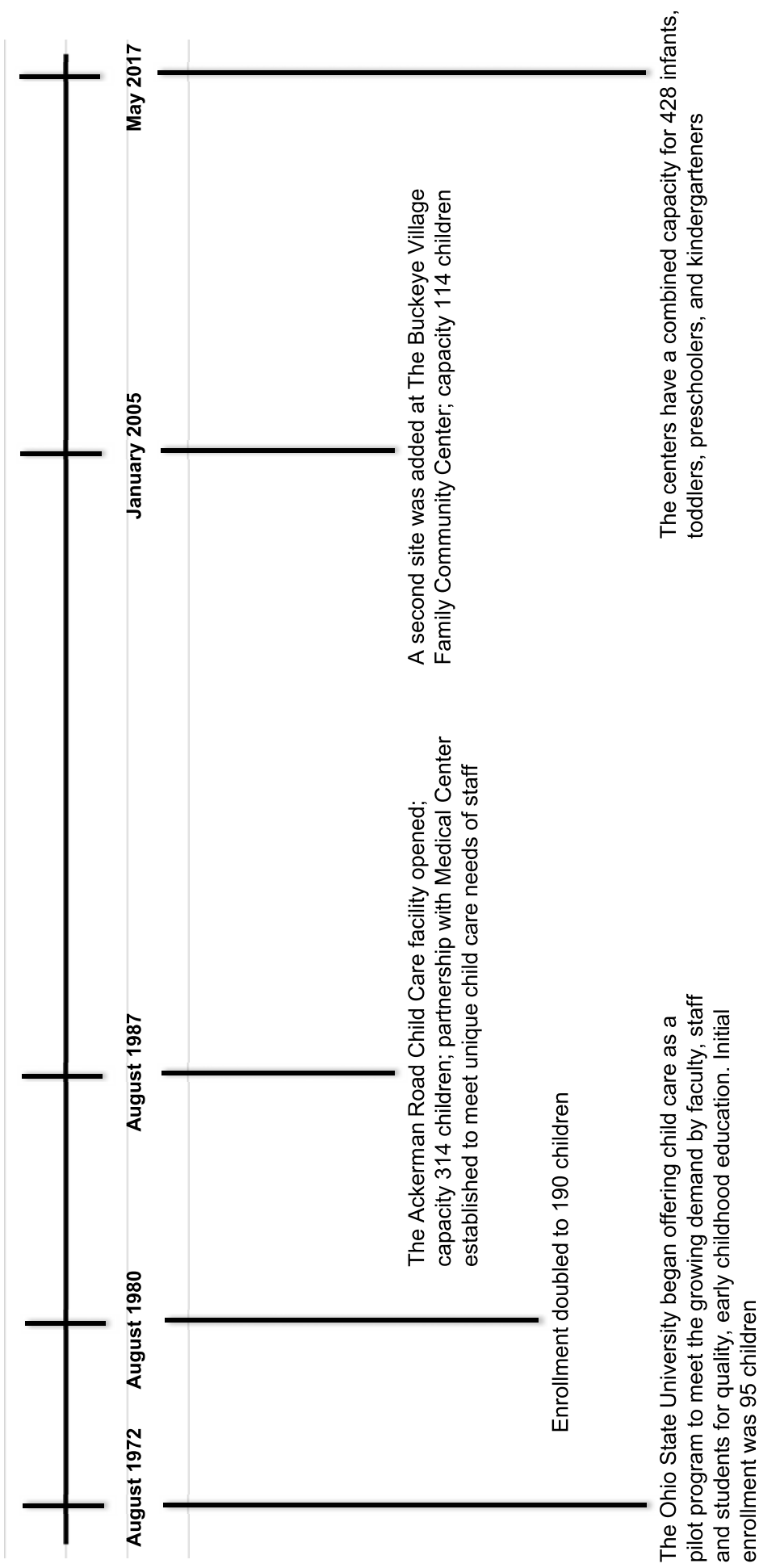


THE OHIO STATE UNIVERSITY

HUMAN RESOURCES

OHR Child Care Program Program Overview

History





Children:

Our primary mission is to ensure that our children feel safe, secure and nurtured. Our teachers create opportunities for children to develop self-esteem, independence and problem solving skills. We are at full capacity, and our waiting list continues to grow as does the demand for additional infant and toddler care.

Quality:

Our program is accredited by the National Association for the Education of Young Children (NAEYC). This prestigious recognition has been achieved by less than 10% of early childhood programs nationwide.

Research:

Over the past year, a total of **1190** students, faculty, and members of the Columbus educational community have accessed the Child Care Program for teaching, learning and multiple research opportunities.

Community:

Our program serves a diverse population that reflects the race, ethnic and cultural diversity of our university community and creates a strong foundation of life-long learning consistent with our university mission. We believe child care is an important talent attraction and retention lever.



Hours of operation:

Ackerman Road facility: 6:00 a.m. – midnight

Buckeye Village facility: 7:00 a.m. – 6:00 p.m.

Available Programs

- Special needs preschool (provided by Columbus City Schools¹)
- Early intervention services (provided by OSU Nisonger Early Learning Center²)
- ACCESS (Access to Child Care Equals Success) Services offered through the Office of Diversity and Inclusion
 - Program assists low-income, single parent students who are pursuing a college education at OSU

Evening Care Availability

- Action for Children, a child care resource and referral agency, reports that no child care programs in the university area offers evening care
- Concentration of evening care is in the east and northeast part of the city often in lower income neighborhoods
- In Franklin county 36 of the 88 programs offering evening care are open until midnight

¹ A collaboration between CCP and Columbus City Schools to provide Special Education services to 8 preschool children

² Special services provided to 12 children, birth to age 3, who have been identified with a disability



THE OHIO STATE UNIVERSITY

HUMAN RESOURCES

OHR Child Care Program
Enrollment

Enrollment Breakdown FY17

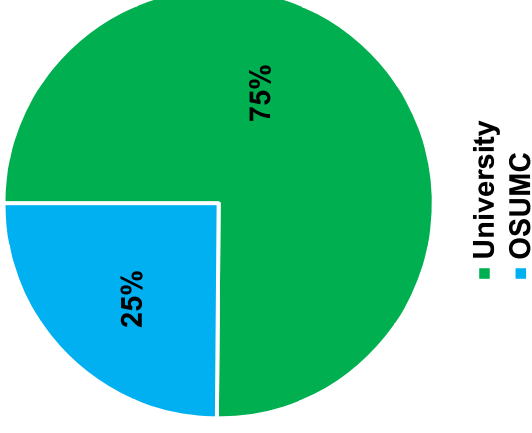
- 349 families enrolled
- 422 children enrolled
- 317 children are University affiliates
- 105 children are OSUMC affiliates

Age Group Breakdown FY17

- 79 Infants
- 149 Toddlers
- 176 Preschool Age
- 18 Kindergarten Program

Age Group	OSUMC	University	Grand Total
Infant	18	61	79
Toddler	40	109	149
Preschool	45	131	176
Kindergarten	2	16	18
Grand Total	105	317	422

Enrollment Breakdown





STUDENT ASSESSMENT



University students working at the center learn about student assessment with the tool used which assists in linking theory to real world practice.

24. Children's growth and changes in appearance, functioning and posture:

a. Think particularly

b. Engage in creative writing play

25. Reflecting current focus:

26. Children's growth and changes in appearance, functioning and posture:

a. Think particularly

b. Engage in creative writing play

27. Reflecting current focus:

28. Children's growth and changes in appearance, functioning and posture:

a. Think particularly

b. Engage in creative writing play

29. Reflecting current focus:

30. Children's growth and changes in appearance, functioning and posture:

a. Think particularly

b. Engage in creative writing play

31. Reflecting current focus:

32. Children's growth and changes in appearance, functioning and posture:

a. Think particularly

b. Engage in creative writing play

33. Reflecting current focus:

34. Children's growth and changes in appearance, functioning and posture:

a. Think particularly

b. Engage in creative writing play

35. Reflecting current focus:

36. Children's growth and changes in appearance, functioning and posture:

a. Think particularly

b. Engage in creative writing play

37. Reflecting current focus:

38. Children's growth and changes in appearance, functioning and posture:

a. Think particularly

b. Engage in creative writing play

39. Reflecting current focus:

40. Children's growth and changes in appearance, functioning and posture:

a. Think particularly

b. Engage in creative writing play

41. Reflecting current focus:

42. Children's growth and changes in appearance, functioning and posture:

a. Think particularly

b. Engage in creative writing play

43. Reflecting current focus:

44. Children's growth and changes in appearance, functioning and posture:

a. Think particularly

b. Engage in creative writing play

45. Reflecting current focus:

46. Children's growth and changes in appearance, functioning and posture:

a. Think particularly

b. Engage in creative writing play

47. Reflecting current focus:

48. Children's growth and changes in appearance, functioning and posture:

a. Think particularly

b. Engage in creative writing play

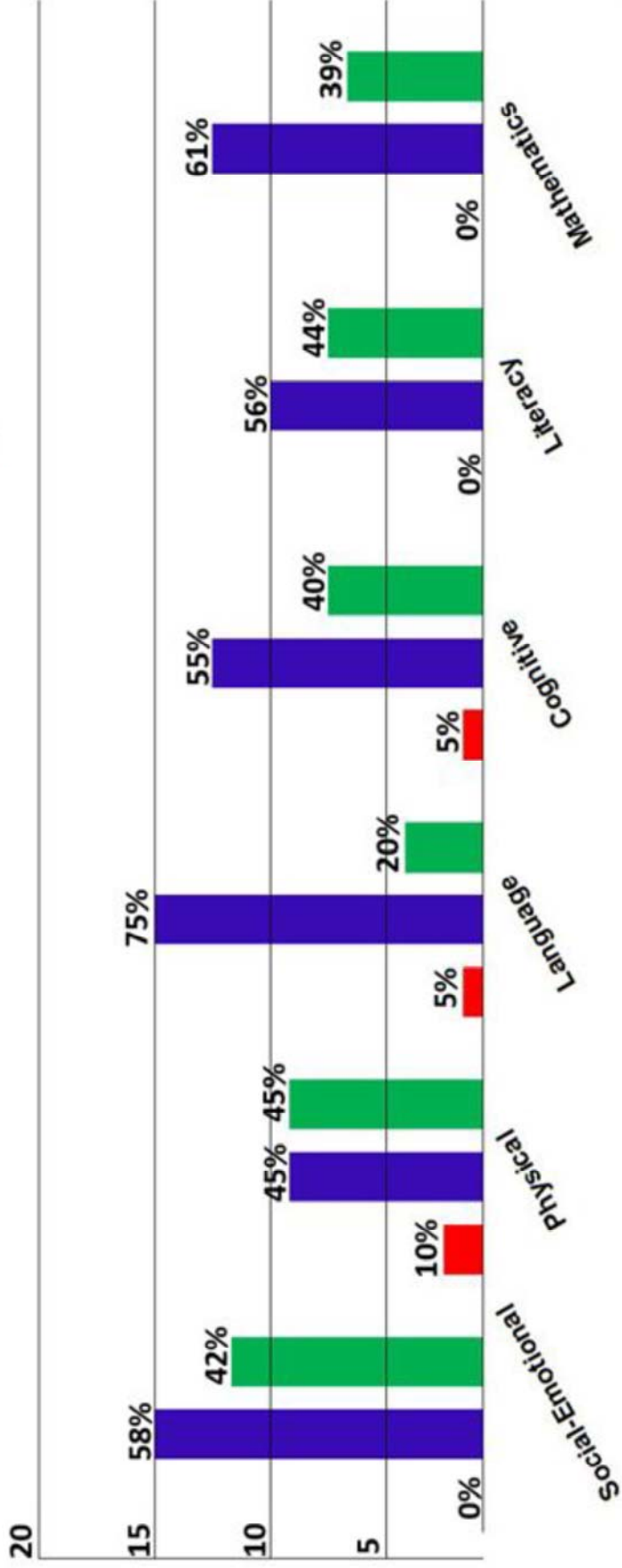


THE OHIO STATE UNIVERSITY

HUMAN RESOURCES

The Ohio State Univ CC Program

Fall 2017/2018 - Widely Held Expectations





STUDENT ENGAGEMENT

Part of the University's mission is dedicated to fostering a culture of engagement and service. Our program offers field experience, research, and teaching opportunities.

For FY17 a total of **1190** individuals have accessed the child care program for learning opportunities such as early childhood education, motor skills and kinesiology, and service learning

- 494 Undergraduate Students-(Classroom Observations-Linking theory to practice)
- 98 Graduate Students-(Research papers, student teaching opportunities)
- 110 Columbus City Schools Nursing Students-(Assisting in Classrooms)
- 20 Columbus State students-(Observations, student teaching)
- 300 Professionals(OT, PT, Speech, Faculty, etc.)-(direct services)
- 168 Early Childhood Motor Development Lab-(Field based physical education class)

Research/Teaching Opportunities

- 10 completed research studies last academic year
- 4 current research studies FY17 (Cognitive Lab-Preschool Literacy-Eating Habits of Young children-Motor Skills of preschoolers)
- 8 OSU Masters of Education students completing student teaching experience
- 2 Columbus State students completing student teaching experience
- 1 Special Education Doctoral student providing consultation to classroom staff
- 2 dance major students providing creative movement to children

The Ohio State University
Board of Trustees

November 3, 2017

PERSONNEL ACTIONS

BE IT RESOLVED, That the Board of Trustees hereby approves the personnel actions as recorded in the personnel budget records of the university since the August 25, 2017, meeting of the board, including the following reappointments:

Reappointments

Name: E. GATES GARRITY-ROKOUS
Title: Vice President, Chief Compliance Officer
Office: Legal Affairs
Term: September 25, 2017

Name: CAROLINE C. WHITACRE
Title: Senior Vice President
Office: Research
Term: September 1, 2017 through December 31, 2017

The Ohio State University
Board of Trustees

November 3, 2017

PRESIDENTIAL REVIEW AND COMPENSATION

Synopsis: Approval of changes to the president's base compensation and the issuance of a performance award to the president, is proposed.

WHEREAS it is best practice across higher education for a governing board to conduct an annual performance review of the university president; and

WHEREAS under the terms of President Drake's letter of offer, the president shall be entitled to annual increases in his base salary as determined by the Board of Trustees; and

WHEREAS under the terms of President Drake's letter of offer, the president shall be eligible for an annual performance award of up to 25% of his base salary for achieving mutually agreed-upon performance targets and goals; and

WHEREAS pursuant to its charter, the Talent and Compensation Committee has reviewed the performance of the president for fiscal year 2017 and believes that President Drake has demonstrated excellent progress and achievement with regard to the performance goals set forth by the president and the Board of Trustees last year; and

WHEREAS the Procedure for Setting and Reviewing Compensation for University Executives authorizes the chair of the Talent and Compensation Committee to review and approve the total compensation of the president, subject to ratification by the committee and the Board of Trustees; and

WHEREAS the Talent and Compensation Committee has reviewed and recommends for approval the compensation changes set forth below:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves a base salary increase for the president of \$16,646, which amounts to 2% of his base salary; and

BE IT FURTHER RESOLVED, That the Board of Trustees hereby approves a performance award for the president of \$208,080, which amounts to 25% of his base salary.

The Ohio State University
Board of Trustees

November 3, 2017

APPROVAL OF PRESIDENTIAL GOALS

Synopsis: Approval of the attached presidential goals, is proposed.

WHEREAS under the terms of President Drake's letter of offer, each fiscal year, the president and the Board of Trustees will set forth the president's goals and objectives; and

WHEREAS in order to establish these goals and objectives, the president is submitting the attached for review and approval by the Board of Trustees; and

WHEREAS once approved by the Board of Trustees, the attached goals and objectives will serve to evaluate the president during this review period:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves the attached goals and objectives to align with the university's strategic plan and the following five pillars of focus: teaching and learning; access, affordability and excellence; research and creative expression; academic healthcare; and operational excellence and resource stewardship, and to move the university forward as a leading flagship public research university in the 21st century.

University Goals Fiscal Year 2018

1. **Teaching and Learning** – Ohio State will be a leading public university for best teaching, which will contribute to measureable improvement in student outcomes.
2. **Access, Affordability and Excellence** – Ohio State will be a leading public university in offering an excellent and affordable education and in promoting access, building on our leadership in the American Talent Initiative and University Innovation Alliance.
3. **Research and Creative Expression** – Ohio State will be among the top public universities for its national and international standing in research and creative expression, both across the institution and in targeted fields, driving breakthrough advances for important societal issues.
4. **Academic Healthcare** - Ohio State Wexner Medical Center will be a leading Academic Medical Center that enables breakthrough healthcare solutions to improve people’s lives.
5. **Operational Excellence and Resource Stewardship** – Ohio State will be a leading public university for resource stewardship with known leadership for operational effectiveness, efficiency, risk management, and innovation.

The Ohio State University
Board of Trustees

November 3, 2017

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

Erin P. Hoeflinger
Alan VanderMolen
Clark C. Kellogg
Cheryl L. Krueger
Brent R. Porteus
Alexander R. Fischer
Abigail S. Wexner
Alan A. Stockmeister
Lydia A. Lancaster
Nancy J. Kramer
Craig S. Bahner
Barbara J. Tootle
Georganne M. Shockey
James F. Dietz
Gifford Weary
Alex Shumate (*ex officio*)

Location: Recreation and Physical Activity Center (RPAC)
Meeting Rooms 1-2, B255/B257

Time: 10:00-11:30am

ITEMS FOR DISCUSSION

- | | |
|---|---------------|
| 1. <i>Connect Engage Foster: The Ohio State Alumni Magazine - Ms. Shockey, Ms. Tootle</i> | 10:00-10:10am |
| 2. <i>Partnerships in Philanthropy (verbal) - Dr. Weary, Mr. Dietz</i> | 10:10-10:20am |
| 3. <i>Mirror Lake Restoration - Ms. Keyes</i> | 10:20-10:30am |
| 4. <i>Advancement Scorecard and Marketing Dashboard - Mr. Eicher and Ms. Nazon</i> | 10:30-10:35am |

ITEMS FOR ACTION

- | | |
|--|---------------|
| 5. University Foundation Report - Mr. Eicher | 10:35-10:40am |
| 6. Naming of the Evan Turner Hallway - Mr. Bergfeld | 10:40-10:45am |
| 7. Naming of Spaces in the Pre-Clinic - Mr. Bergfeld | |
| 8. Naming of Internal Spaces: William T. and Jane C. McConnell Residence Hall - Mr. Bergfeld | |
| 9. Naming of CTL Engineering Lab - Mr. Bergfeld | |

Executive Session

10:45-11:30am

CONNECT ENGAGE FOSTER

*The Ohio State Alumni
Magazine*

Advancement
Committee

BOARD OF TRUSTEES | 02 NOV 2017



SETTING THE STAGE



Advancement
Committee

Engage an increasing number of alumni in mutually beneficial, personal relationships with the university and each other.

Communicate with alumni innovatively and effectively to enhance alumni engagement and connection with the university.

Cultivate a culture of philanthropy that connects the passions of alumni and friends with Ohio State's efforts to educate students, solve problems, and transform the world.

THE OHIO STATE ALUMNI MAGAZINE

MAY 2017 | In Residence



Paul Sutter, astrophysicist

This issue, in a galaxy close, close at hand, our expert answers your questions about ... the universe. Think of him as our very own agent to the stars.

© JEFFREY M. HARRIS

Paul Sutter is an astrophysicist at the University of New Hampshire. He's known for his witty and accessible explanations of complex astrophysical concepts. In this issue, he answers questions about the universe, from the Big Bang to the future of the cosmos.

Q: What's your favorite part of your job?
A: I love the challenge of explaining complex astrophysical concepts in a way that's accessible to a general audience. It's a great way to share the excitement of discovery with the public.

Q: What's the most interesting question you've been asked?
A: "If the universe is infinite, how can it be so empty?" It's a great question that touches on the nature of infinity and the scale of the universe.

"The chances of Earth getting hit by an asteroid are exactly 100 percent!" (But monster asteroids are very rare.)

are. So the odds of Earth being hit by a monster asteroid are exactly 100 percent. But the chances of Earth being hit by a monster asteroid are very rare.

Q: How often does Earth get hit by an asteroid?
A: Earth is hit by an asteroid every year. Most are small and harmless, but some are large enough to cause significant damage or even extinction.

Q: What's the largest asteroid that has ever hit Earth?
A: The largest asteroid to hit Earth is the one that caused the extinction of the dinosaurs, about 66 million years ago. It was about 10 kilometers in diameter.

Any student who was your favorite teacher?
A: I had many great teachers, but one that stands out is Professor [Name]. He was a great mentor and helped me develop my research skills.

Q: What's your favorite book?
A: I love "The Great Gatsby" by F. Scott Fitzgerald. It's a classic that explores themes of wealth, love, and the American Dream.

Q: What's your favorite movie?
A: I love "The Interstellar" by Christopher Nolan. It's a great movie that explores the science of space and time.

Q: What's your favorite TV show?
A: I love "The Big Bang Theory". It's a great show that explores the lives of scientists and their interactions with the world.

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SHOWCASE LIVELY CONVERSATION IN A FRIENDLY, SAFE SPACE

- Where I Live
- In Residence



Shanghai

More than 500 Buckeyes live and work in China's largest city, home to one of three cocktail lounges to soup dumplings.

First, a disclaimer — we're not in the city's most glamorous district, but we're in the heart of it. We're in the heart of the city's most glamorous district, but we're in the heart of it. We're in the heart of the city's most glamorous district, but we're in the heart of it.

THE OHIO STATE ALUMNI MAGAZINE



ENCOURAGE READERS'
ENGAGEMENT WITH MORE
OF WHAT THEY LOVE AS
PASSIONATE
CONNECTORS

- Ohio State of Play
- Power of 10

THE OHIO STATE ALUMNI MAGAZINE

GATHER

Where to find us (and you, too) this fall

HOMECOMING
OCT 2-7
COLUMBUS
homecoming.com/ohio

It's the week of traditions we wait for all year — for 100 years to the season from Homecoming to Hawaii.

REUNION TOURS
OCT 6-11 AND 2-20 PM
OHIO STATE

Reconnect with your friends, your graduating class and your year of the Owl or a bus tour of the entire campus.

PARADE AND PEP RALLY
OCT 5 AND 10 TO THE OUCH
OHIO STATE

Print your feet back on campus for this extraordinary

BUCKEYE CHALLENGE
OCT 6-7
OHIO STATE

Bring your friends, your family, your team and your spirit to the Buckeye Challenge. It's a day of fun, games, and traditions that only Ohio State can provide.

BUCKEYE SMART
SEPT 19/OCT 17 (NOV 7/DIC 5)
JAN 16/FEB 20
CENTRAL OHIO
BUCKEYE SMART

She got to take on Ohio State research through Buckeye Smart, a series of fun, informative, and challenging tasks. Buckeye Smart is a series of fun, informative, and challenging tasks.

PHOENIX
BUCKEYE SMART

Let's find a way to connect. Let's find a way to connect. Let's find a way to connect.

CHICAGO
BUCKEYE SMART

Let's find a way to connect. Let's find a way to connect. Let's find a way to connect.

HONOLULU
BUCKEYE SMART

Let's find a way to connect. Let's find a way to connect. Let's find a way to connect.

BUCKEYE CHALLENGE
OCT 6-7
OHIO STATE

Bring your friends, your family, your team and your spirit to the Buckeye Challenge. It's a day of fun, games, and traditions that only Ohio State can provide.

INSPIRE ACTIVE PARTICIPATION AND INTERACTION AMONG MANY VOICES

- The Ask
- Gather

words of advice freshmen?

Get a campus job. It's a great way to meet new people. Plus, the feeling of independence cannot be measured.

Enjoy the fresh date, the new challenges to learn from, the new people to meet. It's a great way to meet new people. Plus, the feeling of independence cannot be measured.

Make mistakes and figure out who you want to be.

Enjoy the moment — being a freshman. It goes fast. And don't put on 15 pounds the freshman year.

Take some time out to help others in need.

Learn how to say yes, and stop limiting yourself. Yes, you can do this. Yes, you will help others. Yes, you will step outside of your comfort zone and do something new.

What are your words for incoming freshmen?

Be wary of folks giving advice.

College, like high school, is only about four years. Enjoy it, and don't let it pass you by.

Work hard, study hard, and be tolerant of opposing ideas.

Remember that leaders view failure as a new opportunity to succeed.

THE OHIO STATE ALUMNI MAGAZINE



SHOWING THE POWER OF PHILANTHROPIC STORYTELLING

• Betty Schoenbaum feature story

THANK YOU

*The Ohio State Alumni
Magazine*

**Advancement
Committee**

BOARD OF TRUSTEES | 02 NOV 2017



THE OHIO STATE UNIVERSITY

Mirror Lake Restoration



Mirror Lake Restoration



The restoration will feature a more natural lake, with a clay bottom and sloping sides with natural wetlands. The plans also include new features such as benches, pavers, gardens and other aesthetic features for students and the university community to enjoy.



Engagement Opportunities



Story Sharing
Naming Opportunities
One-time Gifts
Bricks and Pavers



THE OHIO STATE UNIVERSITY



Digital Site

Mirror Lake Restoration

Discover a once-in-a-lifetime opportunity to leave your mark on an iconic Buckeye landmark.

Cherished memories of young love, school spirit (and ducks) are essential to the vibrant history of Mirror Lake.



According to university legend, Ohio State's Columbus campus sits where it does today thanks to Mirror Lake, and the refreshing spring waters that once fed it. Years before it was The Ohio State University, trustees charged with finding the perfect home for the new Ohio Agricultural and Mechanical College visited the property of William Neil. Touring his land, they stopped to enjoy several long, cool drinks from a small spring.

After drinking his fill, a German trustee by the name of Keller is alleged to have taken a seat next to the water and said, "It's hard to get a Dutchman away from a spring like that." And so the decision — and Buckeye history — were made.

As the university has grown and evolved over the years, so has Mirror Lake. When construction caused the spring to go dry in the 1920s, the classes of 1927, 1928 and 1930 stepped in to create and install Memorial Fountain. During the 1930s the mud bottom was paved over with bricks for easier cleaning.

Chlorine was added in the 1960s to eliminate the sulfuric smell of water pumped in from the Olentangy River.

Islands, bridges, trees, grottoes, ducks and even traditions have come and gone, while the iconic nature of Mirror Lake has endured — allowing each new generation to leave its mark.

The Mirror Lake District is being renovated to create modern learning environments for students and faculty while retaining its significance, ambience and appearance as an early and iconic area of campus.

Now is your chance to be part of this Buckeye tradition.

[PURCHASE A BRICK](#)

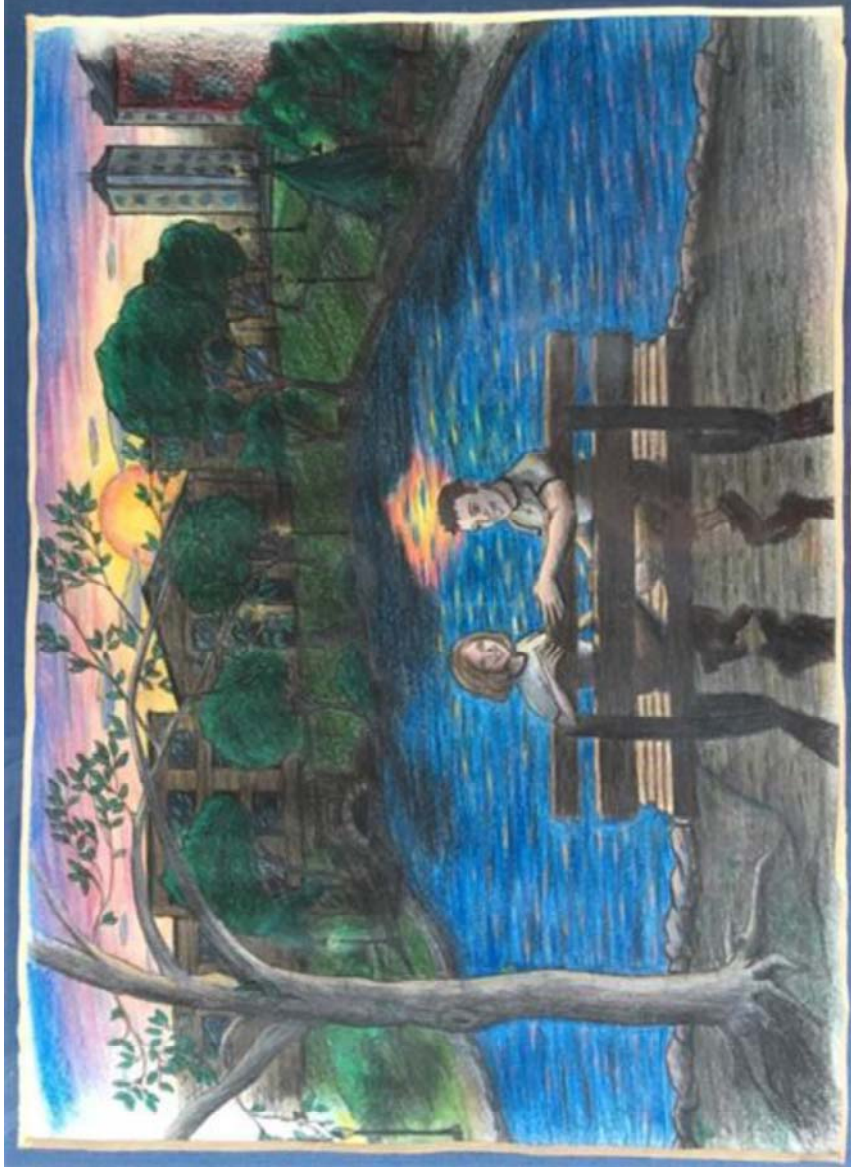
[SHARE YOUR MEMORY](#)

[MAKE A GIFT](#)



I met Julie in the summer of 1998. I planned the perfect evening. Starting at Mirror Lake, on a bench overlooking the water talking for hours. That winter, I painted a picture of the two of us on that same bench looking at the water. Flash forward to 2002 - we found ourselves yet again at the same bench at Mirror Lake. Only this time I asked her to spend the rest of her life with me. This past September we celebrated our 14th wedding anniversary.

-Ben '98





ADVANCEMENT SCORECARD

DATA THROUGH SEP 30 2017

A FISCAL YEAR MEASURES

	FY16	FY17	FY17 TO 9/30	FY18 TO 9/30	STATUS	FY18 GOAL
1. GIFTS AND PLEDGES	\$454.2M	\$532.6M	\$168.5M	\$176.8M	↑	\$550M
2. CASH	\$388.1M	\$403M	\$109.6M	\$129.3M	↑	\$430M
3. TOTAL DONORS	245,571	267,274	120,825	121,548	↑	273,000
A. RENEWED DONORS	125,936	133,494	65,917	67,981	↑	139,000
B. ACQUIRED / REACQUIRED DONORS	119,635	133,780	54,908	53,567	↔	134,000

B EVENTS

1. UNIQUE CONSTITUENT ATTENDANCE	37,825	37,900	5,697	6,465	↑	35,000
2. AVERAGE NET PROMOTER SCORE	67	72	74	71	↑	70

COMPARED TO HISTORICAL TARGET



COMPARED TO PREVIOUS FY



TARGET

LAST 3 FY % OF TOTAL ACHIEVED AT MONTH END



MARKETING DASHBOARD GLOSSARY

METRIC	DEFINITION	WHAT IT TELLS US
Impressions	Number of times our marketing messages were seen, based on what we can track	Shows the volume of our distribution efforts, including earned media
Social Engagement	Count of weighted social interactions divided by number of followers. More weight given to high-effort actions, such as sharing and commenting	Shows that individuals interact with us and that our creative resonates
Email Newsletter Click to Open	Number of people who opened an email newsletter from University Marketing and clicked on it. Emails include Connect Newsletter and Alumni Magazine Newsletter	Shows the efficacy of email in driving deeper interaction with our content. The content is relevant and people want to read more
Total Engagement	Sum of social and email engagements	Provides a simplified view of all engagement-driving activities
Online Giving Transactions	Percent of online giving transactions attributed to Marketing activities	Provides view of Marketing's impact on online giving. Online giving is an accessible proxy metric vis-à-vis a full view incorporating offline channels like direct mail and phone
Student Inquires	TBD	Marketing's contribution to supporting Enrollment Services
Web Content Consumption	TBD	Reflects Marketing's impact on prospective student recruitment
Event Registration	TBD	Shows Marketing's contribution to Alumni events
Total Actions	Sum of different types of actions by various audiences that were driven by marketing activities	Provides simplified view of all action-driving activities
Influencers	TBD	TBD
Owned Impressions	TBD	TBD
Earned Impressions	Impressions that we gained beyond what we generated from organic and paid content (only available from twitter)	How well our audience is taking our media and generating additional impressions
People Reached	TBD	TBD
How Goals Are Defined	A Predictive Model That Updates Each Month to Project End of Year Totals Divided by 12 Months	Months to generate a monthly target number

The Ohio State University
Board of Trustees

November 3, 2017

UNIVERSITY FOUNDATION REPORT

Synopsis: Approval of the University Foundation Report as of September 30, 2017, is proposed.

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

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

WHEREAS this report includes the establishment one (1) endowed chair: the Ronald L. Whisler MD Chair in Rheumatology and Immunology; one (1) endowed professorship: The Ohio State University Nephrology Endowed Professorship for Kidney Research; three (3) designated professorships: the Berry Designated Professorship, the Fisher College of Business Designated Professorship, the Fisher College of Business Designated Professorship; one (1) professorship fund: the Emerging Surgical Scholar Research Professorship Fund; one (1) endowed scholarship from a loyal donor family: the McCoy Family Athletic Scholars Program; one (1) endowed program support fund from emertis dean and his wife: the W.K. Kellogg Foundation and Bobby Moser Food Security and Sustainability Learning Community; and sixteen (16) additional named endowed funds; and the revision of four (4) named endowed funds:

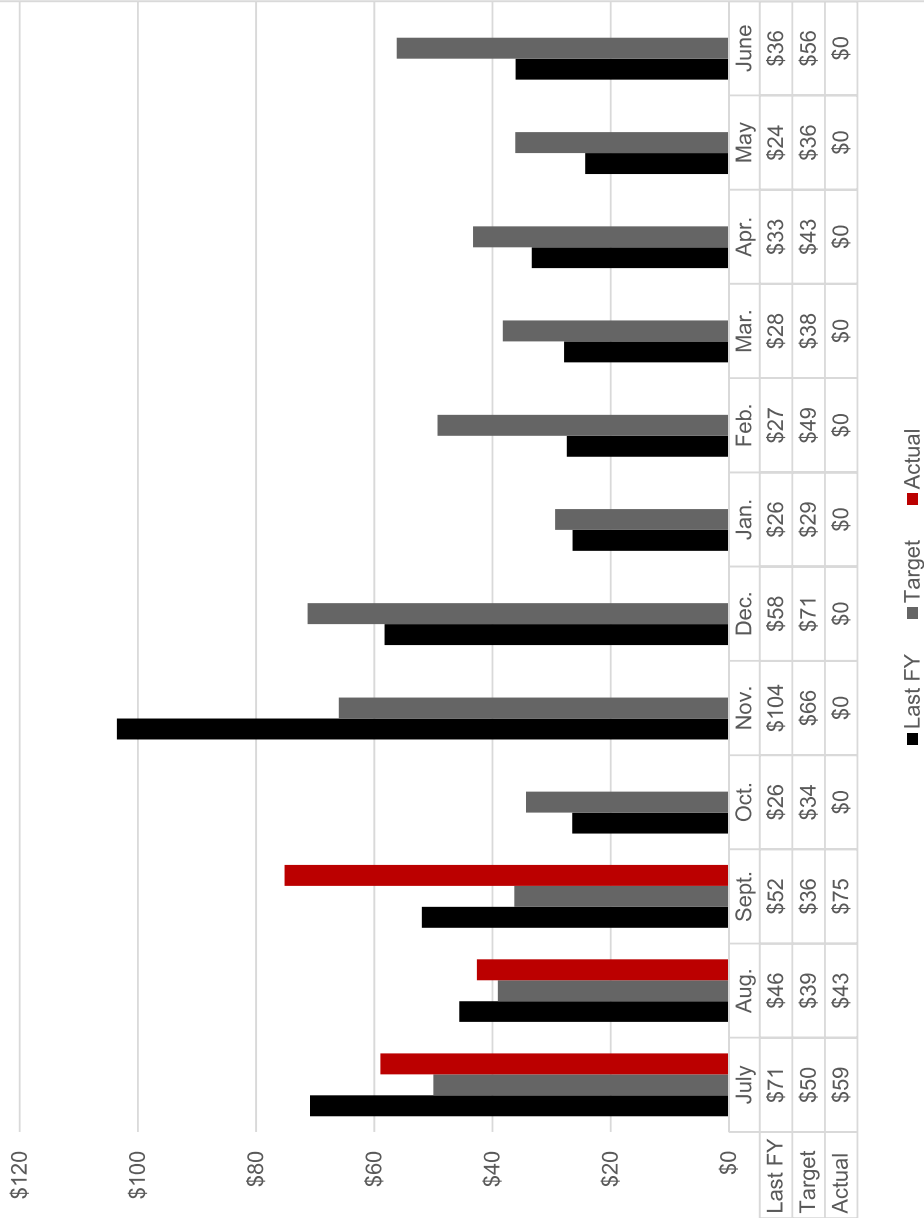
NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves The Ohio State University Foundation Report as of September 30, 2017.



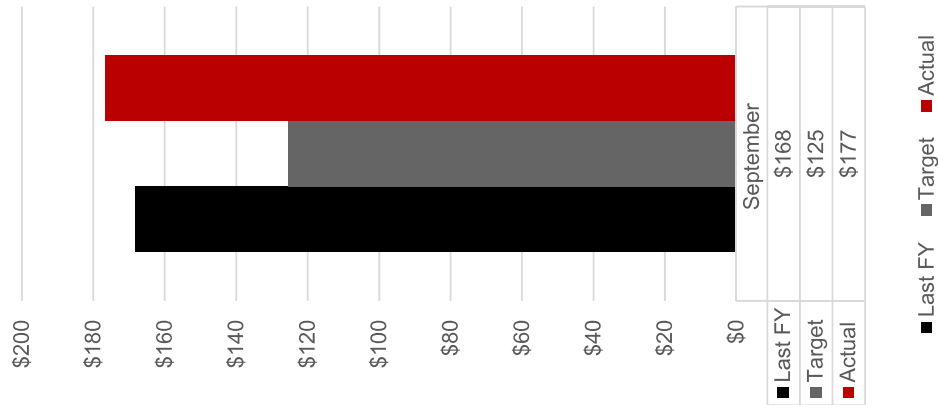
FY2018 New Fundraising Activity Report
Monthly Activity
7/1/2017 through 9/30/2017

Monthly Activity - Last FY vs. Target vs. Actual



Target = (Last 3 FY % of total achieved at month end) * (Current Annual Goal)

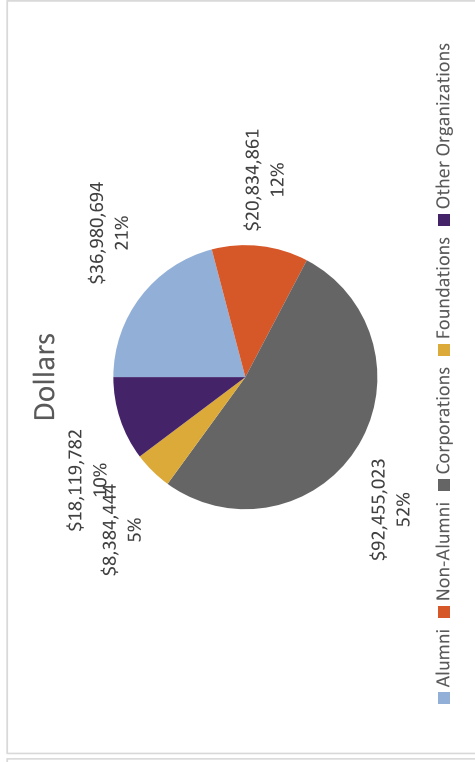
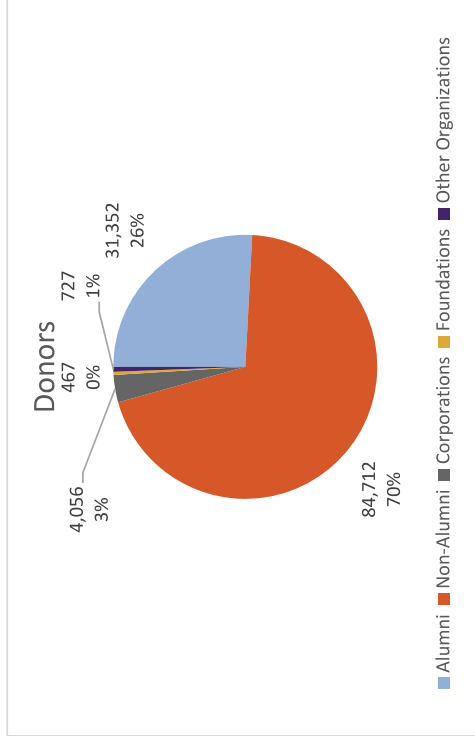
Cumulative Totals





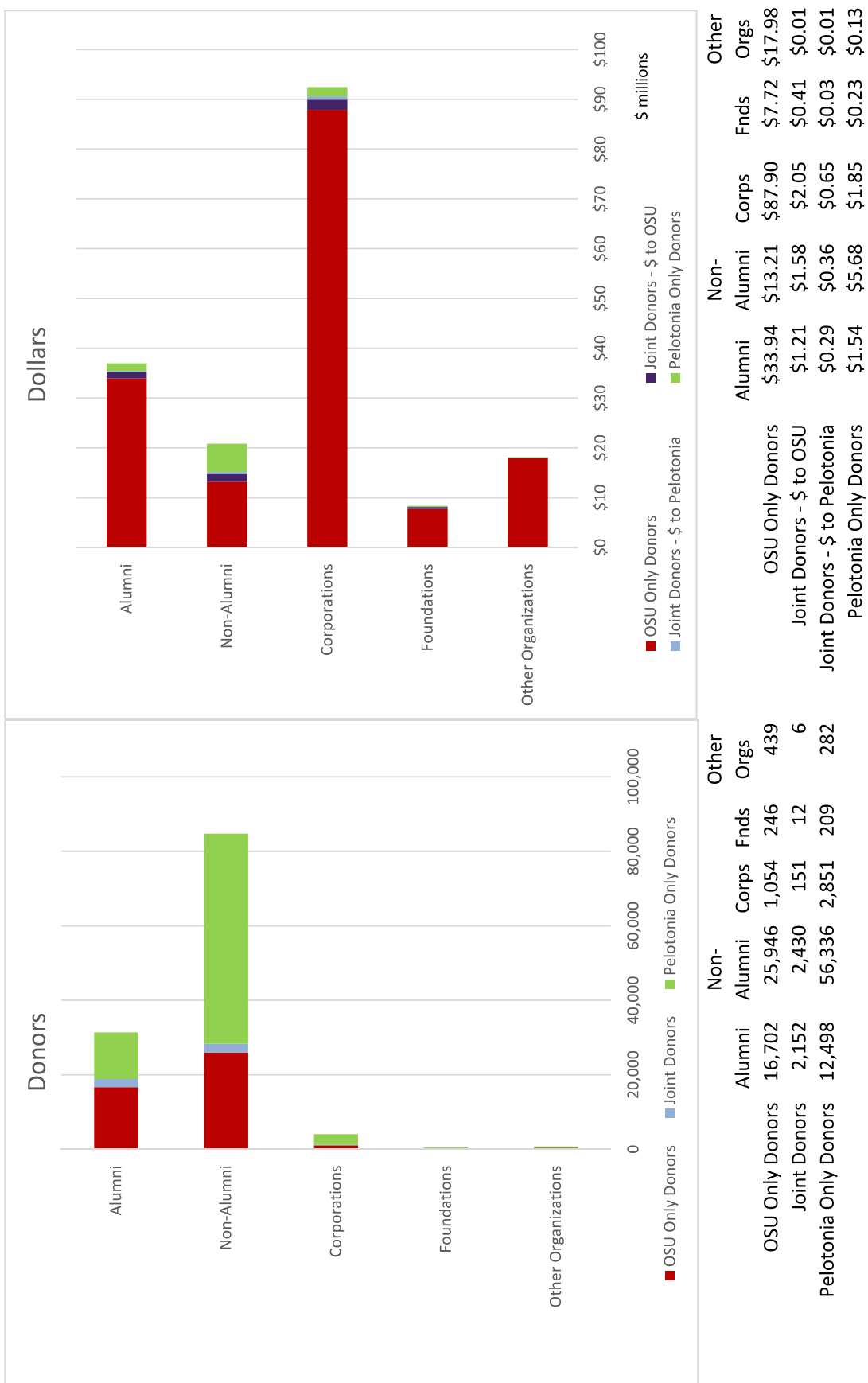
FY2018 New Fundraising Activity Report
Activity by Donor Type
 7/1/2017 through 9/30/2017

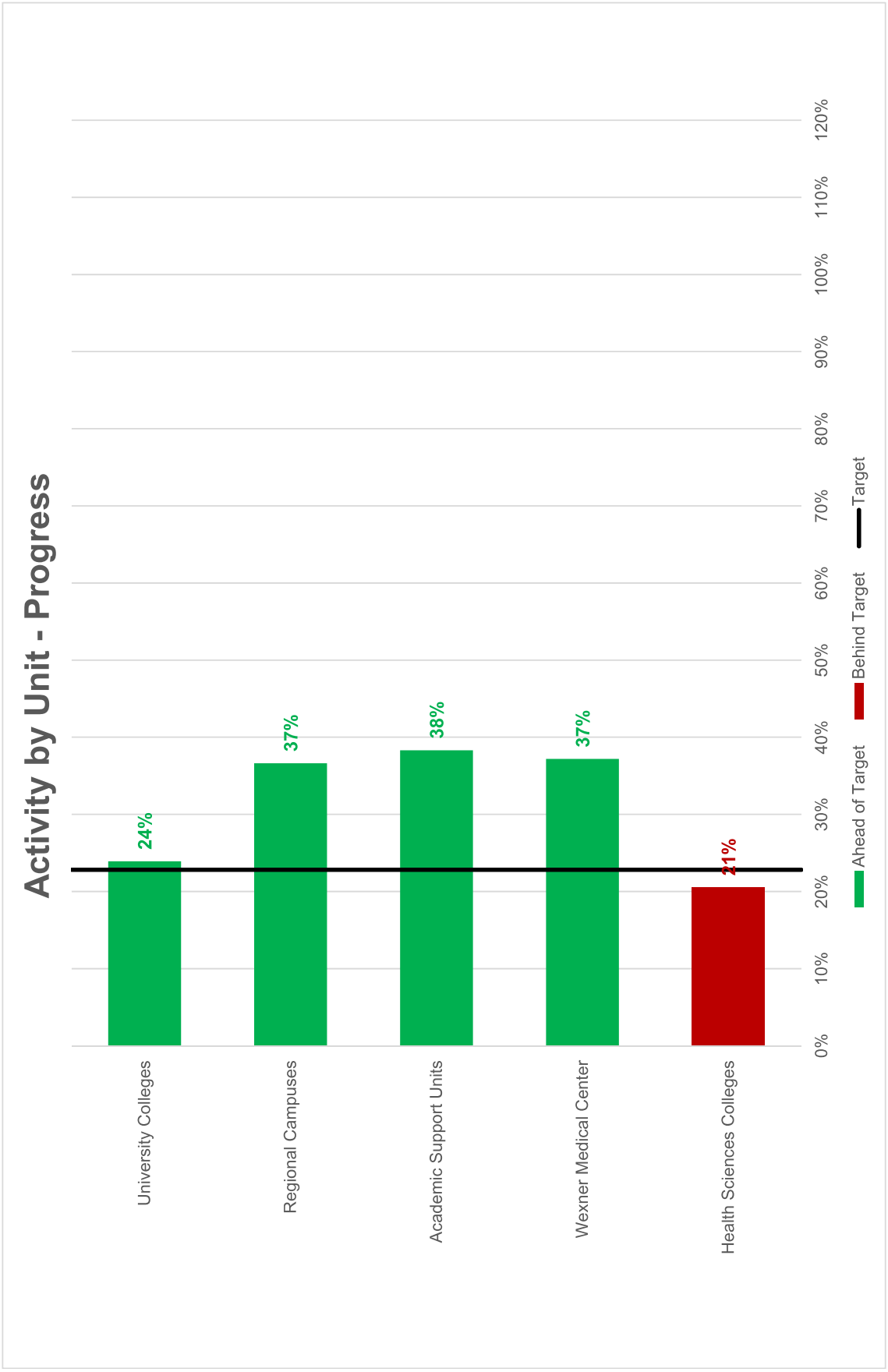
	7/1/2017 - 9/30/2017		7/1/2016 - 9/30/2016		% Change	
	Donors	Dollars	Donors	Dollars	Donors	Dollars
Individuals						
Alumni	31,352	\$36,980,694	33,070	\$30,656,320	-5%	21%
Non-Alumni	84,712	\$20,834,861	82,286	\$23,454,452	3%	-11%
	116,064	\$57,815,555	115,356	\$54,110,772	1%	7%
Organizations						
Corporations	4,056	\$92,455,023	4,076	\$48,886,690	0%	89%
Foundations	467	\$8,384,444	426	\$44,707,933	10%	-81%
Other Organizations	727	\$18,119,782	701	\$20,759,370	4%	-13%
	5,250	\$118,959,249	5,203	\$114,353,993	1%	4%
Grand Total	121,314	\$176,774,805	120,559	\$168,464,765	1%	5%





FY2018 New Fundraising Activity Report
Activity by Donor Type - Pelotonia Impact
7/1/2017 through 9/30/2017





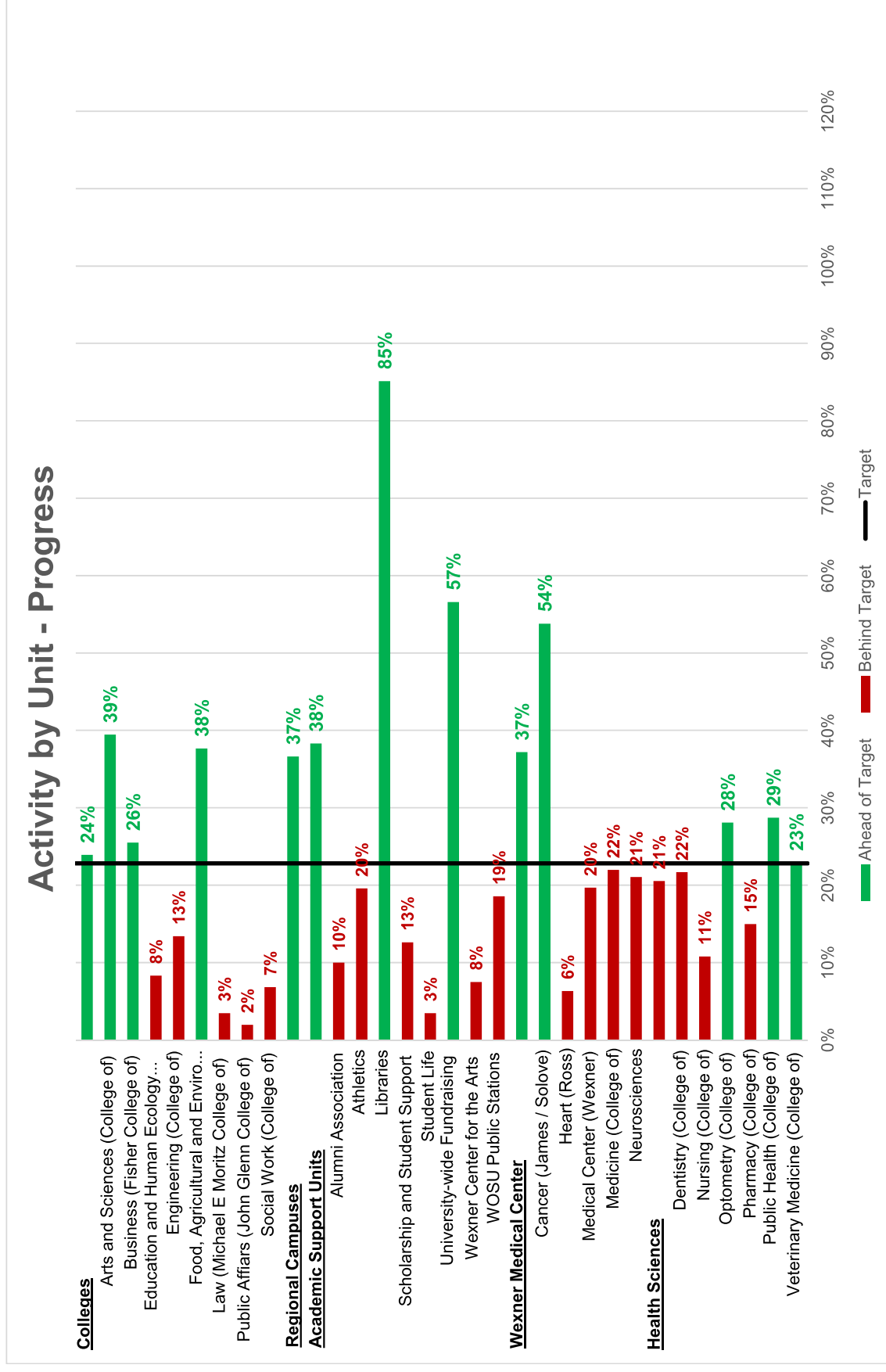
Target = (Last 3 FY % of total achieved at month end) * (Current Annual Goal)



FY2018 New Fundraising Activity Report
Activity - Complex Giving
 7/1/2017 through 9/30/2017

	7/1/2017 - 9/30/2017		7/1/2016 - 9/30/2016		% Change	
	Donors	Dollars	Donors	Dollars	Donors	Dollars
Outright Gifts						
Securities	78	\$667,480	99	\$2,615,856	-21%	-74%
Real Estate	0	\$0	0	\$0		
Gifts-in-Kind	376	\$2,201,609	169	\$1,775,906	122%	24%
Total New Activity	451	\$2,869,089	267	\$4,391,762	69%	-35%
Planned Gifts						
Charitable Trusts & Gift Annuities	6	\$752,458	9	\$2,451,511	-33%	-69%
Binding Donor Advised Funds	3	\$16,979,506	0	\$0		
Estate Commitments	114	\$34,690,410	96	\$17,311,943	19%	100%
Total New Activity	123	\$52,422,374	103	\$19,763,454	19%	165%
Grand Total	573	\$55,291,463	370	\$24,155,216	55%	129%

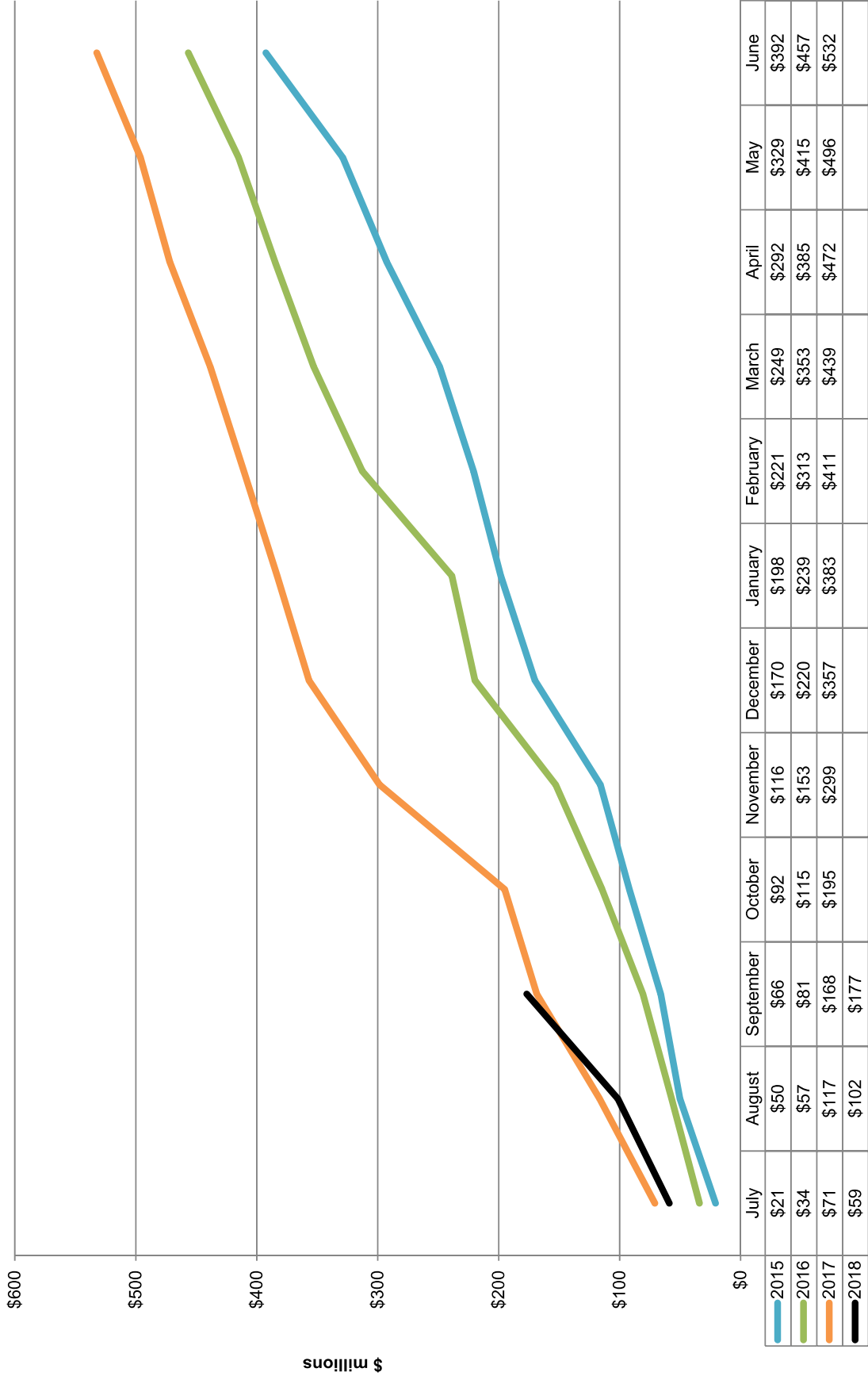
NOTE: donors may give through multiple gift types but are only counted once in totals



Target = (Last 3 FY % of total achieved at month end) * (Current Annual Goal)



FY2017 New Fundraising Activity Report
Cumulative
7/1/2017 through 9/30/2017

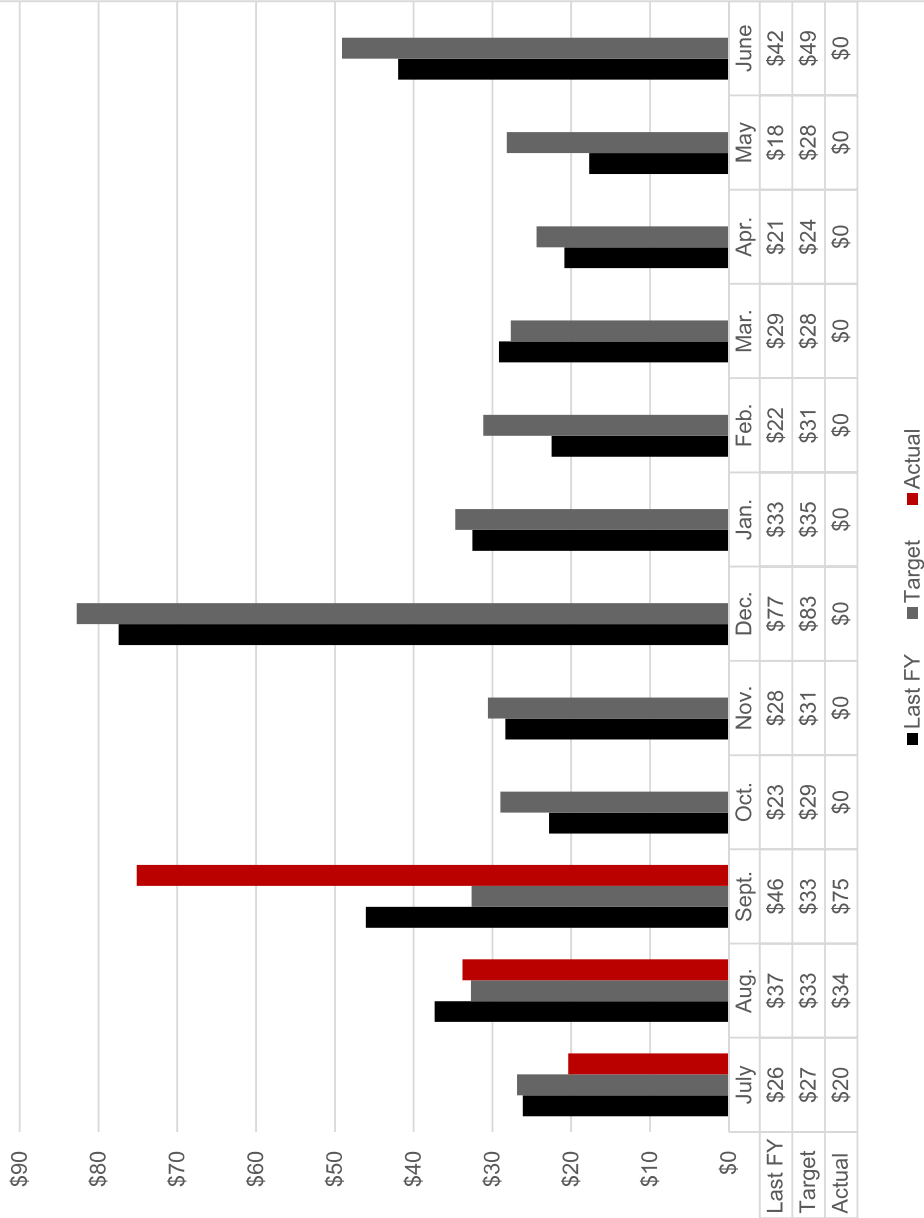




THE OHIO STATE UNIVERSITY

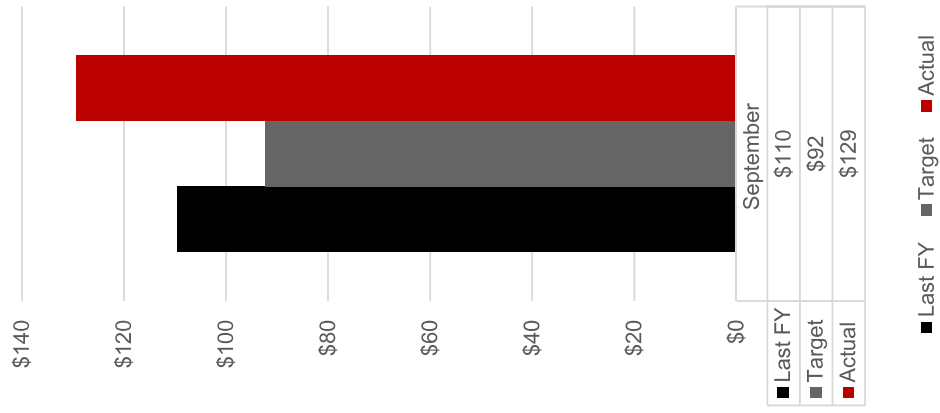
FY2018 Philanthropic Receipts Report
Monthly Receipts
7/1/2017 through 9/30/2017

Monthly Receipts - Last FY vs. Target vs. Actual



Target = (Last 3 FY % of total achieved at month end) * (Current Annual Goal)

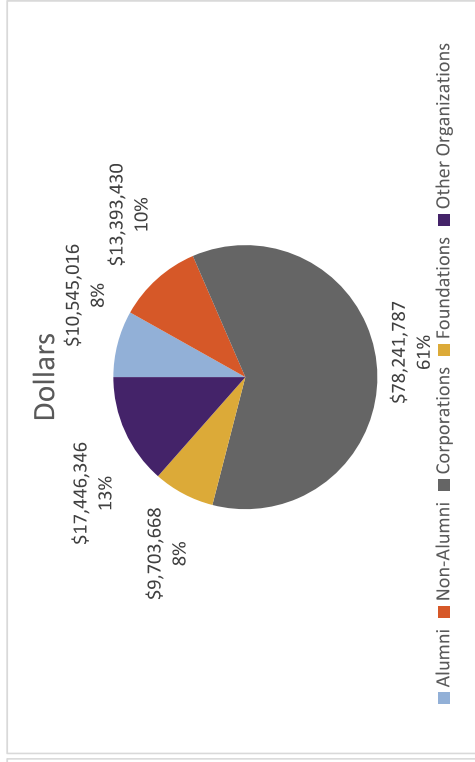
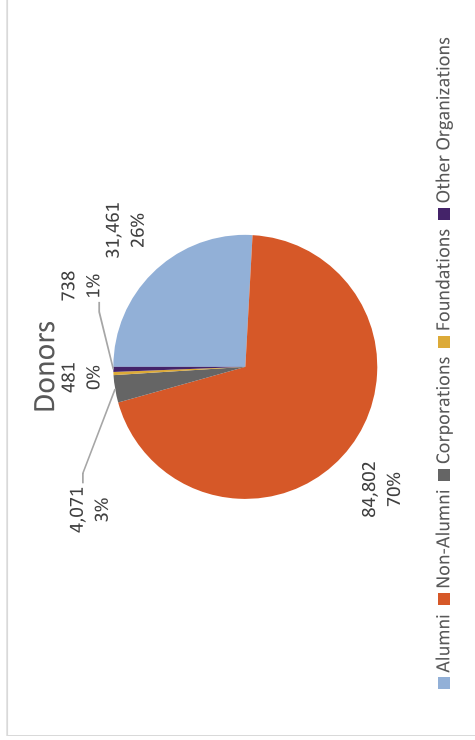
Cumulative Totals

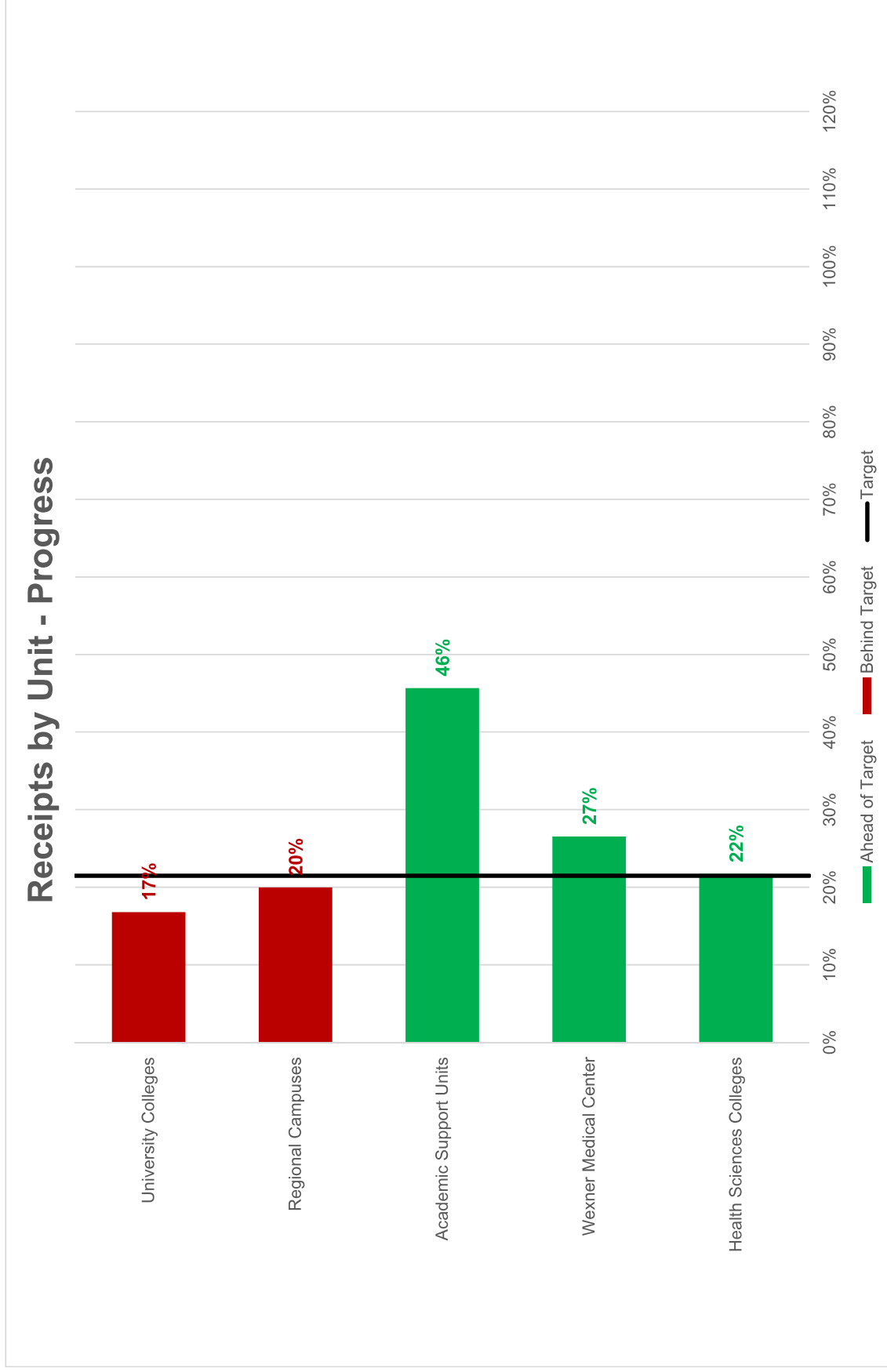




FY2018 Philanthropic Receipts Report
Receipts by Donor Type
 7/1/2017 through 9/30/2017

	7/1/2017 - 9/30/2017		7/1/2016 - 9/30/2016		% Change	
	Donors	Dollars	Donors	Dollars	Donors	Dollars
Individuals						
Alumni	31,461	\$10,545,016	33,114	\$14,588,250	-5%	-28%
Non-Alumni	84,802	\$13,393,430	82,449	\$15,423,643	3%	-13%
	116,263	\$23,938,445	115,563	\$30,011,893	1%	-20%
Organizations						
Corporations	4,071	\$78,241,787	4,102	\$46,002,887	-1%	70%
Foundations	481	\$9,703,668	440	\$13,582,960	9%	-29%
Other Organizations	738	\$17,446,346	723	\$19,956,536	2%	-13%
	5,290	\$105,391,801	5,265	\$79,542,383	0%	32%
Grand Total	121,553	\$129,330,246	120,828	\$109,554,276	1%	18%





Target = (Last 3 FY % of total achieved at month end) * (Current Annual Goal)



FY2018 Philanthropic Receipts Report
Receipts - Complex Giving
 7/1/2017 through 9/30/2017

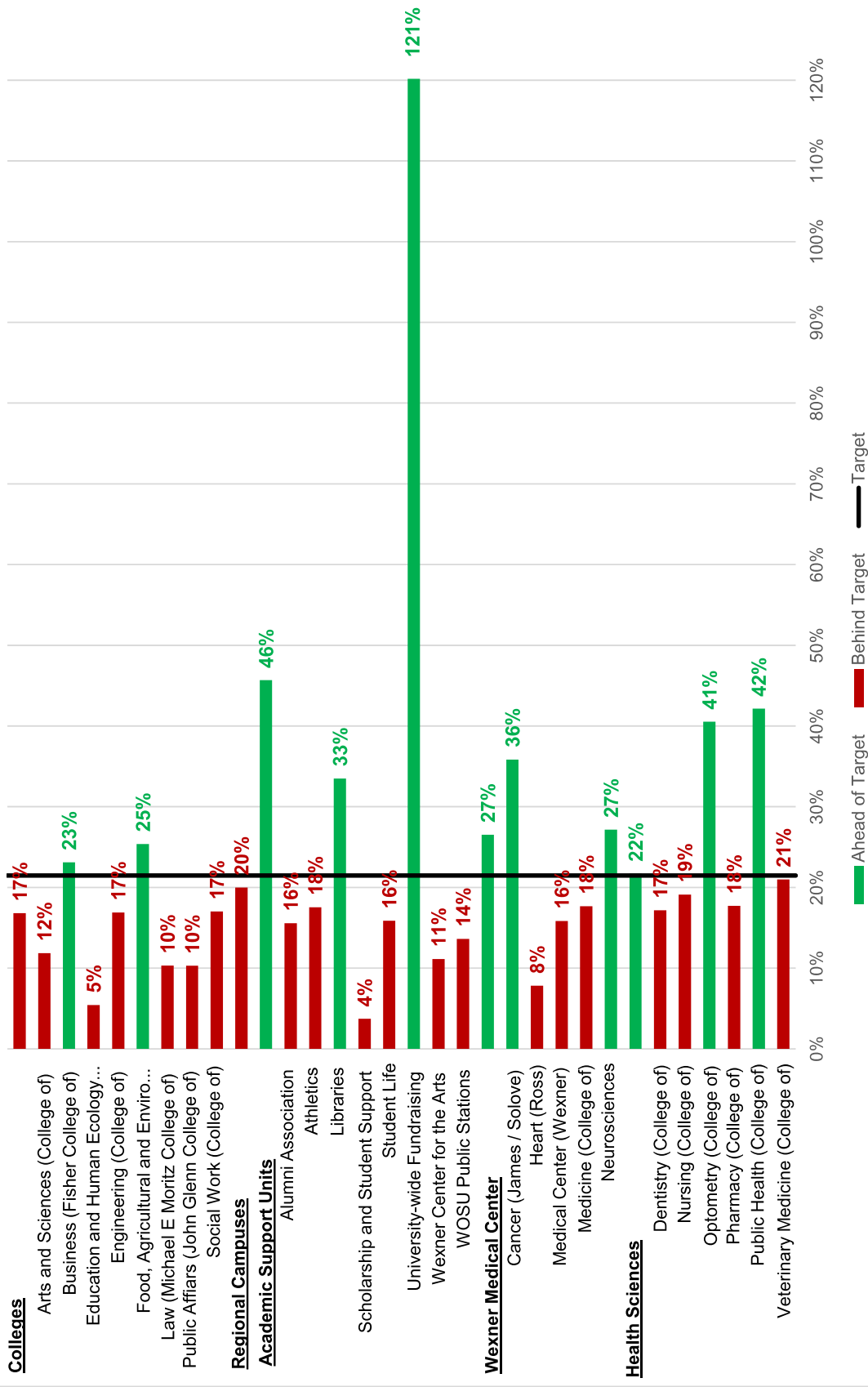
	7/1/2017 - 9/30/2017		7/1/2016 - 9/30/2016		% Change	
	Donors	Dollars	Donors	Dollars	Donors	Dollars
Outright Gifts						
Securities	78	\$667,480	99	\$2,615,856	-21%	-74%
Real Estate	0	\$0	0	\$0		
Gifts-in-Kind	376	\$2,201,609	169	\$1,775,906	122%	24%
Total Receipts	451	\$2,869,089	267	\$4,391,762	69%	-35%
Planned Gifts						
Charitable Trusts & Gift Annuities	6	\$752,458	9	\$2,451,511	-33%	-69%
Binding Donor Advised Funds	0	\$0	0	\$0		
Estate Commitments	59	\$2,852,385	50	\$4,513,268	18%	-37%
Total Receipts	65	\$3,604,843	58	\$6,964,780	12%	-48%
Grand Total	516	\$6,473,932	325	\$11,356,542	59%	-43%

NOTE: donors may give through multiple gift types but are only counted once in totals



FY2018 Philanthropic Receipts Report
Receipts by Unit - Progress
 7/1/2017 through 9/30/2017

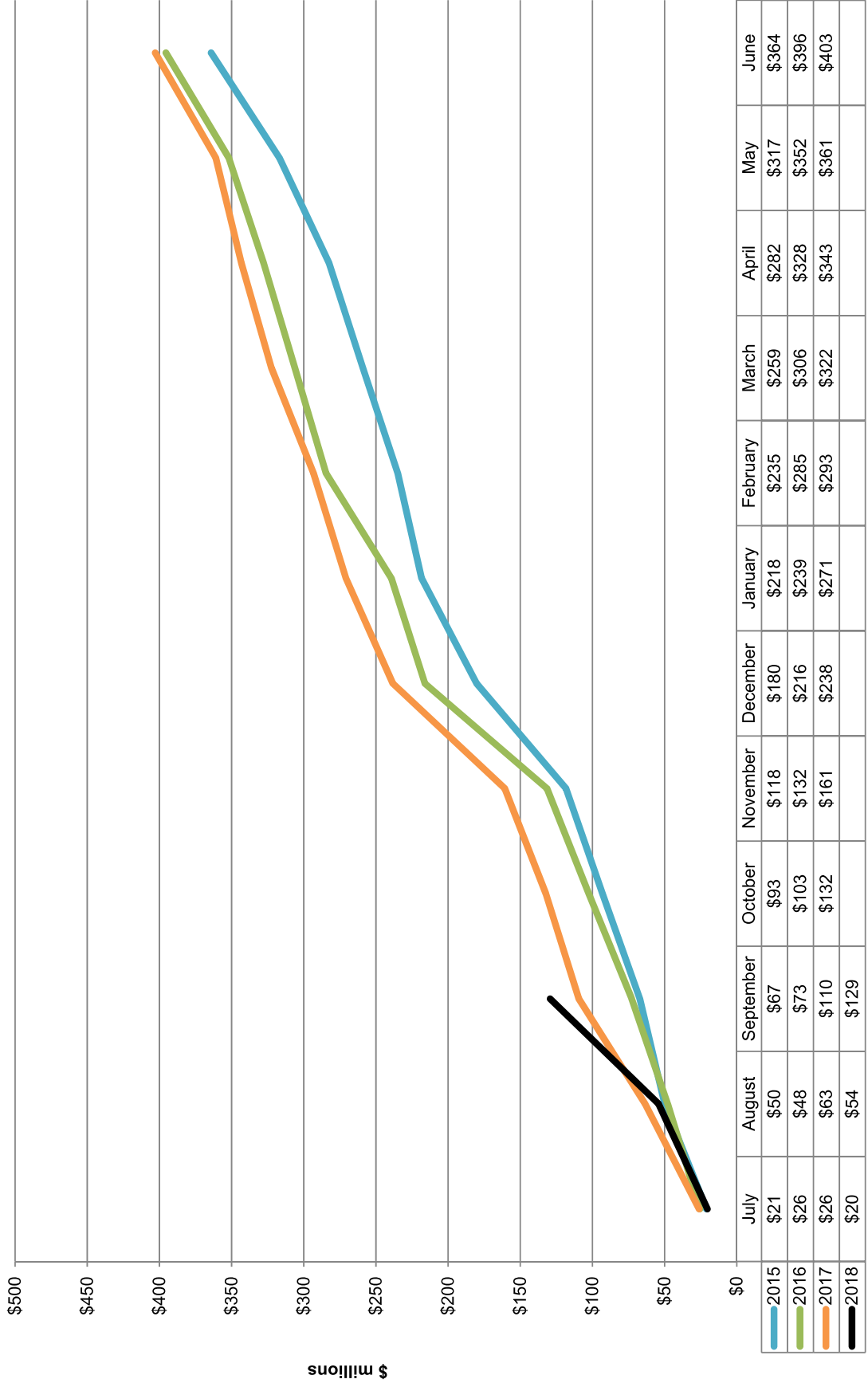
Receipts by Unit - Progress



Target = (Last 3 FY % of total achieved at month end) * (Current Annual Goal)



FY2018 Philanthropic Receipts Report
Cumulative
7/1/2017 through 9/30/2017



The Ohio State University
Board of Trustees

November 3, 2017

	<u>Amount Establishing Endowment*</u>	<u>Total Commitment</u>
<u>Establishment of Named Endowed Chair (University)</u>		
Ronald L. Whisler MD Chair in Rheumatology and Immunology Established November 3, 2017, with revenue support from the Division of Rheumatology-Immunology of the Department of Internal Medicine in honor of the career and leadership of Dr. Whisler; used for a chair position in the Division of Rheumatology-Immunology, in the Department of Internal Medicine in the College of Medicine, supporting a nationally or internationally recognized physician or Ph.D. faculty member specializing in immunology research involving rheumatic autoimmune diseases.	\$2,000,000.00	\$2,000,000.00
<u>Establishment of Named Endowed Professorship (University)</u>		
The Ohio State University Nephrology Endowed Professorship for Kidney Research Established November 3, 2017, with a fund transfer from the Division of Nephrology given by the faculty members to promote basic, translational and clinical research in kidney diseases at The Ohio State University Wexner Medical Center; used for a professorship position in the Division of Nephrology in the Department of Internal Medicine, supporting a nationally or internationally recognized physician faculty member in the field of Nephrology.	\$1,000,000.00	\$1,000,000.00
<u>Establishment of Named Designated Professorship (University)</u>		
Berry Designated Professorship Established November 3, 2017, with the reallocation of annual distribution from The Berry Chair of New Technologies in Marketing as requested by John W. Berry Jr; used to provide a professorship position in the Max M. Fisher College of Business.	\$250,000.00	\$250,000.00
Fisher College of Business Designated Professorship Established November 3, 2017, with a fund transfer by the Max M. Fisher College of Business of a gift from the estate of William L. Meyer; used to provide a professorship position in the Max M. Fisher College of Business.	\$225,000.00	\$225,000.00
Fisher College of Business Designated Professorship Established November 3, 2017, with a fund transfer by the Max M. Fisher College of Business of a gift from the estate of William L. Meyer; used to provide a professorship position in the Max M. Fisher College of Business.	\$225,000.00	\$225,000.00
<u>Establishment of Named Endowed Funds (University)</u>		
WOSU Student Experience Fund Established November 3, 2017, with a fund transfer by WOSU of a gift from FCC Spectrum Auction/Federal Government; used to support student experiences including internships, fellowships, and other student experiences in WOSU Public Media.	\$1,000,000.00	\$1,000,000.00

The Ohio State University
Board of Trustees

November 3, 2017

Merit Scholarship Initiative Endowed Fund Established November 3, 2017, with a fund transfer by the University Honors & Scholars Center of a gift from the estate of Isabel H. Perry (BS 1943); used to support the Merit Scholarship Initiative.	\$495,638.13	\$495,638.13
College of Veterinary Medicine Endowed Fund Established November 3, 2017, with a fund transfer by the College of Veterinary Medicine of an unrestricted gift from the estate of William L. Ingalls (DVM 1942, MS 1947); used at the discretion of the dean of the College of Veterinary Medicine or his/her designee.	\$100,000.00	\$100,000.00
Emerging Surgical Scholar Research Professorship Fund Established November 3, 2017, with a fund transfer of unrestricted gifts and other support from the Department of Surgery; and with gifts from alumni, colleagues, grateful patients and other advocates; given to foster growth and excellence in the surgical specialties, in research endeavors and to advance its faculty recruitment and retention efforts; Until June 30, 2022, unless the gifted endowment principal reaches \$1,000,000 prior to said date, the annual distribution may be used for medical research, operational support and strategic initiatives at the discretion of the chairperson of the Department of Surgery, with preference towards research awards to young investigators and/or junior faculty in a surgical specialty. If the gifted endowment principal does not reach \$1,000,000 by said date, the fund name shall be revised to the Surgery Early Stage Research Endowment Fund. If the gifted endowment principal balance reaches \$1,000,000 by June 30, 2022, the fund name shall be revised to the Emerging Surgical Scholar Research Professorship and the annual distribution shall be used for a professorship position in the Department of Surgery in the College of Medicine to support a tenured or tenure-tracked physician faculty member in one of the surgical specialties. After June 30, 2022, the fund may be revised to an endowed professorship when the gifted endowment principal balance reaches the minimum funding level required at that date for an endowed professorship position.	\$55,500.00	\$1,000,000.00
Michael R. Tucker Memorial Scholarship Fund Established November 3, 2017, with a transfer of gifts from friends and family of Michael R. Tucker (JD 2009); used to provide a scholarship to a student in his/her second year of law school who is transferring to the Michael E. Moritz College of Law.	\$50,000.00	\$50,000.00

Change in Name and Description of Named Endowed Fund (University)

From: The Millard M. Cummins Weights and Scale Collection Support Fund
To: The Millard M. Cummins Fund

From: Dr. Lee Hebert Endowed Professorship
To: Dr. Lee A. Hebert Distinguished Professorship in Nephrology

Establishment of Named Endowed Funds (Foundation)

The Ohio State University
Board of Trustees

November 3, 2017

McCoy Family Athletic Scholars Program Established November 3, 2017, with a grant recommended by John B. McCoy and Virginia B. McCoy from the John G. and Jeanne B. McCoy Fund of The Columbus Foundation; used to provide tuition scholarships for ten student-athletes, five male and five female who are current student-athletes, enrolled as full-time undergraduates and have a 3.4 minimum grade point average.	\$1,000,000.00	\$3,000,000.00
W.K. Kellogg Foundation and Bobby Moser Food Security and Sustainability Learning Community Established November 3, 2017, with grants from the Future Fund of the Columbus Foundation, a donor-advised fund at The Columbus Foundation established by the W. K. Kellogg Foundation in honor of Bobby Moser's service as a W.K. Kellogg Foundation trustee, and recommended by Pat and Bobby Moser; used to support the Food Security and Sustainability Learning Community at the College of Food, Agricultural, and Environmental Sciences as part of the Pat and Bobby Moser Scholars Program.	\$700,000.00	\$700,000.00
The Betty M. Edwards Scholarship Fund in the Max M. Fisher College of Business Established November 3, 2017, with a gift from the estate of Betty M. Edwards (BS 1939, MA 1960); used to benefit the Max M. Fisher College of Business at The Ohio State University and used to provide a scholarship(s) to business students with preference given to students from Licking County, Ohio, and/or those preparing for business education careers.	\$414,666.66	\$414,666.66
The Betty M. Edwards Scholarship Fund in the College of Education and Human Ecology Established November 3, 2017, with a gift from the estate of Betty M. Edwards (BS 1939, MA 1960); used to benefit the College of Education and Human Ecology at The Ohio State University and be used to provide a scholarship(s) to students with preference given to students from Licking County, Ohio, and/or those preparing to teach business education and vocational education, respectively.	\$207,333.33	\$207,333.33
The Betty M. Edwards Scholarship Fund in the College of Food, Agricultural, and Environmental Sciences Established November 3, 2017, with a gift from the estate of Betty M. Edwards (BS 1939, MA 1960); used to benefit the College of Food, Agricultural, and Environmental Sciences at The Ohio State University with first preference given to students from Licking County, Ohio, and then to any qualified student(s). Funds may be used for, but not limited to, students interested in vocational agriculture and the enhancement of leadership.	\$207,333.33	\$207,333.33
John Anast Cancer Endowed Fund Established November 3, 2017, with gifts from the estate of John Anast; used to support cancer research.	\$170,440.07	\$170,440.07

The Ohio State University
Board of Trustees

November 3, 2017

Omer K. Masud and Asifa Omer International Scholarship Fund Established November 3, 2017, with gifts from Omer K. Masud (MS 2002, MBA 2005) and Asifa Omer as part of The Joseph A. Alutto Global Leadership Initiative; used to provide scholarships to undergraduate or graduate students enrolled in the Max. M. Fisher College of Business to support critical, action-based, learning experiences around the world.	\$70,000.00	\$100,000.00
Jeannie and Sanford Kayne Family Endowed Fund Established November 3, 2017, with a gift from Stanley B. Kayne (BA 1974), in memory of his parents; split to support the following funds as follows: forty percent to support The Barry A. Pfaff Lewy Body Dementia Research Fund, twenty percent to support the endowed principal of the Louis H. Mendelson, M.D. '23 Award Fund, forty percent to support the Jeannie and Sanford Kayne Family Accounting Scholarship Fund.	\$58,356.40	\$80,000.00
The Norman K. Booth Endowed Scholarship Fund Established November 3, 2017, with gifts from the Knowlton School of Architecture Landscape Architecture Alumni and friends; used to provide one or more scholarships to undergraduate students enrolled in the Austin E. Knowlton School of Architecture who are bachelor's degree candidates in the Landscape Architecture program. Eligible scholarship candidates shall be in their junior or senior year, have demonstrated financial need, and strong academic and design credentials. Criteria for selection shall include that recipients show leadership as advocates of Landscape Architecture and great potential to serve as an inspiration to others in the field.	\$50,600.00	\$50,600.00
The Tom W. Davis Rowing Scholarship Fund Established November 3, 2017, with a gift from Tom W. Davis; ten percent of the annual distribution shall be reinvested in the endowment principal and the remaining annual distribution shall be used to supplement the grant-in-aid costs for a student-athlete who is a member of the rowing team.	\$50,000.00	\$150,000.00
Irene and James Lawhun Family Endowed Scholarship Fund Established November 3, 2017, with a gift from Gerald L. Lawhun (BS 1954); used to provide tuition-only scholarships to undergraduate students enrolled in the Max M. Fisher College of Business.	\$50,000.00	\$50,000.00
Dean E. LeBeau Endowed Scholarship Established November 3, 2017, with a gift from Joan M. LeBeau; used to provide scholarships to students enrolled in the College of Veterinary Medicine who are pursuing their DVM and who are from the State of Ohio. First preference will be given to candidates from Stark County.	\$50,000.00	\$50,000.00

The Ohio State University
Board of Trustees

November 3, 2017

The Dr. Andrew T. Maccabe Endowed Scholarship Fund Established November 3, 2017, with a gift from Dr. Andrew T. Maccabe (BS 1981, DVM 1985); used to provide one scholarship to a student who is enrolled in the Doctor of Veterinary Medicine program, is ranked as a third or fourth year student, and demonstrates financial need and excellent leadership abilities. First preference shall be given to candidates who show an interest in public policy. Second preference shall be given to candidates who show an interest in public health.	\$50,000.00	\$50,000.00
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Robert M. Krivoshey Fund Established November 3, 2017, with memorial gifts from friends, family, and colleagues; used at the discretion of the dean of the Michael E. Moritz College of Law. When the gifted endowment principal reaches the minimum funding level required at that date for a restricted endowed fund, the fund name shall be changed to the Robert M. Krivoshey Clinic Scholarship Fund. Thereafter, the annual distribution shall be used to support scholarships for students enrolled in the Michael E. Moritz College of Law with preference for, but not limited to, those who have demonstrated an interest in studying criminal law.	\$40,550.00	\$50,000.00
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Change in Name of Named Endowed Fund (Foundation)

From: The William S. Stinson Jr. Scholarship Endowment Fund
To: The Ruby Roush Stinson and William S. Stinson Jr. Scholarship Endowment Fund

Change in Description of Named Endowed Fund (Foundation)

The Raymond G. and Helen Mossbarger Vawter Family Fund

TOTAL	\$8,520,417.92
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*Amounts establishing endowments as of September 30, 2017.

The Ohio State University
Board of Trustees

November 3, 2017

Ronald L. Whisler MD Chair in Rheumatology and Immunology

The Board of Trustees of The Ohio State University shall establish the Ronald L. Whisler MD Chair in Rheumatology and Immunology effective November 3, 2017, with revenue support from the Division of Rheumatology-Immunology of the Department of Internal Medicine in honor of the career and leadership of Dr. Whisler.

Dr. Whisler became emeritus professor in 2009 after a dedicated career as a specialist in rheumatology and immunology in the Department of Internal Medicine, having joined the faculty in 1977, became professor in 1985 and served as director of its Division of Rheumatology-Immunology (1980-2009). He is an Ohio State alumnus, earning an MD in 1968 and completed his internship and residency training at Ohio State in 1973.

The annual distribution from this fund shall be used for a chair position in the Division of Rheumatology-Immunology, in the Department of Internal Medicine in the College of Medicine, supporting a nationally or internationally recognized physician or Ph.D. faculty member specializing in immunology research involving rheumatic autoimmune diseases. Appointment to the position shall be recommended to the Provost by the dean of the college, in consultation with the director of the division and the chairperson of the department; and approved by the University's Board of Trustees. The activities of the chair holder shall be reviewed no less than every four years by the dean of the college to determine compliance with the intent of the donors as well as the academic and research standards of the University.

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

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

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

The Ohio State University Nephrology Endowed Professorship for Kidney Research

The Board of Trustees of The Ohio State University shall establish The Ohio State University Nephrology Endowed Professorship for Kidney Research effective November 3, 2017, with a fund transfer from the Division of Nephrology given by the faculty members to promote basic, translational and clinical research in kidney diseases at The Ohio State University Wexner Medical Center.

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

The Ohio State University
Board of Trustees

November 3, 2017

The professorship may be revised to an endowed chair position when the endowment principal balance reaches the minimum funding level required at that date for an endowed chair position. Alternatively, at the discretion of the division director and approved by the department chair and college dean, the professorship may be closed and its principal balance transferred to the Dr. Lee A. Hebert Distinguished Professorship in Nephrology, which may be revised to an endowed chair position when the endowment principal balance reaches the minimum level required at that date for an endowed chair position.

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

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

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. If in the future the field of renal medicine ceases to exist, then another use, as nearly aligned with the original intent of the contribution as good conscience and need dictate, shall be designated by the University. In seeking such modification, the University shall consult the chair of the Department of Internal Medicine, director of the Division of Nephrology and the dean of the College of Medicine. Modifications to endowed funds shall be approved by the University's Board of Trustees, in accordance with the policies of the University.

Berry Designated Professorship

The Board of Trustees of The Ohio State University shall establish the Berry Designated Professorship effective November 3, 2017, with the reallocation of annual distribution from The Berry Chair of New Technologies in Marketing as requested by John W. Berry Jr.

This fund provides a professorship position in the Max M. Fisher College of Business. Appointment to the position for a five-year term shall be recommended to the Provost by the dean of the college and approved by the University's Board of Trustees. The activities of the professorship shall be reviewed by the dean of the college to determine compliance with the academic and research standards of the University.

This designated professorship position shall cease to exist five years from the date it is established unless another funding source is identified.

Fisher College of Business Designated Professorship

The Board of Trustees of The Ohio State University shall establish the Fisher College of Business Designated Professorship effective November 3, 2017, with a fund transfer by the Max M. Fisher College of Business of a gift from the estate of William L. Meyer.

This fund provides a professorship position in the Max M. Fisher College of Business. Appointment to the position for a five-year term shall be recommended to the Provost by the dean of the college and approved by the University's Board of Trustees. The activities of the professorship shall be reviewed by the dean of the college to determine compliance with the academic and research standards of the University.

This designated professorship position shall cease to exist five years from the date it is established unless another funding source is identified.

Fisher Designated Professorship

The Board of Trustees of The Ohio State University shall establish the Fisher Designated Professorship effective November 3, 2017, with a fund transfer by the Max M. Fisher College of Business of a gift from the estate of William L. Meyer.

The Ohio State University
Board of Trustees

November 3, 2017

This fund provides a professorship position in the Max M. Fisher College of Business. Appointment to the position for a five-year term shall be recommended to the Provost by the dean of the college and approved by the University's Board of Trustees. The activities of the professorship shall be reviewed by the dean of the college to determine compliance with the academic and research standards of the University.

This designated professorship position shall cease to exist five years from the date it is established unless another funding source is identified.

WOSU Student Experience Fund

The Board of Trustees of The Ohio State University shall establish the WOSU Student Experience Fund effective November 3, 2017, with a fund transfer by WOSU of a gift from FCC Spectrum Auction/Federal Government.

The annual distribution from this fund shall be used to support student experiences including internships, fellowships, and other student experiences in WOSU Public Media. Expenditures shall be approved by the general manager of WOSU, in consultation with Student Financial Aid.

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

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

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

Merit Scholarship Initiative Endowed Fund

The Board of Trustees of The Ohio State University shall establish the Merit Scholarship Initiative Endowed Fund effective November 3, 2017, with a fund transfer by the University Honors & Scholars Center of a gift from the estate of Isabel H. Perry (BS 1943).

The annual distribution from this fund shall be used to support the Merit Scholarship Initiative. Expenditures shall be approved by the director of the University Honors & Scholars Center or his/her designee.

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

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

The Ohio State University
Board of Trustees

November 3, 2017

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

College of Veterinary Medicine Endowed Fund

The Board of Trustees of The Ohio State University shall establish the College of Veterinary Medicine Endowed Fund effective November 3, 2017, with a fund transfer by the College of Veterinary Medicine of an unrestricted gift from the estate of William L. Ingalls (DVM 1942, MS 1947).

The annual distribution from this fund shall be used at the discretion of the dean of the College of Veterinary Medicine or his/her designee.

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

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

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

Emerging Surgical Scholar Research Professorship Fund

The Board of Trustees of The Ohio State University shall establish the Emerging Surgical Scholar Research Professorship Fund effective November 3, 2017, with a fund transfer of unrestricted gifts and other support from the Department of Surgery; and with gifts from alumni, colleagues, grateful patients and other advocates; given to foster growth and excellence in the surgical specialties, in research endeavors and to advance its faculty recruitment and retention efforts.

Until June 30, 2022, unless the gifted endowment principal reaches \$1,000,000 prior to said date, the annual distribution may be used for medical research, operational support and strategic initiatives at the discretion of the chairperson of the Department of Surgery, with preference towards research awards to young investigators and/or junior faculty in a surgical specialty. If the gifted endowment principal does not reach \$1,000,000 by said date, the fund name shall be revised to the Surgery Early Stage Research Endowment Fund.

If the gifted endowment principal balance reaches \$1,000,000 by June 30, 2022, the fund name shall be revised to the Emerging Surgical Scholar Research Professorship and the annual distribution shall be used for a professorship position in the Department of Surgery in the College of Medicine to support a tenured or tenure-tracked physician faculty member in one of the surgical specialties. First preference shall be given to an early stage investigator ranked as an assistant or associate professor (or equivalent position) during which time the appointed faculty member can build his/her research portfolio. Second preference on appointee eligibility shall be a faculty member of any rank undertaking the early stages of novel research

The Ohio State University
Board of Trustees

November 3, 2017

to allow more dedicated time towards promising medical research. At the discretion of the department chairperson, in consultation with the dean and as specified with the appointee, this appointment may be limited to a four-year, non-renewable term (or for other duration or renewal terms) with the intent to provide temporary funding for the professorship position.

Appointment to the position shall be recommended to the Provost by the dean of the College of Medicine, in consultation with the chairperson of the Department of Surgery; and approved by the University's Board of Trustees. The activities of the professorship holder shall be reviewed no less than every four years (or the duration specified to appointee) by the dean of the college to determine compliance with the intent of the donors as well as the academic and research standards of the University.

After June 30, 2022, the fund may be revised to an endowed professorship when the gifted endowment principal balance reaches the minimum funding level required at that date for an endowed professorship position.

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

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

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

Michael R. Tucker Memorial Scholarship Fund

The Board of Trustees of The Ohio State University shall establish the Michael R. Tucker Memorial Scholarship Fund effective November 3, 2017, with a transfer of gifts from friends and family of Michael R. Tucker (JD 2009).

The annual distribution from this fund shall be used to provide a scholarship to a student in his/her second year of law school who is transferring to the Michael E. Moritz College of Law. Recipients will be selected by the dean of the college or his/her designee, in consultation with Student Financial Aid.

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

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

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

The Ohio State University
Board of Trustees

November 3, 2017

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

The Millard M. Cummins Fund

The Millard M. Cummins Weights and Scale Collection Support Fund was established December 6, 1996, by the Board of Trustees of The Ohio State University with a gift to The Ohio State University Development Fund from Millard M. Cummins (BIE 1961), of Columbus, Ohio. Effective November 3, 2017, the fund name and description shall be revised.

The annual distribution shall support the maintenance, security and other expenses related to the Millard M. Cummins Weights and Scale Collection and the acquisition, preservation, or display of rare books and materials in the Rare Books and Manuscripts Library as recommended by the curator and approved by the director of University Libraries.

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

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

Dr. Lee A. Hebert Distinguished Professorship in Nephrology

The Dr. Lee Hebert Endowed Professorship in Nephrology was established August 29, 2014, by the Board of Trustees of The Ohio State University, with gifts given in honor of Dr. Lee A. Hebert from colleagues and grateful patients including gifts from OSU Internal Medicine, LLC, Division of Nephrology and Casto-Ohio Properties LTD. Effective November 3, 2017, the fund name and description shall be revised.

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

The annual distribution from this fund shall be used for a professorship position in the Division of Nephrology in the Department of Internal Medicine, supporting a nationally or internationally recognized physician faculty member in the field of Nephrology with a focus on research in the immunology of kidney diseases. The professorship holder shall be appointed by the Board of Trustees of The Ohio State University as recommended and approved by the dean of the College of Medicine, in consultation with the department

The Ohio State University
Board of Trustees

November 3, 2017

chair and division director. The activities of the professorship holder shall be reviewed no less than every four years by the dean to determine compliance with the intent of the donors as well as the academic and research standards of the University. The professorship may be revised to an endowed chair position when the endowment principal balance reaches the minimum funding level required at that date for an endowed chair position.

Should the field of renal medicine cease to exist due to medical discoveries that lead to the prevention and cure of renal disease, the professorship (or chair) position may be directed towards other diseases in the Department of Internal Medicine as nearly aligned with the original intent of the contribution as good conscience and need dictate.

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

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

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

McCoy Family Athletic Scholars Program

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the McCoy Family Athletic Scholars Program effective November 3, 2017, with a grant recommended by John B. McCoy and Virginia B. McCoy from the John G. and Jeanne B. McCoy Fund of The Columbus Foundation.

The annual distribution from this fund shall be used to provide tuition scholarships for ten student-athletes, five male and five female. Candidates must be current student-athletes, enrolled as full-time undergraduates and have a 3.4 minimum grade point average. Recipients, who will be known as McCoy Athletic Scholars, will be selected by the director of the Department of Athletics or his/her designee, in consultation with Student Financial Aid. Scholarships are renewable as long as recipients continue to meet the selection criteria.

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

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

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

The Ohio State University
Board of Trustees

November 3, 2017

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

**W.K. Kellogg Foundation and Bobby Moser
Food Security and Sustainability Learning Community**

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the W.K. Kellogg Foundation and Bobby Moser Food Security and Sustainability Learning Community effective November 3, 2017, with grants from the Future Fund of the Columbus Foundation, a donor-advised fund at The Columbus Foundation established by the W. K. Kellogg Foundation in honor of Bobby Moser's service as a W.K. Kellogg Foundation trustee, and recommended by Pat and Bobby Moser.

Lifelong experience in food production, professional dedication to the College of Food, Agricultural, and Environmental Sciences (CFAES), service on the W.K. Kellogg Foundation Board, and a desire to pay forward inspired Pat and Bobby Moser to direct funding for the Food Security and Sustainability Learning Community (the LC) to address a critical societal need concerning state and global food security issues while creating an experience for students from across Ohio State. It is their vision that students in the LC will gain a holistic understanding of the food system, community engagement, and will explore food production in Ohio, across the United States, and globally with particular attention given to how and why our many food production systems each play a critical role in feeding the world. Additionally it is the Moser's desire for students to develop critical leadership skills needed for success after graduation, gain greater self-awareness and develop skills that will improve their effectiveness in leading change, working in teams, engaging community partners, and creating a compelling vision for the future.

The annual distribution from this fund shall be used to support the Food Security and Sustainability Learning Community at the College of Food, Agricultural, and Environmental Sciences as part of the Pat and Bobby Moser Scholars Program. Expenditures will be recommended by the program director and approved by the associate dean for Academic Programs in the college. Expenditures may include; but are not limited to; expenses related to welcome week and enrichment activities, resident advisor programing, field trips including Washington DC, a community engagement project, and invited speakers, as well as salary and benefits for the director of the learning community. Students will be invited to apply for the LC as part of the application process to the University and will be selected by the program director for the LC, in consultation with the associate dean for Academic Programs in the college and the Office of Admissions, in consultation with Student Financial Aid.

If the purpose of the fund should cease to exist, the proceeds may be used to support the Moser Scholars Program.

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

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

The Ohio State University
Board of Trustees

November 3, 2017

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

The Betty M. Edwards Scholarship Fund in the Max M. Fisher College of Business

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish The Betty M. Edwards Scholarship Fund in the Max M. Fisher College of Business effective November 3, 2017, with a gift from the estate of Betty M. Edwards (BS 1939, MA 1960).

The annual distribution from this fund shall be used to benefit the Max M. Fisher College of Business at The Ohio State University and used to provide a scholarship(s) to business students. Preference shall be given to students from Licking County, Ohio, and/or those preparing for business education careers. Selection will be made by the college's scholarship committee, in consultation with Student Financial Aid and approved by the dean of the college.

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

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

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

It is the desire of the donor that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused distribution, then another use shall be designated by the Board of Trustees as recommended by the dean of the Max M. Fisher College of Business or his/her designee in order to carry out the desire of the donor.

The Betty M. Edwards Scholarship Fund in the College of Education and Human Ecology

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish The Betty M. Edwards Scholarship Fund in the College of Education and Human Ecology effective November 3, 2017, with a gift from the estate of Betty M. Edwards (BS 1939, MA 1960).

The annual distribution from this fund shall be used to benefit the College of Education and Human Ecology at The Ohio State University and be used to provide a scholarship(s) to students. Preference shall be given to students from Licking County, Ohio, and/or those preparing to teach business education and vocational education, respectively. Selection will be made by the college's scholarship committee, in consultation with Student Financial Aid and approved by the dean of the college.

The Ohio State University
Board of Trustees

November 3, 2017

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

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

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

It is the desire of the donor that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused distribution, then another use shall be designated by the Board of Trustees as recommended by the dean of the College of Education and Human Ecology or his/her designee in order to carry out the desire of the donor.

**The Betty M. Edwards Scholarship Fund in the
College of Food, Agricultural, and Environmental Sciences**

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish The Betty M. Edwards Scholarship Fund in the College of Food, Agricultural, and Environmental Sciences effective November 3, 2017, with a gift from the estate of Betty M. Edwards (BS 1939, MA 1960).

The annual distribution from this fund shall be used to benefit the College of Food, Agricultural, and Environmental Sciences at The Ohio State University. First preference shall go to students from Licking County, Ohio, and then to any qualified student(s). Funds may be used for, but not limited to, students interested in vocational agriculture and the enhancement of leadership. Scholarship(s) may be used for educational support, program enhancement or any other expense related to a degreed program in the college. Selection will be made by the college's scholarship committee, in consultation with Student Financial Aid and approved by the dean of the college.

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

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

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

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

The Ohio State University
Board of Trustees

November 3, 2017

John Anast Cancer Endowed Fund

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the John Anast Cancer Endowed Fund effective November 3, 2017, with gifts from the estate of John Anast.

The annual distribution from this fund shall be used to support cancer research. Expenditures shall be approved by the chief executive officer of The Arthur G. James Cancer Hospital and Richard J. Solove Research Institute and director of Comprehensive Cancer Center.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be held in the distribution account to be used in subsequent years and only for the purposes of the endowment, or reinvested in the endowment principal at the discretion of the chief executive officer of The Arthur G. James Cancer Hospital and Richard J. Solove Research Institute and director of the Comprehensive Cancer Center or his/her designee.

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

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University shall consult the chief executive officer of The Arthur G. James Cancer Hospital and Richard J. Solove Research Institute and director of the Comprehensive Cancer Center or his/her designee. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and the Foundation.

Omer K. Masud and Asifa Omer International Scholarship Fund

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the Omer K. Masud and Asifa Omer International Scholarship Fund effective November 3, 2017, with gifts from Omer K. Masud (MS 2002, MBA 2005) and Asifa Omer as part of The Joseph A. Alutto Global Leadership Initiative.

Omer K. Masud and Asifa Omer, both originally from Pakistan, live in New York with their two daughters, Minal and Anya and are proud supporters of The Ohio State University, Max M. Fisher College of Business. Omer is a two time graduate of the University, and he along with his family believe in giving back to the University and community that offered him tremendous opportunity to grow personally and professionally. They want to make sure that students at Fisher who come from all different backgrounds are offered the opportunity to learn and enjoy their college careers and are welcomed to The Ohio State University family.

The annual distribution from this fund shall be used to provide scholarships to undergraduate or graduate students enrolled in the Max. M. Fisher College of Business to support critical, action-based, learning experiences around the world. Recipients shall be selected by the college's scholarship committee, in consultation with Student Financial Aid.

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

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

The Ohio State University
Board of Trustees

November 3, 2017

of the endowment, or reinvested in the endowment principal at the discretion of the dean of the Max. M. Fisher College of Business or his/her designee.

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

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

Jeannie and Sanford Kayne Family Endowed Fund

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the Jeannie and Sanford Kayne Family Endowed Fund effective November 3, 2017, with a gift from Stanley B. Kayne (BA 1974), in memory of his parents.

The annual distribution from this fund shall be split to support the following funds as follows:

- Forty percent (40%) to support *The Barry A. Pfaff Lewy Body Dementia Research Fund* (#315715).
- Twenty percent (20%) to support the endowed principal of the *Louis H. Mendelson, M.D. '23 Award Fund* (#604875).
- Forty percent (40%) to support the *Jeannie and Sanford Kayne Family Accounting Scholarship Fund* (#315955).

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

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

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

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

The Ohio State University
Board of Trustees

November 3, 2017

The Norman K. Booth Endowed Scholarship Fund

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish The Norman K. Booth Endowed Scholarship Fund November 3, 2017, with gifts from the Knowlton School of Architecture Landscape Architecture Alumni and friends.

The annual distribution from this fund shall be used to provide one or more scholarships to undergraduate students enrolled in the Austin E. Knowlton School of Architecture who are bachelor's degree candidates in the Landscape Architecture program. Eligible scholarship candidates shall be in their junior or senior year, have demonstrated financial need, and strong academic and design credentials. Criteria for selection shall include that recipients show leadership as advocates of Landscape Architecture and great potential to serve as an inspiration to others in the field. Recipients shall be selected by Student Financial Aid, in consultation with the OSU Landscape Architecture faculty.

In the event that the Landscape Architecture program ceases to exist at the University, the fund shall be used for scholarships for students in the City and Regional Planning program. In the event that the Landscape Architecture program is transferred to another school or college within the University, the purpose of the fund shall be to provide scholarships for students in the Landscape Architecture program in the new school or college in which the Landscape Architecture program is housed.

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

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

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

The Tom W. Davis Rowing Scholarship Fund

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish The Tom W. Davis Rowing Scholarship Fund effective November 3, 2017, with a gift from Tom W. Davis.

Ten percent (10%) of the annual distribution from this fund shall be reinvested in the endowment principal. The remaining annual distribution shall be used to supplement the grant-in-aid costs for a student-athlete who is a member of the rowing team. Recipients will be selected by the director of the Department of Athletics or his/her designee, in consultation with Student Financial Aid.

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

Per the request of donor, any unused distribution from this endowed fund shall be reinvested in the endowment principal.

The Ohio State University
Board of Trustees

November 3, 2017

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

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

Irene and James Lawhun Family Endowed Scholarship Fund

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the Irene and James Lawhun Family Endowed Scholarship Fund effective November 3, 2017, with a gift from Gerald L. Lawhun (BS 1954).

The annual distribution from this fund shall be used to provide tuition-only scholarships to undergraduate students enrolled in the Max M. Fisher College of Business. Recipients will be selected by the dean of the college or his/her designee, in consultation with Student Financial Aid. Scholarships are renewable as long as the recipients are in good standing with the college.

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

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

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

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

Dean E. LeBeau Endowed Scholarship

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the Dean E. LeBeau (1967 BS, 1970 DVM) Endowed Scholarship effective November 3, 2017, with a gift from Joan M. LeBeau.

The Ohio State University
Board of Trustees

November 3, 2017

The annual distribution from this fund shall be used to provide scholarships to students enrolled in the College of Veterinary Medicine who are pursuing their DVM and who are from the State of Ohio. First preference will be given to candidates from Stark County. If there are no candidates from Stark County, candidates from Summit County shall be considered. If there are no candidates from either county, deserving candidates from any county in Ohio shall be considered. Recipients will be selected by the college's scholarship committee, in consultation with Student Financial Aid.

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

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

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

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

The Dr. Andrew T. Maccabe Endowed Scholarship Fund

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish The Dr. Andrew T. Maccabe Endowed Scholarship Fund effective November 3, 2017, with a gift from Dr. Andrew T. Maccabe (BS 1981, DVM 1985).

The annual distribution from this fund shall be used to provide one scholarship to a student who is enrolled in the Doctor of Veterinary Medicine program, is ranked as a third or fourth year student, and demonstrates financial need and excellent leadership abilities. First preference shall be given to candidates who show an interest in public policy. Second preference shall be given to candidates who show an interest in public health. Recipients will be selected by the scholarship committee of the College of Veterinary Medicine, in consultation with Student Financial Aid.

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

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

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

The Ohio State University
Board of Trustees

November 3, 2017

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

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

Robert M. Krivoshey Fund

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the Robert M. Krivoshey Fund effective November 3, 2017, with memorial gifts from friends, family, and colleagues.

Robert Martin Krivoshey earned his BA from Yeshiva University and a MA and PhD from the University of Chicago before earning his JD at The Ohio State University. He started teaching at Ohio State in 1988 and was the founding professor of the Criminal Defense Clinic, as well as the initiator of the Criminal Prosecution Clinic. Krivoshey, a clinical professor of law, was a legend at the Michael E. Moritz College of Law. His dedication for students and passion for justice were an inspiration.

The annual distribution from this fund shall be used at the discretion of the dean of the Michael E. Moritz College of Law.

When the gifted endowment principal reaches the minimum funding level required at that date for a restricted endowed fund, the fund name shall be changed to the Robert M. Krivoshey Clinic Scholarship Fund. Thereafter, the annual distribution shall be used to support scholarships for students enrolled in the Michael E. Moritz College of Law with preference for, but not limited to, those who have demonstrated an interest in studying criminal law. Recipients will be selected by the dean of the college or his/her designee, in consultation with Student Financial Aid.

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

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

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

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

The Ohio State University
Board of Trustees

November 3, 2017

The Ruby Roush Stinson and William S. Stinson Jr. Scholarship Endowment Fund

The William S. Stinson Jr. Scholarship Endowment Fund was established June 1, 2007, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from Dr. William S. Stinson Jr. (BS 1961, MS Horticulture 1964; PhD 1966) of Lakeland, Florida. Effective November 3, 2017, the fund name shall be revised.

The annual distribution from this fund shall be used to support scholarships for undergraduate and/or graduate students enrolled in the Department of Food Science and Technology in the College of Food, Agricultural, and Environmental Sciences. Scholarship recipients will be selected by the vice president for agricultural administration and University Outreach, and executive dean for Food, Agricultural, and Environmental Sciences, in consultation with the Office of Student Financial Aid.

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

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

The Raymond G. and Helen Mossbarger Vawter Family Fund

The Raymond G. and Helen Mossbarger Vawter Family Fund was established June 24, 2011, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with a gift from Helen Mossbarger Vawter (BS 1955) and Raymond G. Vawter made in honor of Helen's parents, Emerson and Odessa Mossbarger for their support and encouragement. Effective __/__/__, the fund description shall be revised.

Upon graduation from Jackson High School in Jackson, Ohio, in 1951, Helen Mossbarger was encouraged by her parents, both teachers, to continue her education and attend college. As a resident in what has historically been an economically depressed area, she was one of a very small minority from her high school class that had the opportunity to do so. Helen capitalized on that opportunity and attributes much of her success throughout her lifetime to the experiences she had as a student at The Ohio State University.

The annual distribution from this fund shall provide a need-based scholarship to students who graduated from Jackson High School located in Jackson County, Ohio. Preference shall be given to candidates in the order listed below.

- enrolled in the College of Education and Human Ecology and majoring in areas of study related to human ecology
- enrolled in any college and majoring in areas of study related to human ecology
- enrolled in any college and minoring in areas of study related to human ecology within the College of Education and Human Ecology
- enrolled in the College of Education and Human Ecology or the Max M. Fisher College of Business
- enrolled in any college

Scholarship recipients shall be selected by the College of Education and Human Ecology, in consultation with Student Financial Aid. Scholarships shall be split between two semesters each year and may be used for tuition, books, and room and board.

The Ohio State University
Board of Trustees

November 3, 2017

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

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

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

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

The Ohio State University
Board of Trustees

November 3, 2017

NAMING OF THE EVAN TURNER HALLWAY

IN THE JEROME SCHOTTENSTEIN CENTER

Synopsis: Approval for naming of the basketball practice facility hallway in the Jerome Schottenstein Center, located at 555 Borror Drive on the Columbus campus as the Evan Turner Hallway, is proposed.

WHEREAS the basketball practice facility, located within the Athletics District on the Columbus campus, provides the men's and women's basketball programs with a state-of-the-art practice facility, offices and other spaces for student-athletes; and

WHEREAS the basketball practice facility allows the Ohio State men's and women's basketball teams to excel in education, recruiting, and training; and

WHEREAS through generous philanthropy, Evan Turner has made a lasting impact at The Ohio State University by creating opportunities for outstanding student-athletes to hone their talents; and

WHEREAS Evan Turner has provided significant contributions to the Department of Athletics to support the men's basketball program:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves in accordance with paragraph (F) of rule 3335-1-08 of the Administrative Code, that the basketball practice facility hallway be named the Evan Turner Hallway.

The Ohio State University
Board of Trustees

November 3, 2017

NAMING OF SPACES IN THE PRE-CLINIC

IN FRY HALL, COLLEGE OF OPTOMETRY

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

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

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

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

- Class of 1992: Honoring Dr. Christopher O'Brien
- Edward Crum OD, MBA, SPE

NOW THEREFORE

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

- Room 203, the Edward Crum OD, MBA, SPE Injections Room
- Room 217, the Dr. Christopher O'Brien Pre-Clinic Examination Room, supported by the Class of 1992

The Ohio State University
Board of Trustees

November 3, 2017

NAMING OF INTERNAL SPACES

IN THE WILLIAM T. AND JANE C. MCCONNELL RESIDENCE HALL

Synopsis: Approval for the naming of internal spaces in the William T. and Jane C. McConnell Residence Hall, located at 929 Sharon Valley Road, on The Ohio State University at Newark campus, is proposed.

WHEREAS the newly constructed McConnell Residence Hall is an example of the dedication and generosity of The Ohio State University at Newark community; and

WHEREAS the residence hall provides living and learning spaces for 120 students, enhances access and diversity on the Newark campus, and helps create the extraordinary student experience; and

WHEREAS the donors listed below have provided significant contributions to the building funds used to construct the new residence hall:

- Dr. Donald G. and Patsy P. Jones
- J. Gilbert & Louella H. Reese, The Gilbert Reese Family Foundation, and Dr. John H. & Sarah R. Wallace
- Lowell S. and Barbara G. Anstine
- David A. and Carole B. Brooks
- The Englefield Foundation
- Geraldine D. Marston

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves in accordance with paragraph (F) of rule 3335-1-08 of the Administrative Code, that internal spaces in the McConnell Residence Hall at The Ohio State University at Newark shall be named the following:

- The Dr. Donald G. and Patsy P. Jones Event Center
- The Reese-Wallace Grand Lounge
- The Lowell S. and Barbara G. Anstine Study Lounge
- The David A. and Carole B. Brooks Study Lounge
- The Bill and Janet Englefield Study Lounge
- The Geraldine Marston Study Lounge

The Ohio State University
Board of Trustees

November 3, 2017

NAMING OF CTL ENGINEERING LAB

IN HITCHCOCK HALL, COLLEGE OF ENGINEERING

Synopsis: Approval for the naming of the Geotechnical Lab (room 050) in Hitchcock Hall at 2070 Neil Avenue, as the CTL Engineering Lab, is proposed.

WHEREAS Hitchcock Hall is the home of the Department of Civil, Environmental and Geodetic Engineering (CEGE); and

WHEREAS CEGE enrolls over 950 students from 18 different countries who aim to balance environmental health with growing societal needs for natural resources, sustainable infrastructure, and services; and

WHEREAS CTL Engineering and its president, C.K. Satyapriya, have generously provided funds to support the renovation of the Geotechnical Lab space in Hitchcock Hall:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves in accordance with paragraph (F) of rule 3335-1-08 of the Administrative Code, that the Geotechnical Lab (room 050) in Hitchcock Hall shall be named the CTL Engineering Lab.

The Ohio State University
Board of Trustees

November 3, 2017

THURSDAY, NOVEMBER 2, 2017
AUDIT AND COMPLIANCE COMMITTEE MEETING

Timothy P. Smucker
W. G. Jurgensen
Michael J. Gasser
Jeffrey Wadsworth
Hiroyuki Fujita
John W. Zeiger
H. Jordan Moseley
James D. Klingbeil
Lawrence A. Hilsheimer
Amy Chronis
Craig S. Morford
Alex Shumate (*ex officio*)

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

Time: 10:00-11:30am

ITEM FOR ACTION

- | | |
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| 1. Approval to Submit Audited Consolidated Financial Statements (Draft) to the Auditor of State - Ms. Devine, Ms. Dewire | 10:00-10:10am |
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ITEMS FOR DISCUSSION

- | | |
|--|---------------|
| 2. External Audit Update - Ms. Dewire | 10:10-10:15am |
| 3. Compliance and Integrity Program Update - Mr. Culley, Mr. Garrity-Rokous | 10:15-10:20am |
| 4. Audit and Compliance Committee Scorecard - Mr. Culley, Mr. Garrity-Rokous | 10:20-10:25am |

Executive Session	10:25-11:30am
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The Ohio State University
Board of Trustees

November 3, 2017

**APPROVAL TO SUBMIT AUDITED CONSOLIDATED
FINANCIAL STATEMENTS (DRAFT) TO THE AUDITOR OF STATE**

Synopsis: Approval to submit the draft audited consolidated financial statements to the Auditor of State, is proposed.

WHEREAS The Ohio State University annually seeks an independent audit of the consolidated financial statements as a matter of strong financial oversight; and

WHEREAS the Auditor of State is required under Ohio law to audit each public office; and

WHEREAS the university is a public office and is required under Ohio law to file a financial report with the Auditor of State for each fiscal year; and

WHEREAS the university operates on a fiscal year ended June 30 of each year; and

WHEREAS the university has produced consolidated financial statements for the 2016 and 2017 fiscal years, in accordance with accounting principles, generally accepted in the United States; and

WHEREAS the university engages an outside auditing firm, currently PricewaterhouseCoopers LLC, to audit its consolidated financial statements; and

WHEREAS the university management and PricewaterhouseCoopers have produced a final draft of the audited consolidated financial statements for the 2016 and 2017 fiscal years; and

WHEREAS the Auditor of State may accept the audited consolidated financial statements in lieu of the audit required by Ohio law; and

WHEREAS the audited consolidated financial statements will not be final until approved by the Auditor of State:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby accepts the draft audited consolidated financial statements for the 2016 and 2017 fiscal years; and

BE IT FURTHER RESOLVED, That the Board of Trustees hereby approves the submission of these consolidated financial statements to the Auditor of State for review and approval.

{00306363-1}



THE OHIO STATE UNIVERSITY

FY17 Financial Statement Audit Summary

Audit and Compliance Committee
November 2, 2017



- The university seeks an independent audit annually
 - The consolidated university audit is best practice and is required per state law.
 - Audits of other units are sought by the university as part of financial oversight and best practices
 - An audit for the consolidated financial statements for the fiscal year ended June 30, 2017 has been conducted by our independent auditor in consultation with university management. The result was an unqualified opinion.

Action sought by board of trustees

- Approval to submit draft consolidated financial statements to the Auditor of State.
- Audit will not be final until it is approved by Auditor of State.



University Audits, Reviews and Agreed Upon Procedures

Consolidated Financial Statements (GASB)

- Primary Institution
 - University, including OSU Wexner Medical Center Health System
 - Blended Component Units
 - Discretely Presented Component Units

Stand-alone Financial Statements

- Oval Limited
- OSU Foundation
- OSU Wexner Medical Center Health System
- Transportation Research Center
- Campus Partners
- OSU Physicians, Inc.
- Department of Athletics
- WOSU Public Media
- OSU Global Gateway (FYE 12/31/2016)

Agreed Upon Procedures

- National Collegiate Athletic Association

Other Reports

- Uniform Guidance (formally A-133 Compliance)
- Wexner Center for the Arts – Review Report
- OSU Health Plan – Review Report
- Transportation Research Center Benefit Plan



Management Certifications

Consolidated Financial Statements	<ul style="list-style-type: none">• University management signs a consolidated representation letter
Stand-Alone Financial Statements	<ul style="list-style-type: none">• Management of each stand-alone reporting entity is responsible for and signs its own representation letter
College/Admin Units	<ul style="list-style-type: none">• Deans, VPs and Senior Fiscal Officers sub-certify internal controls in 16 key areas• All completed. No significant control issues noted



Highlights of audit

- The university received an **unqualified opinion**, with no material weaknesses. The university had one significant deficiency in relation to management turnover and a system implementation at Transportation Research Center, a discretely presented component unit.
- The university's financial position remains sound. Total net position for the primary institution increased \$571 million, to \$5.52 billion at June 30, 2017, primarily due to \$601 million of net investment income. Growth in consolidated Health System operating revenues and other revenue sources was offset by increases in GASB 68 pension expense and other operating expenses.
- The financial statements include significant accounting estimates for alternative investments, patient A/R and revenue, pension liabilities and deferrals, and medical malpractice liability. Management has controls in place to address these financial reporting risks.
- Significant new accounting transactions include a 50-year agreement to lease the university's utility system to ENGIE-Axium (Ohio State Energy Partners) and grant it the exclusive right to operate the utility system and provide utility services to the Columbus campus. The university received an upfront payment of \$1.1 billion on July 6, 2017. This transaction is disclosed as a subsequent event in the financial statements (Note 22).
- Significant new accounting standards will impact the university's reporting of other post-retirement benefits (primarily retiree healthcare), irrevocable split-interest agreements, asset retirement obligations, fiduciary activities and leases.


THE OHIO STATE UNIVERSITY

Financial Highlights: Statement of Net Position

	2017	2016
	<i>(in thousands)</i>	
<i>Current Assets</i>	\$ 2,987,998	\$ 2,681,801
<i>Noncurrent Assets</i>	10,054,786	9,511,302
<i>Deferred Outflows</i>	1,012,937	698,125
Total Assets and Deferred Outflows	\$ 14,055,721	\$ 12,891,228
<i>Current Liabilities</i>	1,488,326	1,438,889
<i>Noncurrent Liabilities</i>	6,571,561	5,911,176
<i>Deferred Inflows</i>	471,288	587,150
Total Liabilities and Deferred Inflows	\$ 8,531,175	\$ 7,937,215
<i>Net Position (Equity):</i>		
<i>Nonexpendable</i>	3,739,647	3,652,711
<i>Expendable</i>	1,784,899	1,301,302
Total Net Position	\$ 5,524,546	\$ 4,954,013

Total cash and temporary investments increased \$259M, to \$2.23 billion, primarily due to strong operating margins at the OSU Health System.

Increase in noncurrent assets reflects net appreciation of the Long Term Investment Pool (up \$637 million), which is partially offset by a reduction in unexpended bond proceeds (down \$137 million).

Deferred outflows related to pensions increased \$316M and deferred inflows for pensions decreased \$106M primarily due to deferrals for lower-than projected investment returns for STRS-Ohio and changes in actuarial assumptions for OPERS.

Net pension liabilities increased \$771 million, to \$3.57 billion, primarily due to lower-than-projected investment returns for STRS-Ohio and a reduction in the discount rate (from 8% to 7.5%) for OPERS.

Total net position for the primary institution increased \$571 million, to \$5.52 billion at June 30, 2017.


THE OHIO STATE UNIVERSITY

Financial Highlights: Statement of Revenue, Expenses, & Other Changes in Position

Consolidated Health System revenues increased \$228M, to \$2.85 billion, reflecting continued growth in patient volumes. Auxiliary revenues were up \$48M, primarily due to increase in beds in the North Residential District and increased sales of meal plans to second-year students.

Total operating expenses increased \$556M primarily due to a combination of budgeted increases in Health System expenses to support growth in patient volumes, increases in expense associated with GASB 68 pension accruals and increases in housing and dining costs.

Reflects \$601M net investment income as compared to an \$11M loss in the prior year. FY2017 return for the Long Term Investment Pool was +14.5%.

	2017	2016
	<i>(in thousands)</i>	
<i>Operating Revenues</i>	\$ 4,971,443	\$ 4,576,381
<i>Operating Expenses</i>	5,772,239	5,216,311
<i>Operating Income (Loss)</i>	(800,796)	(639,930)
<i>Non-Operating Revenues (Expenses)</i>	1,216,120	591,152
<i>Income (Loss) before Other Revenues, Expenses, Gains or Losses</i>	415,324	(48,778)
<i>Other Changes in Net Position</i>	155,209	111,340
<i>Increase in Net Position</i>	\$ 570,533	\$ 62,562


THE OHIO STATE UNIVERSITY

Statement of Net Position, excluding GASB 68 Net Pension Liabilities and Deferrals

<i>(in thousands)</i>	June 30, 2017 As Reported	GASB 68 Liabilities and Deferrals	June 30, 2017 Excluding GASB 68
Current Assets	\$ 2,987,998		\$ 2,987,998
Noncurrent Assets	10,054,786		10,054,786
Deferred Outflows	<u>1,012,937</u>	(991,559)	<u>21,378</u>
Total Assets and	<u>\$ 14,055,721</u>		<u>\$ 13,064,162</u>
Current Liabilities	1,488,326		1,488,326
Noncurrent Liabilities	6,571,561	(3,565,362)	3,006,199
Deferred Inflows	<u>471,288</u>	(16,342)	<u>454,946</u>
Total Liabilities and Deferred Inflows	<u>\$ 8,531,175</u>		<u>\$ 4,949,471</u>
Net Position (Equity):			
Nonexpendable	3,739,647		3,739,647
Expendable	<u>1,784,899</u>	2,590,145	<u>4,375,044</u>
Total Net Position	<u>\$ 5,524,546</u>		<u>\$ 8,114,691</u>


THE OHIO STATE UNIVERSITY

Statement of Revenues, Expenses and Other Changes in Net Position, excluding GASB 68 Pension Expense

	Year Ending June 30, 2017 As Reported	GASB 68 Pension Expense	Year Ending June 30, 2017 Excluding GASB 68
Operating Revenues	\$ 4,971,443		\$ 4,971,443
Operating Expenses	<u>5,772,239</u>	(348,860)	<u>5,423,379</u>
Operating Income (Loss)	(800,796)		(451,936)
Non-Operating Revenues (Expenses)	<u>1,216,120</u>		<u>1,216,120</u>
Income (Loss) before Other Revenues, Expenses, Gains or Losses	415,324		764,184
Other Changes in Net Position	<u>155,209</u>		<u>155,209</u>
Increase in Net Position	\$ <u>570,533</u>		\$ <u>919,393</u>


THE OHIO STATE UNIVERSITY

Financial Highlights: Statement of Cash Flows

University Cash Flows Summary <i>(in thousands)</i>	2017	2016
Net cash flows used in operating activities	\$ (100,589)	\$ (174,888)
Net cash flows from noncapital financing activities	787,986	752,926
Capital appropriations and gifts for capital projects	82,982	46,511
Proceeds from capital debt	6,430	618,242
Payments for purchase or construction of capital assets	(414,606)	(428,966)
Principal and interest payments on capital debt and leases, net of federal Build America Bond interest subsidies	(192,914)	(190,501)
Net cash flows used in investing activities	(184,111)	(301,532)
Net increase (decrease) in cash	<u><u>\$ (14,822)</u></u>	<u><u>\$ 321,792</u></u>

Net cash flows from operating and noncapital financing activities increased \$109 million, to \$687 million, as growth in receipts from sales and services, grants and contracts and gifts outpaced increases in operating disbursements.

The university did not issue bonds in 2017.

Total cash used by investing activities was \$184 million, reflecting net purchases of temporary investments.

University cash and cash equivalents decreased \$15 million in 2017.

Negative operating cashflow is primarily due to non-operating classification of state share of instruction and line-item appropriations. If included in operating, net cash flows from operating activities would be \$372 million and \$281 million in 2017 and 2016, respectively.


THE OHIO STATE UNIVERSITY

Summary of Significant Estimates

Financial Stmt Line Item	June 30, 2017 (in 000's)	June 30, 2016 (in 000's)	How Determined	Any Changes?
Real assets, hedge funds and private equity	\$2,755,726	\$2,686,449	Primarily based on NAV provided by external investment managers/partners	No changes in estimation methodology.
Medical malpractice liability	\$73,523	\$84,800	Independent actuarial valuation	No changes in estimation methodology.
Pension Liability:				
Net pension liability	\$3,565,362	\$2,794,626	Primarily based on allocation schedules provided by the retirement systems	No changes in estimation methodology.
Deferred outflows – pensions	\$991,559	\$675,625		
Deferred inflows – pensions	\$ (16,342)	\$ (122,369)		
Increase (decrease) in pension expense due to GASB 68 accruals	\$348,860	\$110,938		
OSU Health System:				
Net patient service A/R	\$375,530	\$324,460	Contractual and bad debt allowances are based on review of cash collections and adjustments and performance of a look-back analysis on prior-year balances.	No significant changes in estimation methodology.
Net patient service revenue	\$2,660,647	\$2,471,249		
OSU Physicians:				
Net patient service A/R	\$34,874	\$38,348		
Net patient service revenue	\$353,491	\$343,329		



THE OHIO STATE UNIVERSITY

New Accounting Standards

New GASB Standards	Effective Date	Impact
GASB 75, <i>Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions</i>	FY2018	Expected to have significant impact (estimated OSU share of OPERS and STRS net OPEB liabilities is currently over \$600 million -- non-cash item similar to pensions).
GASB 81, <i>Irrevocable Split-Interest Agreements</i>	FY2018	Expected to have moderate impact on accounting for annuity/life income agreements (revenue recognition to occur at end of agreement).
GASB 85, <i>Omnibus 2017</i>	FY2018	Addresses various technical issues – not expected to impact university financial reporting.
GASB 86, <i>Certain Debt Extinguishment Issues</i>	FY2018	Clarifies guidance on accounting and reporting for defeasance of debt – not expected to impact university financial reporting.
GASB 83, <i>Certain Asset Retirement Obligations</i>	FY2019	Will require recognition of liabilities to retire certain assets that cause contamination in normal course of their use
GASB 84, <i>Fiduciary Activities</i>	FY2020	May require the university to present Alumni Association endowment investments and possibly Agency funds in separate fiduciary fund financials.
GASB 87, <i>Leases</i>	FY2021	Expected to require the university to put all its operating leases on the balance sheet (estimated additional liabilities of approx. \$140 million).

The Ohio State University

(A Component Unit of the State of Ohio)

Financial Statements

**As of and for the Years Ended June 30, 2017 and 2016
And Report of Independent Auditors**

Draft, 10/16/17, 5:30pm

Table of Contents

Report of Independent Auditors	1
Management's Discussion and Analysis	3
Statements of Net Position	19
Statements of Revenues, Expenses and Other Changes in Net Position	20
Statements of Cash Flows	21
Notes to the Financial Statements	23
Required Supplementary Information on GASB 68 Pension Liabilities	87
Other Information on the Long-Term Investment Pool	88
Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	90
Acknowledgements	92
Board of Trustees	93



Report of Independent Auditors

To the Board of Trustees of
The Ohio State University
Columbus, Ohio:

We have audited the financial statements of the primary institution and of the aggregate discretely presented component units, which collectively comprise The Ohio State University (the "University"), appearing on pages 19 to 22, which consist of the statements of net position as of June 30, 2017 and June 30, 2016, the related statements of revenues, expenses, and other changes in net position and of cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. The University is a component unit of the State of Ohio.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the University's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the primary institution and the aggregate discretely presented component units of the University as of June 30, 2017 and June 30, 2016, and the respective changes in financial



position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The accompanying management's discussion and analysis on pages 3 through 18, and the Required Supplementary Information on GASB 68 Pension Liabilities on page 87 are required by accounting principles generally accepted in the United States of America to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The accompanying other information on the long-term investment pool on pages 88 through 89 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated **November 6, 2017** on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters for the year ended June 30, 2017. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

November 6, 2017

Management's Discussion and Analysis for the Year Ended June 30, 2017 (Unaudited)

The following Management's Discussion and Analysis, or MD&A, provides an overview of the financial position and activities of The Ohio State University (the "university") for the year ended June 30, 2017, with comparative information for the years ended June 30, 2016 and June 30, 2015. We encourage you to read this MD&A section in conjunction with the audited financial statements and footnotes appearing in this report.

About The Ohio State University

The Ohio State University is the State of Ohio's flagship research institution and one of the largest universities in the United States of America, with over 66,000 students, 7,000 faculty members and 25,000 staff members. Founded in 1870 under the Morrill Land Grant Act, the university – which was originally known as the Ohio Agricultural and Mechanical College – has grown over the years into a comprehensive public institution of higher learning, with over 200 undergraduate majors, 157 master's degree programs, 121 doctoral programs and seven professional degree programs.

The Ohio State University Wexner Medical Center is one of the the largest and most diverse academic medical centers in the country and the only academic medical center in central Ohio. As a part of the Wexner Medical Center, the Health System operates under the governance of The Ohio State University Board of Trustees and is comprised of seven hospitals and a network of ambulatory care locations. The Health System provides care across the spectrum from primary care to quaternary specialized care. Key clinical care locations and facilities at the Health System include:

- **University Hospital:** the Medical Center's full-service tertiary care facility that provides care to patients throughout the region.
- **Arthur G. James Cancer Hospital and Solove Research Institute:** one of only 41 National Cancer Institute-designated Comprehensive Cancer Centers. In fiscal 2015, the Arthur G. James Cancer Hospital and Solove Research Institute opened a new tower, which is a transformational facility that fosters collaboration and integration of cancer research and clinical cancer care.
- **Richard M. Ross Heart Hospital:** The Ross is home to OSU's Heart and Vascular program, ranked 26th out of nearly 5,000 hospitals around the country by US News and World Report.
- **OSU Harding Hospital:** provides the most comprehensive behavioral healthcare services in central Ohio.
- **University Hospital East:** a full service community hospital.
- **Dodd Hall:** a 60-bed inpatient rehabilitation facility.
- **Brain and Spine Hospital:** provides comprehensive neuroscience care to improve prevention, detection and treatment of brain and spine disorders.
- **Ambulatory Services:** a network of community-based primary and subspecialty care facilities.

The Health System provided services to approximately 61,700 adult inpatients and 1,764,000 outpatients during fiscal year 2017, 59,300 adult inpatients and 1,724,000 outpatients during fiscal year 2016, and 58,200 adult inpatients and 1,664,000 outpatients during fiscal year 2015.

Management's Discussion & Analysis (Unaudited) - continued

The university is governed by a board of trustees who are responsible for oversight of academic programs, budgets, general administration, and employment of faculty and staff. The university's 15 colleges, four regional campuses, the Wexner Medical Center and various academic support units operate largely on a decentralized basis. The Board approves annual budgets for university operations, but these budgets are managed at the college and department level.

The following financial statements reflect all assets, liabilities, deferred inflows/outflows and net position (equity) of the university, the Ohio State University Wexner Medical Center, the Ohio Agricultural Research and Development Center (OARDC) and the Ohio Technology Consortium (OH-TECH), which is an umbrella organization that includes the Ohio Academic Resources Network (OARnet), the Ohio Supercomputer Center and the Ohio Library and Information Network (OhioLINK). These entities constitute the "primary government" for financial reporting purposes. In addition, the financial statements include consolidated financial results for a number of "component units", which are legally separate entities that meet the financial accountability criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus* and Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*.

The following component units are considered to "exclusively benefit" the university and are shown in a blended presentation with the primary government:

- The OSU Foundation (a fundraising foundation operating exclusively for the benefit of the university)
- OSU Health Plan (a non-profit organization – formerly known as OSU Managed Health Care Systems -- that administers university health care benefits)
- Oval Limited (captive insurer that provides medical malpractice coverage to university hospitals and physicians)

The GASB has indicated that, under the amended consolidation standards, the "exclusive benefit" criterion for blending is not met when a component unit provides services to parties external to the primary government. As a result, the university presents the following component units in a discrete presentation:

- OSU Physicians, Inc. (the practice group for physician faculty members of the Colleges of Medicine and Public Health)
- Campus Partners for Community Urban Redevelopment (a non-profit organization participating in the redevelopment of neighborhoods adjacent to the main Columbus campus)
- Transportation Research Center, Inc. (an automotive research and testing facility in East Liberty, Ohio)
- Dental Faculty Practice Association (the practice group for faculty members of the College of Dentistry)

Condensed financial information for both blended and discretely presented component units is provided in the Notes to the Financial Statements. The university is considered a component

Management's Discussion & Analysis (Unaudited) - continued

unit of the State of Ohio and is included in the State of Ohio's Comprehensive Annual Financial Report.

About the Financial Statements

The university presents its financial statements in a "business type activity" format, in accordance with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities – an amendment of GASB Statement No. 34*. In addition to this MD&A section, the financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Other Changes in Net Position, a Statement of Cash Flows and Notes to the Financial Statements. Separate columns are presented for the primary institution (which includes the primary government and the blended component units), discretely presented component units and the total university. Unless otherwise specified, the amounts presented in this MD&A are for the primary institution.

The **Statement of Net Position** is the university's balance sheet. It reflects the total assets, deferred outflows, liabilities, deferred inflows and net position (equity) of the university as of June 30, 2017, with comparative information as of June 30, 2016. Liabilities due within one year, and assets available to pay those liabilities, are classified as current. Other assets and liabilities are classified as non-current. Investment assets are carried at fair value. Capital assets, which include the university's land, buildings, improvements, and equipment, are shown net of accumulated depreciation. Net position is grouped in the following categories:

- Net investment in capital assets
- Restricted – Nonexpendable
- Restricted – Expendable
- Unrestricted

In addition to assets, liabilities and net position, the university's balance sheet includes deferred outflows of resources and deferred inflows of resources. Deferred outflows are similar to assets and will be recognized as expense in future periods. Deferred inflows are similar to liabilities and will be recognized as revenue (or reductions of expense) in future periods.

The **Statement of Revenues, Expenses and Other Changes in Net Position** is the university's income statement. It details how net position has increased (or decreased) during the year ended June 30, 2017, with comparative information for the year ended June 30, 2016. Tuition revenue is shown net of scholarship allowances, patient care revenue is shown net of contractual allowances, charity care and bad debt expense, depreciation is provided for capital assets, and there are required subtotals for net operating income (loss) and net income (loss) before capital contributions and additions to permanent endowments.

It should be noted that the required subtotal for net operating income or loss will generally reflect a "loss" for state-supported colleges and universities. This is primarily due to the way operating and non-operating items are defined under GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use*

Management's Discussion & Analysis (Unaudited) - continued

Proprietary Fund Accounting. Operating expenses include virtually all university expenses, except for interest on long-term debt. Operating revenues, however, *exclude* certain significant revenue streams that the university and other public institutions have traditionally relied upon to fund current operations, including state instructional support, current-use gifts and investment income.

The **Statement of Cash Flows** details how cash has increased (or decreased) during the year ended June 30, 2017, with comparative information for the year ended June 30, 2016. It breaks out the sources and uses of university cash into the following categories:

- Operating activities
- Noncapital financing activities
- Capital financing activities
- Investing activities

Cash flows associated with the university's expendable net position appear in the operating and noncapital financing categories. Capital financing activities include payments for capital assets, proceeds from long-term debt and debt repayments. Purchases and sales of investments are reflected as investing activities.

The **Notes to the Financial Statements**, which follow the financial statements, provide additional details on the numbers in the financial statements. Behind the notes is a section that provides required supplementary information related to pensions and other information on the university's Long-Term Investment Pool.

Financial Highlights and Key Trends

Total net position for the primary institution increased \$571 million in Fiscal Year 2017, primarily due to revenue growth and increases in operating margins for the OSU Health System and strong investment returns. University investments yielded \$601 million of net investment income, reflecting increases in fair value. On April 10, 2017, the university entered into a 50-year comprehensive energy management agreement with Ohio State Energy Partners and received a \$1.09 billion upfront payment upon settlement on July 6, 2017.

Demand for an Ohio State education remains strong, and student outcomes continue to improve. 66,046 students were enrolled in Autumn 2016, up 862 students compared to Autumn 2015. 94% of the freshmen enrolled in Autumn 2015 returned to OSU in Autumn 2016. Over the past five years, four-year graduation rates have been stable at 59%, and six-year graduation rates have increased from 80% to 84%.

The following sections provide additional details on the university's 2017 financial results and a look ahead at significant economic conditions that are expected to affect the university in the future.

Management's Discussion & Analysis (Unaudited) - continued

Statement of Net Position

Summary Statement of Net Position <i>(in thousands)</i>			
	2017	2016	2015
Cash and temporary investments	\$ 2,230,609	\$ 1,971,929	\$ 1,782,051
Receivables, inventories, prepaids and other current assets	757,389	709,872	664,402
Total current assets	2,987,998	2,681,801	2,446,453
Restricted cash	666,032	802,707	375,425
Noncurrent notes and pledges receivable	108,073	106,629	118,257
Long-term investment pool	4,253,459	3,616,562	3,659,387
Other long-term investments	143,638	132,971	93,367
Capital assets, net of accumulated depreciation	4,883,584	4,852,433	4,803,242
Total noncurrent assets	10,054,786	9,511,302	9,049,678
Total assets	13,042,784	12,193,103	11,496,131
Deferred outflows	1,012,937	698,125	227,083
Total assets and deferred outflows	\$ 14,055,721	\$ 12,891,228	\$ 11,723,214
Accounts payable and accrued expenses	\$ 524,754	\$ 469,216	\$ 447,364
Deposits and advance payments for goods and services	223,880	216,372	261,537
Current portion of bonds, notes and lease obligations	651,984	658,418	655,919
Other current liabilities	87,708	94,883	76,788
Total current liabilities	1,488,326	1,438,889	1,441,608
Noncurrent portion of bonds, notes and lease obligations	2,640,142	2,714,842	2,186,090
Net pension liability	3,565,362	2,794,626	2,130,432
Other noncurrent liabilities	366,057	401,708	380,382
Total noncurrent liabilities	6,571,561	5,911,176	4,696,904
Total liabilities	8,059,887	7,350,065	6,138,512
Deferred inflows	471,288	587,150	693,251
Net investment in capital assets	2,259,207	2,282,647	2,340,342
Restricted:			
Nonexpendable	1,480,440	1,370,064	1,355,560
Expendable	1,195,515	908,953	993,000
Unrestricted	589,384	392,349	202,549
Total net position	5,524,546	4,954,013	4,891,451
Total liabilities, deferred inflows and net position	\$ 14,055,721	\$ 12,891,228	\$ 11,723,214

During the year ended June 30, 2017, **cash and temporary investment** balances increased \$259 million, to \$2.23 billion, primarily due to strong operating margins at the OSU Health System. Amounts shown as restricted cash consist primarily of unspent proceeds from the General Receipts Bonds, which are being used to fund various capital projects. Restricted cash balances decreased \$137 million, to \$666 million at June 30, 2017, reflecting application of bond proceeds to capital projects. The Statement of Cash Flows, which is discussed in more detail below, provides additional information on sources and uses of university cash.

Accounts receivable, net of allowances, increased \$63 million, to \$576 million at June 30, 2017, primarily due to increases in patient care receivables of the Health System.

Management's Discussion & Analysis (Unaudited) - continued

The fair value of the university's **long-term investment pool** increased \$637 million, to \$4.25 billion at June 30, 2017. The increase is primarily due to a combination of \$552 million of net investment income and a \$250 million investment of Wexner Medical Center Health System cash in the pool. These increases were partially offset by distributions (\$167 million) and expenses (\$72 million). The long-term investment pool operates similar to a mutual fund, in that each named fund is assigned a number of shares in the pool. It includes the gifted endowment funds of the university, gifted endowment funds of the OSU Foundation, and operating funds which have been internally designated to function as endowments. The pool is invested in a diversified portfolio of equity and fixed-income securities, partnerships and hedge funds that is intended to provide the long-term growth necessary to preserve the value of these funds, adjusted for inflation, while making distributions to support the university's mission.

The university has established a **securities lending program** through its custodian bank for the long-term investment pool. Securities loaned by the university are secured by collateral in the form of cash, equity, U.S. government obligations, and foreign government/private debt. The portion of this collateral that was received in cash totaled \$16 million and \$28 million at June 30, 2017 and 2016, respectively, and is reflected in the Statement of Net Position as a current asset and a corresponding current liability.

Other long-term investments are non-unitized investments that relate primarily to gift arrangements between donors and the OSU Foundation and long-term investments of operating funds. These investments increased \$11 million, to \$144 million, at June 30, 2017.

Capital assets, which include the university's land, buildings, improvements, equipment and library books, grew \$31 million, to \$4.88 billion at June 30, 2017. The university depreciates its capital assets on a straight-line basis, using estimated useful lives ranging from 5 years (for computer equipment and software) to 100 years (for certain building components such as foundations).

In 2017, the university completed construction of the 116,000 square foot Jameson Crane Sports Medicine Institute. The \$38 million comprehensive sports medicine building is a state of art facility and the largest of its kind in the Midwest. The Institute houses 15 inter-disciplinary specialties and 160 sports medicine faculty and staff. Mount Hall underwent a 73,000 square foot, \$15 million renovation to house approximately 450 staff from the Office of the Chief Information Officer and Office of Distance Education. Four new aircraft hangars were constructed as part of the \$5 million initial phase of a \$20 million University Airport enhancement.

Major infrastructure improvements completed in 2017 included \$8 million related to the street and bridge maintenance across campus including Defiance Drive, walkways between buildings on West Campus, portions of Neil Avenue, Hagerty Drive, 18th Avenue, Service Annex Drives A-B, Woody Hayes, Herrick Drive, and the Herrick Drive Bridge over the Olentangy River.

In addition, several major construction projects are currently underway or in advanced planning stages, including:

Management's Discussion & Analysis (Unaudited) - continued

- **Arts & Science Academic Buildings**—The \$59 million project will renovate Pomerene, and Oxley Halls to accommodate academic programs. In addition, the Baker Commons enabling project renovated space to accommodate the Office of Disability Services staff who relocated from Pomerene. Pomerene and Oxley Halls are slated for completion in the spring of 2018.
- **Covelli Multi-Sport Arena** – The \$50 million project will construct a new multi-sport arena to house the men's and women's varsity volleyball teams, and fencing, wrestling, and gymnastics matches. The project is in the design phase and slated for completion in the spring of 2019.
- **Marion Science and Engineering Building** – A new \$15 million Science and Engineering building completed in July 2017 replaces an older facility, expands space for the engineering program and enhances the quality of the teaching and research on the Marion regional campus.
- **Ohio Stadium Upgrades** – The \$39 million project will include power upgrades, suite expansion and renovation, C-Deck restoration, and a suite and loge addition. The project is currently in the design phase and slated for completion for the summer of 2018.
- **Student Athlete Development Center** – The \$43 million project will construct a state-of-the-art athletic training center with new weight training and cardio conditioning for use by most of the university's sports programs. The project is in the design phase and slated for completion the summer of 2018.
- **Schottenstein Center-North Expansion and Concourse Renovation** – The \$32 million project will renovate the concourse walls and lighting and include an addition to the north end of the facility. The initial phase of the project is slated for completion in summer 2018.

University capital expenditures totaled \$415 million in 2017, including \$164 million of capital expenditures for the Wexner Medical Center Health System. The university's estimated future capital commitments, based on contracts and purchase orders, total approximately \$262 million at June 30, 2017.

Accounts payable and accrued expenses were up \$56 million, to \$525 million at June 30, 2017, primarily due to increases in accrued compensation and benefits (up \$33 million) and the accrual of a \$16 million fee related to the settlement of an interest-rate swap agreement associated with the comprehensive energy management agreement. **Deposits and advance payments for goods and services** increased \$8 million, to \$224 million. Increases in advance payments for sponsored programs were partially offset by reduction in unearned sales and service revenues.

University debt, in the form of **bonds, notes and capital lease obligations**, decreased \$81 million, to \$3.29 billion at June 30, 2017. The university did not issue any new bonds during 2017.

Management's Discussion & Analysis (Unaudited) - continued

The university's plant debt includes variable rate demand bonds that mature at various dates through 2044. GASB Interpretation 1, *Demand Bonds Issued by State and Local Governmental Entities*, provides guidance on the statement of net position classification of these bonds. Under GASB Interpretation 1, outstanding principal balances on variable rate demand bonds may be classified as noncurrent liabilities if the issuer has entered into a "take-out agreement" to convert bonds "put" but not resold into some other form of long-term obligation. In the absence of such an agreement, the total outstanding principal balances for these bonds are required to be classified as current liabilities.

Although it is the university's intent to repay its variable rate demand bonds in accordance with the maturities set forth in the bond offering circulars, the university does not have "take-out agreements" in place per the GASB Interpretation 1 requirements. Accordingly, the university has classified the total outstanding principal balances on its variable rate demand bonds as current liabilities. These obligations totaled \$588 million and \$596 million at June 30, 2017 and 2016, respectively.

GASB Statement No. 68 requires governmental employers participating in defined benefit pension plans to recognize liabilities for plans whose actuarial liabilities exceed the plan's net assets. These liabilities are referred to as net pension liabilities. The university participates in two multi-employer cost-sharing retirement systems, OPERS and STRS-Ohio. Under GASB 68, the university is required to record a liability for its proportionate share of the net pension liabilities of the retirement systems. The university's share of these **net pension liabilities** increased \$771 million, to \$3.57 billion at June 30, 2017. Total net pension liabilities increased at OPERS primarily due to a reduction in the discount rate used in the liability calculation (from 8% to 7.5%). Total net pension liabilities increased at STRS-Ohio primarily due to lower-than-projected investment returns. Net deferrals associated with pensions increased \$422 million, to \$975 million at June 30, 2017. These deferrals will be recognized as pension expense in future periods. Total pension expense recognized by the university increased \$255 million, to \$664 million in 2017. Total pension expense includes \$315 million of employer contributions and \$349 million in GASB 68 accruals.

It should be noted that, in Ohio, employer contributions to the state's cost-sharing multi-employer retirement systems are established by statute. These contributions, which are payable to the retirement systems one month in arrears, constitute the full legal claim on the university for pension funding. Although the liabilities recognized under GASB 68 meet the GASB's definition of a liability in its conceptual framework for accounting standards, they do not represent legal claims on the university's resources, and there are no cash flows associated with the recognition of net pension liabilities, deferrals and related expense.

Other (non-pension) **deferred inflows** consist primarily of the unamortized proceeds of the parking service concession arrangement. The parking deferred inflows, which totaled \$436 million at June 30, 2017, are being amortized to operating revenue on a straight-line basis over the 50-year life of the agreement. In addition, the deferred inflows include \$19 million of deferred gains on debt-related transactions.

Prior-Year Highlights: *In 2016*, the university issued \$600 million in taxable Fixed Rate General Receipts Bonds and \$31 million in tax-exempt Fixed Rate General Receipts Bonds.

Management's Discussion & Analysis (Unaudited) - continued

Net pension liabilities increased \$664 million, to \$2.79 billion, reflecting increases in actuarial liabilities and decreases in fiduciary net position for both STRS-Ohio and OPERS. Cash and temporary investment balances increased \$190 million, to \$1.97 billion, primarily due to strong operating margins at the OSU Health System. **In 2015**, the university implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The adoption of the new standard resulted in a \$2.16 billion reduction in the university's opening unrestricted net position. The net pension liability recognized by the university at June 30, 2015 was \$2.13 billion. Capital assets grew \$310 million, to \$4.80 billion, as the university completed several large projects and continued work on the North Residential District Transformation (NRDT).

Statement of Revenues, Expenses and Other Changes in Net Position

	2017	2016	2015
Operating Revenues:			
Tuition and fees, net	\$ 927,317	\$ 884,805	\$ 850,289
Grants and contracts	677,361	630,858	657,238
Auxiliary enterprises sales and services, net	309,497	261,761	261,357
OSU Health System sales and services, net	2,853,177	2,625,075	2,357,824
Departmental sales and other operating revenues	204,091	173,882	181,532
Total operating revenues	4,971,443	4,576,381	4,308,234
Operating Expenses:			
Educational and general	2,488,642	2,359,243	2,238,015
Auxiliary enterprises	313,185	254,137	248,879
OSU Health System	2,595,797	2,251,030	1,970,124
Depreciation	374,615	351,901	335,887
Total operating expenses	5,772,239	5,216,311	4,792,899
Net operating loss	(800,796)	(639,930)	(484,665)
Non-operating revenues (expenses):			
State share of instruction and line-item appropriations	473,061	456,063	435,824
Gifts - current use	181,212	156,737	163,800
Net investment income (loss)	600,701	(10,513)	173,295
Grants, interest expense and other non-operating	(38,854)	(11,135)	25,699
Net non-operating revenue	1,216,120	591,152	798,618
Income (loss) before other changes in net position	415,324	(48,778)	313,953
State capital appropriations	68,270	36,381	40,868
Private capital gifts	26,762	10,422	1,688
Additions to permanent endowments	52,458	64,537	62,295
Capital contributions and other changes in net position	7,719	-	-
Total other changes in net position	155,209	111,340	104,851
Increase in net position	570,533	62,562	418,804
Net position - beginning of year	4,954,013	4,891,451	6,637,119
Cumulative effect of accounting change	-	-	(2,164,472)
Net position - end of year	\$ 5,524,546	\$ 4,954,013	\$ 4,891,451

Net **tuition and fees** increased \$43 million, to \$927 million in 2017, primarily due to a 6% increase in non-resident enrollments and a 5% increase in the non-resident surcharge. Resident enrollments were flat. The university did not increase its undergraduate instructional and mandatory fees for fiscal 2017.

Management's Discussion & Analysis (Unaudited) - continued

Operating **grant and contract revenues** increased \$47 million, to \$677 million in 2017. Federal grant and contract revenues were up \$11 million, to \$324 million, reflecting increases in federal sponsored programs. State grants and contract revenues were up \$7 million, to \$77 million, reflecting increases in research grants from several state agencies. Private grant and contract revenues increased \$27 million, to \$254 million, primarily due to increases in grants to the College of Medicine.

Educational and general expenses increased \$129 million, or 5%, to \$2.49 billion in 2017. Additional details are provided below.

Educational and General Expenses (in thousands)			
	2017	2016	2015
Instruction and departmental research	\$ 1,006,411	\$ 994,287	\$ 940,105
Separately budgeted research	497,508	444,077	434,624
Public service	175,101	160,281	131,358
Academic support	222,043	207,688	192,140
Student services	108,041	103,784	100,229
Institutional support	254,782	227,157	230,749
Operation and maintenance of plant	94,687	101,007	95,866
Scholarships and fellowships	130,069	120,962	112,944
Total	\$ 2,488,642	\$ 2,359,243	\$ 2,238,015

The overall increase in educational and general expense is related to GASB 68 pension accruals. These accruals are allocated to functional expense lines in the Statement of Revenues, Expenses and Other Changes in Net Position, based on pension-eligible salaries. Excluding these accruals, total educational and general expenses were relatively flat, increasing \$8 million in 2017. Scholarships and fellowships, net of amounts shown as reductions of tuition and auxiliary revenues, increased \$9 million, to \$130 million in 2017, reflecting increases in unrestricted (university-funded) student financial aid.

Total **auxiliary revenues** increased \$48 million, to \$309 million in 2017, primarily due to an increase in beds in the North Residential District and additional meal plans sold to second-year students, who are now required to live in the campus dorms. **Auxiliary expenses** increased \$59 million, to \$313 million, primarily due to increases in housing and dining costs.

Health System operating revenues grew \$228 million, to \$2.85 billion in 2017. Operating expenses (excluding depreciation, interest and transfers) increased \$345 million, to \$2.60 billion. An in-depth look at the Health System, as presented in their stand-alone financial statements, is provided below.

The Health System operates over 1,300 inpatient beds and serves as a major tertiary and quaternary referral center for Ohio and the Midwest. The Wexner Medical Center delivers superior patient care, quality outcomes, and patient safety and has been recognized by US News and World Report for 25 consecutive years as one of "America's Best Hospitals" and has seven nationally ranked specialties and is one of only a handful of hospitals in the country ranked in multiple specialties. Less than 1% of hospitals in the country achieved that honor. The Wexner Medical Center was selected by Becker Hospital Review for its 2017 list of "100

Management's Discussion & Analysis (Unaudited) - continued

Great Hospitals in America" for excellence in patient care and clinical research, leadership in innovations and ranking and awards. The Health System is proud to be the first health system in central Ohio to have a hospital achieve Magnet Recognition, one of the highest honors awarded for nursing excellence. The Ross Heart Hospital, University Hospital, and the Arthur G. James Cancer Hospital and Richard J. Solove Research Institute are all designated Magnet hospitals. The Health System works with a strong physician group that provides exceptional patient care. Physicians at the Wexner Medical Center were selected by Castle Connolly because they are among the very best in their specialties.

In fiscal 2017, the Health System continued its expansion strategy by opening Outpatient Care Upper Arlington, The Jameson Crane Sports Medicine Institute, and the Brain and Spine Hospital. The Outpatient Care Upper Arlington facility will provide high quality and convenient health services from disease prevention and primary care to highly specialized women's health services and beyond. The Jameson Crane Sports Medicine Institute is the Midwest's largest and most advanced sports medicine facility and is the home of innovation and discovery in helping people improve their athletic performance, recover from injury and prevent future injuries. The new state of the art complex integrates research, teaching, clinical care, and performance training under one roof. The Brain and Spine Hospital is home to central Ohio's top-ranked Neurology and Neurosurgery program. The new Brain and Spine Hospital combines the talent and resources of doctors and researchers at the Wexner Medical Center's Neurological Institute in one comprehensive hospital. It includes specialized units for stroke care, neurotrauma and traumatic brain injuries, spinal cord injuries and spine surgery, epilepsy, chronic pain, acute rehabilitation, and neurosurgery.

The largest development project (Medical Center Expansion) in the history of The Ohio State University was completed in fiscal 2015. Included in Medical Center Expansion was the construction of the new Arthur G. James Cancer Hospital and Richard J. Solove Research Institute ("The James"). The new tower is a transformational facility that fosters the collaboration and integration of cancer research and clinical cancer care. The James is the largest cancer hospital in the Midwest and the third largest in the nation. The new 21-level tower opened in December of fiscal year 2015.

In 2017, the Health System continued with the Medical Center mission of "improving people's lives through innovation in research, education and patient care" and remained financially sound due to solid activity levels and strong expense management. Inpatient admissions increased 3.9% compared to the prior year. Outpatient visits increased 2.3% and total observation patients increased 6.5% over the previous year. Outpatient visits experienced significant growth specific to Surgical, Radiation Oncology, Rehab Services, Radiology, and Chemotherapy. The Health System continued its ambulatory expansion strategy with the opening of the Upper Arlington outpatient facility in Kingsdale and The Jameson Crane Sports Medicine Institute this year. These new locations along with the outpatient rehabilitation program achieved significant growth of 20.7% over the prior year for Ambulatory Services.

The Health System experienced strong surgical volumes in 2017 and was 5.4% above the prior year activity. Service lines contributing to the growth in surgical volumes in 2017 were Cancer, Transplant, Orthopedic Surgery, Trauma/Critical Care, Burn, Ophthalmology, and

Management's Discussion & Analysis (Unaudited) - continued

Urology. The growth in surgical volumes contributed to increases in admissions, revenues, and outpatient volumes

Total operating revenues grew \$225.1 million, or 8.6% from the prior year. The increases in operating revenues are a result of strong admissions, surgical volumes, and increased outpatient activities. Total operating revenues grew \$259.9 million, or 11.0% from 2015 to 2016. The increases from 2015 to 2016 are a result of the additional volumes related to Medical Center Expansion and the new James Cancer Hospital being open for the entire fiscal year and strong revenues related to the Retail Pharmacy.

Approximately 93% of total operating revenues are from patient care activities. Other operating revenues is composed of items such as reference labs, cafeteria operations, rental agreements and other sources. To ensure appropriate access and education for outpatients, the Health System opened the Retail Pharmacy in 2015 due to the increasing complexity and significantly growing number of specialty oral and self-administered pharmaceuticals available for cancer and non-cancer patients. The Retail Pharmacy contributed \$92.5 million of operating revenues in 2017, \$70.3 million in 2016, and \$32.7 million in 2015. To standardize care across the Neonatal Intensive Care Units in central Ohio, the Health System shares other revenue from Nationwide Children's Hospital management of the unit. The Neonatal Intensive Care Units contributed \$16.4 million of operating revenues in 2017, \$18.8 million in 2016, and \$14.7 million in 2015.

Operating expenses increased \$300.2 million, or 12.9% from 2016 to 2017. The increase in salaries and benefits from 2016 to 2017 is reflective of increased salaries and a larger workforce due to the additional volumes related to Brain and Spine Hospital, Jameson Crane Sports Medicine Institute, and Outpatient Care Upper Arlington as well as the continued growth at the James Cancer Hospital. Strong admissions, surgical volumes, and increased outpatient activities as well as higher Retail Pharmacy volumes contributed to the increase in supplies and drugs. The increase in purchased services from 2016 to 2017 is reflective of increased preventative maintenance costs for information technology and medical equipment as well as an increase in franchise fee for the hospitals. The increase in pension expense from 2016 to 2017 is related to the reduction in the discount rate used in the liability calculation and lower-than-projected investment returns.

Income before other changes in Net Position was \$215 million in 2017 compared to \$248.6 million in 2016. Pension expense was \$168.1 million in 2017 compared to \$63 million in 2016 reflecting annual accounting under GASB 68. Income before other changes in Net Position for clinical activities was \$383.2 million in 2017 compared to \$312.3 million in 2016 reflecting strong activities, a strong patient mix and maintaining expenses in line with activities throughout the Health System.

The Health System's other changes in net position for fiscal year 2017 includes Medical Center Investments of \$145.2 million reinvested back into research, education, and programs at the Medical Center. This compares to Medical Center Investments of \$125.3 million in 2016 and \$136.9 million in 2015. Additionally, other changes in net position include \$17.6 million for capital expansion and hospital projects for fiscal year 2017.

Management's Discussion & Analysis (Unaudited) - continued

Revenues and operating expenses of **OSU Physicians, Inc. (OSUP)**, the University's central practice group for physician faculty members of the College of Medicine and Public Health, continued to grow in 2017. Total consolidated operating revenues increased \$9 million, to \$496 million, reflecting increases in patient volumes. Total consolidated OSUP expenses (excluding depreciation and interest) increased \$3 million to \$444 million in 2017. These figures are included in the Discretely Presented Component Units columns of the university's financial statements.

Total state operating support increased \$17 million, to \$473 million in 2017. **State share of instruction** increased \$23 million, or 6%, to \$385 million. This increase was partially offset by a \$6 million decrease in **state line-item appropriations**, to \$88 million in 2017.

State capital appropriations increased \$32 million, to \$68 million in 2017, reflecting funding for OH-Tech capital projects (\$16 million), the Pomerene Oxley Hall renovation (\$10 million) and the Newark Adena Hall renovation (\$3 million).

Total **gifts** to the university increased \$29 million, to \$260 million in 2017. Increases in current use and capital gifts were partially offset by a \$12 million decrease in endowment gifts. Several colleges and support units received gifts in excess of \$1 million in 2017, including Veterinary Medicine, Food Agricultural and Environmental Sciences, the Wexner Center for the Arts, the Comprehensive Cancer Center, the College of Medicine, the College of Arts and Sciences and the Fisher College of Business. Gift receipts from the annual Pelotonia ride increased \$1 million, to \$28 million in 2017. During 2017, over 267,000 alumni and friends made gifts to the university, up from 246,000 in 2016.

University investments yielded \$601 million of **net investment income** in 2017. The net investment income figure includes \$124 million of interest and dividend income and a \$477 million net increase in the fair value of university investments.

To start the fiscal year, the Brexit vote impacted world financial markets as the U.S. 10 year-treasury hit a low yield of 1.37% in the flight to quality that ensued. Over the rest of the year, world events and political uncertainty in the U.S. raised concerns about prospects for economic growth. Despite this backdrop, structural low world interest rates combined with low equity market volatility driven by solid corporate earnings and consumer confidence supported strong world equity market investment returns. The All Country World Equity Index returned +19.42% and the S&P500 generated a +17.90% for the fiscal year.

The University's Long-Term Investment Pool (LTIP) returned +14.5% for the fiscal year ending June 30, 2017. The LTIP outperformed on a relative basis to each of its individual benchmarks for its three major asset classes; global equities, fixed income and real assets. The LTIP is a diversified portfolio of investments designed to provide steady growth in a risk controlled structure.

Interest expense on plant debt increased \$27 million, to \$121 million in 2017, primarily due to an increase in interest expense related to the Series 2016A and 2016B bonds and a reduction in capitalized interest.

Management's Discussion & Analysis (Unaudited) - continued

Prior-Year Highlights: *In 2016*, OSU Health System operating revenues increased \$267 million, to \$2.63 billion, reflecting additional volumes related to the Medical Center Expansion and the new James Cancer Hospital (2016 was the first full fiscal year of operations for these facilities). Educational and general expenses increased \$121 million, to \$2.36 billion. Approximately \$64 million of the overall increase in E&G expense was related to GASB 68 pension accruals. University investments yielded an \$11 million net investment loss. *In 2015*, the implementation of GASB 68 reduced beginning net position by \$2.16 billion. Excluding the effect of the GASB 68 accounting change, total net position for the primary institution increased \$419 million, reflecting revenue growth and increases in operating margins for the OSU Health System and \$173 million of net investment income. Other university operating revenues and expenses were relatively flat compared with 2014.

Statement of Cash Flows

University Cash Flows Summary (in thousands)			
	2017	2016	2015
Net cash flows used in operating activities	\$ (100,589)	\$ (174,888)	\$ (113,426)
Net cash flows from noncapital financing activities	787,986	752,926	715,137
Capital appropriations and gifts for capital projects	82,982	46,511	53,092
Proceeds from capital debt	6,430	618,242	300,820
Payments for purchase or construction of capital assets	(414,606)	(428,966)	(610,776)
Principal and interest payments on capital debt and leases, net of federal Build America Bond interest subsidies	(192,914)	(190,501)	(146,095)
Net cash flows used in investing activities	(184,111)	(301,532)	(14,974)
Net increase (decrease) in cash	<u>\$ (14,822)</u>	<u>\$ 321,792</u>	<u>\$ 183,778</u>

University cash and cash equivalents decreased \$15 million in 2017. Net cash flows from operating and non-capital financing activities increased \$109 million, to \$687 million, as growth in receipts from sales and services, grants and contracts and gifts outpaced increases in operating disbursements. Total cash used by capital financing activities was \$518 million, reflecting capital expenditures and payments for debt service. Total cash used by investing activities was \$184 million, reflecting net purchases of temporary investments.

Economic Factors That Will Affect the Future

In August 2017, university leadership introduced a new strategic plan "to make the next bold leap in Ohio State's land-grant history of excellence and impact". The strategic plan sets forth five pillars of focus:

- **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.

Management's Discussion & Analysis (Unaudited) - continued

- **Access, Affordability and Excellence** – Ohio State will further our position as a leading public university offering an excellent, affordable education and promoting economic diversity.
- **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.
- **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.
- **Operational Excellence and Resource Stewardship** – Ohio State will be an exemplar of best practices in resource stewardship, operational effectiveness, and efficiency and innovation.

The strategic plan reinforces and builds on the priorities set in the 2020 Vision, which President Michael V. Drake established in 2015 to achieve inclusive excellence. Among other goals, the 2020 Vision established financial goals of generating \$400 million in support for the academic mission, including \$200 million in administrative efficiencies and \$200 million in new revenue from sources other than tuition or taxpayers.

The major themes for the university's 2018 budget are access, affordability and excellence.

The university introduced the Ohio State Tuition Guarantee for new first-year students, which provides incoming undergraduates with more certainty about college costs by setting rates for in-state tuition, mandatory fees, room and board for four years. For incoming freshmen on the Columbus campus, in-state tuition and mandatory fees increased 5.5%, but those rates will not change during a four-year education. Meanwhile, the university continued to freeze in-state tuition and mandatory fees for continuing students, who have not experienced an increase since 2012-13. The Board of Trustees also approved a 6% increase in housing rates and a 3% increase in dining fees.

At the same time, Ohio State has expanded financial aid by committing \$25 million to the President's Affordability Grant Program for 2017-18 and increasing the value of the Land Grant Opportunity Scholarship to cover the full cost of attendance. The President's Affordability Grants are funded through the university's administrative efficiency program.

Based on what is now known regarding the university's financial outlook, university management anticipates that Ohio State will maintain its sound financial position in Fiscal Year 2018. However, the university does face certain financial challenges, including a slowing state economy and uncertainties related to future federal funding for research. Despite these challenges and uncertainties, the university remains committed to executing its long-range

Management's Discussion & Analysis (Unaudited) - continued

strategic plan. By doing so, we believe that The Ohio State University will continue its progress towards becoming the world's preeminent comprehensive public university.

Cautionary Note Regarding Forward-Looking Statements

Certain information provided by the university, including written as outlined above or oral statements made by its representatives, may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, which address activities, events or developments that the university expects or anticipates will or may occur in the future contain forward-looking information.

In reviewing such information, it should be kept in mind that actual results may differ materially from those projected or suggested in such forward-looking information. This forward-looking information is based upon various factors and was derived using various assumptions. The university does not undertake to update forward-looking information contained in this report or elsewhere to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking information.

THE OHIO STATE UNIVERSITY
STATEMENTS OF NET POSITION
June 30, 2017 and June 30, 2016
(in thousands)

	Primary Institution		Discretely Presented Component Units		Total University	
	2017	2016	2017	2016	2017	2016
ASSETS AND DEFERRED OUTFLOWS:						
Current Assets:						
Cash and cash equivalents	\$ 584,928	\$ 463,075	\$ 125,725	\$ 87,001	\$ 710,653	\$ 550,076
Temporary investments	1,645,681	1,508,854	9,216	7,050	1,654,897	1,515,904
Accounts receivable, net	575,875	512,631	47,736	52,715	623,611	565,346
Notes receivable - current portion, net	25,231	22,798	84	2,780	25,315	25,578
Pledges receivable - current portion, net	33,718	35,322	-	-	33,718	35,322
Accrued interest receivable	20,058	19,295	-	-	20,058	19,295
Inventories and prepaid expenses	99,223	111,388	3,628	3,784	102,851	92,316
Investments held under securities lending program	15,949	27,589	-	-	15,949	27,589
Amounts due from (to) primary institution	(12,665)	(19,151)	12,665	19,151	-	-
Total Current Assets	2,987,998	2,681,801	199,054	172,481	3,187,052	2,831,426
Noncurrent Assets:						
Restricted cash	666,032	802,707	-	-	666,032	802,707
Notes receivable, net	35,723	41,083	2,664	443	38,387	41,526
Pledges receivable, net	72,350	65,546	-	-	72,350	65,546
Long-term investment pool	4,253,459	3,616,562	-	-	4,253,459	3,616,562
Other long-term investments	143,638	132,971	1,550	4,766	145,188	137,737
Capital assets, net	4,883,584	4,852,433	122,167	117,965	4,982,987	4,970,398
Total Noncurrent Assets	10,054,786	9,511,302	126,381	123,174	10,158,403	9,634,476
Total Assets	13,042,784	12,193,103	325,435	295,655	13,345,455	12,465,902
Deferred Outflows:						
Pension	991,559	675,709	155	124	991,714	675,833
Other deferred outflows	21,378	22,416	-	-	21,378	22,416
Total Deferred Outflows	1,012,937	698,125	155	124	1,013,092	698,249
Total Assets and Deferred Outflows	\$ 14,055,721	\$ 12,891,228	\$ 325,590	\$ 295,779	\$ 14,358,547	\$ 13,164,151
LIABILITIES, DEFERRED INFLOWS AND NET POSITION:						
Current Liabilities:						
Accounts payable and accrued expenses	\$ 524,754	\$ 469,216	\$ 25,204	\$ 23,116	\$ 549,958	\$ 492,332
Deposits and advance payments for goods and services	223,880	216,372	1,718	23,327	225,598	216,843
Current portion of bonds, notes and leases payable	63,624	61,983	946	811	64,570	62,794
Long-term bonds payable, subject to remarketing	588,360	596,435	-	-	588,360	596,435
Liability under securities lending program	15,949	27,589	-	-	15,949	27,589
Other current liabilities	93,357	91,977	-	1,980	93,357	93,957
Amounts due to (from) primary institution - current	(21,599)	(24,683)	21,599	24,683	-	-
Total Current Liabilities	1,488,326	1,438,889	49,466	73,917	1,537,792	1,489,950
Noncurrent Liabilities:						
Bonds, notes and leases payable	2,640,142	2,714,842	15,738	14,735	2,655,880	2,729,577
Net pension liability	3,565,362	2,794,626	382	366	3,565,744	2,794,992
Compensated absences	164,594	159,874	-	-	164,594	159,874
Self-insurance accruals	81,239	94,616	-	-	81,239	94,616
Amounts due to third-party payors - Health System	38,032	42,745	-	-	38,032	42,745
Obligations under annuity and life income agreements	30,473	29,276	-	-	30,473	29,276
Refundable advances for Federal Perkins loans	31,714	32,110	-	-	31,714	32,110
Other noncurrent liabilities	101,702	113,057	23,566	405	102,504	113,462
Amounts due to (from) primary institution - noncurrent	(81,697)	(69,970)	81,697	69,970	-	-
Total Noncurrent Liabilities	6,571,561	5,911,176	121,383	85,476	6,670,180	5,996,652
Total Liabilities	8,059,887	7,350,065	170,849	159,393	8,207,972	7,486,602
Deferred Inflows:						
Parking service concession arrangement	435,807	445,439	-	-	435,807	445,439
Pension	16,342	122,369	10	7	16,352	122,376
Other deferred inflows	19,139	19,342	-	-	19,139	19,342
Total Deferred Inflows	471,288	587,150	10	7	471,298	587,157
Net Position:						
Net investment in capital assets	2,259,207	2,282,647	105,430	100,068	2,364,637	2,382,715
Restricted:						
Nonexpendable	1,480,440	1,370,064	-	-	1,480,440	1,370,064
Expendable	1,195,515	908,953	-	-	1,195,515	908,953
Unrestricted	589,384	392,349	49,301	36,311	638,685	428,660
Total Net Position	5,524,546	4,954,013	154,731	136,379	5,679,277	5,090,392
Total Liabilities, Deferred Inflows and Net Position	\$ 14,055,721	\$ 12,891,228	\$ 325,590	\$ 295,779	\$ 14,358,547	\$ 13,164,151

The accompanying notes are an integral part of these financial statements.

**THE OHIO STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES, AND OTHER
CHANGES IN NET POSITION**

Years ended June 30, 2017 and June 30, 2016
(in thousands)

	Primary Institution		Discretely Presented Component Units		Total University	
	2017	2016	2017	2016	2017	2016
Operating Revenues:						
Student tuition and fees (net of scholarship allowances of \$179,071 and \$180,828, respectively)	\$ 927,317	\$ 884,805	\$ -	\$ -	\$ 927,317	\$ 884,805
Federal grants and contracts	324,462	313,906	12,517	11,963	336,979	325,869
State grants and contracts	77,139	70,499	-	-	77,139	70,499
Local grants and contracts	21,427	18,701	-	-	21,427	18,701
Private grants and contracts	254,333	227,752	47,182	40,988	301,515	268,740
Sales and services of educational departments	145,994	138,502	8,935	8,757	154,929	147,259
Sales and services of auxiliary enterprises (net of scholarship allowances of \$31,016 and \$25,133, respectively)	309,497	261,761	-	-	309,497	261,761
Sales and services of the OSU Health System, net	2,853,177	2,625,075	-	-	2,844,327	2,625,075
Sales and services of OSU Physicians, Inc., net	-	-	496,364	487,429	496,364	487,429
Other operating revenues	58,097	35,380	-	-	58,097	35,380
Total Operating Revenues	<u>4,971,443</u>	<u>4,576,381</u>	<u>564,998</u>	<u>549,137</u>	<u>5,527,591</u>	<u>5,125,518</u>
Operating Expenses:						
Educational and General:						
Instruction and departmental research	1,006,411	994,287	6,081	5,452	1,012,492	999,739
Separately budgeted research	497,508	444,077	21,566	26,479	519,074	470,556
Public service	175,101	160,281	10,780	9,815	185,881	170,096
Academic support	222,043	207,688	-	-	222,043	207,688
Student services	108,041	103,784	-	-	108,041	103,784
Institutional support	254,782	227,157	17,360	10,118	272,142	237,275
Operation and maintenance of plant	94,687	101,007	7,489	7,454	102,176	108,461
Scholarships and fellowships	130,069	120,962	-	-	130,069	120,962
Auxiliary enterprises	313,185	254,137	-	-	313,185	254,137
OSU Health System	2,595,797	2,251,030	-	-	2,595,797	2,242,256
OSU Physicians, Inc.	-	-	444,361	441,333	444,361	441,333
Depreciation	374,615	351,901	7,138	6,425	381,753	358,326
Total Operating Expenses	<u>5,772,239</u>	<u>5,216,311</u>	<u>514,775</u>	<u>507,076</u>	<u>6,287,014</u>	<u>5,714,613</u>
Net Operating Income (Loss)	(800,796)	(639,930)	50,223	42,061	(759,423)	(589,095)
Non-operating Revenues (Expenses):						
State share of instruction and line-item appropriations	473,061	456,063	-	-	473,061	456,063
Federal subsidies for Build America Bonds interest	10,561	10,523	-	-	10,561	10,523
Federal non-exchange grants	54,962	55,694	-	-	54,962	55,694
State non-exchange grants	9,434	9,643	-	-	9,434	9,643
Gifts	181,212	156,737	-	-	181,212	156,737
Net investment income (loss)	600,701	(10,513)	481	(169)	601,182	(10,376)
Interest expense on plant debt	(121,071)	(93,885)	(1,584)	(1,610)	(122,655)	(95,495)
Other non-operating revenues (expenses)	7,261	6,890	(30,768)	(8,550)	(14,657)	(8,951)
Net Non-operating Revenue	<u>1,216,121</u>	<u>591,152</u>	<u>(31,871)</u>	<u>(10,329)</u>	<u>1,193,100</u>	<u>575,838</u>
Income (Loss) before Other Changes in Net Position	415,325	(48,778)	18,352	31,732	433,677	(13,257)
Other Changes in Net Position						
State capital appropriations	68,270	36,381	-	-	68,270	36,381
Private capital gifts	26,761	10,422	-	-	26,761	10,422
Additions to permanent endowments	52,458	64,537	-	-	52,458	64,537
Capital contributions and other changes in net position	7,719	-	-	3,789	7,719	-
Total Other Changes in Net Position	<u>155,208</u>	<u>111,340</u>	<u>-</u>	<u>3,789</u>	<u>155,208</u>	<u>111,340</u>
Increase in Net Position	570,533	62,562	18,352	35,521	588,885	98,083
Net Position - Beginning of Year	<u>4,954,013</u>	<u>4,891,451</u>	<u>136,379</u>	<u>100,858</u>	<u>5,090,392</u>	<u>4,992,309</u>
Net Position - End of Year	<u>\$ 5,524,546</u>	<u>\$ 4,954,013</u>	<u>\$ 154,731</u>	<u>\$ 136,379</u>	<u>\$ 5,679,277</u>	<u>\$ 5,090,392</u>

The accompanying notes are an integral part of these financial statements.

THE OHIO STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2017 and June 30, 2016
(in thousands)

	Primary Institution		Discretely Presented Component Units		Total University	
	2017	2016	2017	2016	2017	2016
Cash Flows from Operating Activities:						
Tuition and fee receipts	\$ 808,684	\$ 795,196	\$ -	\$ -	\$ 808,684	\$ 795,196
Grant and contract receipts	688,946	632,073	61,254	73,351	750,200	705,424
Receipts for sales and services	3,250,797	2,975,167	517,885	487,945	3,759,832	3,463,112
Payments to or on behalf of employees	(2,237,758)	(2,214,578)	(324,012)	(306,613)	(2,561,770)	(2,521,191)
University employee benefit payments	(595,410)	(619,964)	(78,703)	(76,190)	(674,113)	(696,154)
Payments to vendors for supplies and services	(1,941,533)	(1,674,593)	(108,548)	(119,918)	(2,050,081)	(1,785,737)
Payments to students and fellows	(121,109)	(112,465)	-	-	(121,109)	(112,465)
Student loans issued	(9,305)	(7,074)	-	-	(9,305)	(7,074)
Student loans collected	10,166	10,406	-	-	10,166	10,406
Student loan interest and fees collected	1,369	2,407	-	-	1,369	2,407
Other receipts	44,564	38,537	-	-	44,564	38,537
Net cash provided (used) by operating activities	(100,589)	(174,888)	67,876	58,575	(41,563)	(107,539)
Cash Flows from Noncapital Financing Activities:						
State share of instruction and line-item appropriations	473,061	456,063	-	-	473,061	456,063
Non-exchange grant receipts	64,396	65,337	-	-	64,396	65,337
Gift receipts for current use	188,579	158,991	-	-	188,579	158,991
Additions to permanent endowments	52,458	64,537	-	-	52,458	64,537
Drawdowns of federal direct loan proceeds	322,405	321,661	-	-	322,405	321,661
Disbursements of federal direct loans to students	(323,813)	(321,146)	-	-	(323,813)	(321,146)
Repayment of loans from related organization	667	2,193	-	-	667	2,193
Amounts received for annuity and life income funds	2,567	5,913	-	-	2,567	5,913
Amounts paid to annuitants and life beneficiaries	(1,700)	(1,632)	-	-	(1,700)	(1,632)
Agency funds receipts	4,893	4,626	-	-	4,893	4,626
Agency funds disbursements	(4,645)	(4,412)	-	-	(4,645)	(4,412)
Other receipts (payments)	9,118	795	(17,169)	2,995	799	(4,984)
Net cash provided (used) by noncapital financing activities	787,986	752,926	(17,169)	2,995	779,667	747,147
Cash Flows from Capital Financing Activities:						
Proceeds from capital debt	6,430	618,242	150	-	6,580	618,242
State capital appropriations	67,662	36,783	-	-	67,662	36,783
Gift receipts for capital projects	15,320	9,728	-	-	15,320	9,728
Payments for purchase or construction of capital assets	(414,606)	(428,966)	(21,254)	(44,479)	(435,860)	(473,445)
Proceeds from sale of capital assets	-	-	9,172	-	9,172	-
Principal payments on capital debt and leases	(79,528)	(94,308)	(1,058)	(823)	(80,586)	(95,131)
Interest payments on capital debt and leases	(124,267)	(106,654)	(458)	(1,610)	(124,725)	(108,264)
Federal subsidies for Build America Bonds interest	10,881	10,461	-	-	10,881	10,461
Net cash provided (used) by capital financing activities	(518,108)	45,286	(13,448)	(46,912)	(531,556)	(1,626)
Cash Flows from Investing Activities:						
Net (purchases) sales of temporary investments	(137,323)	(294,511)	(2,166)	(159)	(139,489)	(294,670)
Proceeds from sales and maturities of long-term investments	1,866,011	1,578,221	3,215	-	1,869,226	1,578,221
Investment income	123,274	95,927	416	(169)	123,690	95,758
Purchases of long-term investments	(2,036,073)	(1,681,169)	-	(4,030)	(2,036,073)	(1,685,199)
Net cash provided (used) by investing activities	(184,111)	(301,532)	1,465	(4,358)	(182,646)	(305,890)
Net Increase (Decrease) in Cash	(14,822)	321,792	38,724	10,300	23,902	332,092
Cash and Cash Equivalents - Beginning of Year	1,265,782	943,990	87,001	76,701	1,352,783	1,020,691
Cash and Cash Equivalents - End of Period	\$ 1,250,960	\$ 1,265,782	\$ 125,725	\$ 87,001	\$ 1,376,685	\$ 1,352,783

THE OHIO STATE UNIVERSITY
STATEMENTS OF CASH FLOWS, Cont'd
Years Ended June 30, 2017 and June 30, 2016
(in thousands)

	Primary Institution		Discretely Presented Component Units		Total University	
	2017	2016	2017	2016	2017	2016
Reconciliation of Net Operating Loss (Income) to Net Cash Used by Operating Activities:						
Operating loss (income)	\$ (800,796)	\$ (639,930)	\$ 50,223	\$ 42,061	\$ (759,423)	\$ (589,095)
Adjustments to reconcile net operating loss (income) to net cash provided (used) by operating activities:						
Depreciation expense	374,615	351,901	7,138	6,425	381,753	358,326
Impairment and demolition expense	-	-	1,675	-	1,675	-
Changes in assets and liabilities:						
Accounts receivable, net	(52,801)	(28,621)	5,044	(3,473)	(47,757)	(32,094)
Notes receivable, net	861	2,783	473	(1,806)	1,334	977
Accrued interest receivable	(344)	(77)	-	-	(344)	(77)
Inventories and prepaid expenses	12,165	(28,454)	156	1,852	12,321	(26,602)
Amounts due to/from primary institution	(15,128)	14,119	2,450	(14,119)	(12,678)	-
Deferred outflows	(315,850)	(456,724)	(31)	(84)	(315,881)	(456,808)
Accounts payable and accrued liabilities	57,049	49,653	1,154	3,603	58,203	53,256
Self-insurance accruals	(13,377)	(13,258)	-	-	(13,377)	(13,258)
Amounts due to third-party payors - Health System	(4,713)	(1,423)	-	-	(4,713)	(1,423)
Deposits and advanced payments	2,932	(26,218)	(21,606)	22,385	(18,674)	(3,833)
Compensated absences	4,720	7,990	-	-	4,720	7,990
Refundable advances for Federal Perkins loans	(396)	(118)	-	-	(396)	(118)
Net pension obligation	770,736	664,194	16	70	770,752	664,264
Deferred inflows	(115,659)	(105,897)	2	2	(115,657)	(105,895)
Other liabilities	(4,603)	35,192	21,182	1,659	16,579	36,85
Net cash provided (used) by operating activities	\$ (100,589)	\$ (174,888)	\$ 67,876	\$ 58,575	\$ (41,563)	\$ (107,539)
Non Cash Transactions:						
Construction in Process in Accounts Payable	\$ 17,442	\$ 30,355	\$ 3,885	\$ -	\$ 21,327	\$ 30,355
Stock Gifts	21,723	20,746	-	-	21,723	20,746
Net Increase (Decrease) in Fair Value of Investments	477,006	(105,312)	-	-	477,006	(105,312)

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Organization

The Ohio State University (the “university”) is a land grant institution created in 1870 by the Ohio General Assembly under provisions of the Morrill Act. The university is one of several state-supported universities in Ohio. It is declared by statute to be a body politic and corporate and an instrumentality of the State.

The university is governed by a Board of Trustees which is granted authority under Ohio law to do all things necessary for the proper maintenance and continual successful operation of the university. Trustees are appointed by the governor, with the advice and consent of the state Senate. In 2005, the Ohio General Assembly voted to expand the Board from 11 to 17 members. The standard term for voting members of the Board is nine years. However, as part of the transition to a larger board membership, the additional trustees appointed in 2005 and 2006 will serve terms ranging from four to eight years. The Board also includes two non-voting student trustees who are appointed to two-year terms.

In 2009, the Board appointed its first charter trustee, which expanded the Board to 18 members. A maximum of three charter trustees may be appointed and removed by a vote of the Board. Charter trustees, who must be non-Ohio residents, are appointed to three-year terms and do not have voting privileges.

The Board of Trustees has responsibility for all the university's financial affairs and assets. The university operates largely on a decentralized basis by delegating this authority to its academic and support departments. The Board must approve the annual budgets for unrestricted academic and support functions, departmental earnings operations and restricted funds operations, but these budgets are managed at the department level.

Basis of Presentation

The accompanying financial statements present the accounts of the following entities, which constitute the primary government for financial reporting purposes:

- The Ohio State University and its hospitals and clinics
- Ohio Agricultural Research and Development Center
- The Ohio Technology Consortium (OH-TECH)

In addition, these financial statements include component units -- legally separate organizations for which the university is financially accountable. Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 61, *The Financial Reporting Entity: Omnibus* and Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14.*, defines financial accountability. The criteria for determining financial accountability include the following circumstances:

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

-
- Appointment of a voting majority of an organization's governing authority and the ability of the primary government (i.e. the university) to either impose its will on that organization or the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, or;
 - An organization is fiscally dependent on the primary government and provides specific financial benefits to, or imposes specific financial burdens on, the primary government.

The university's component units and the reasons for their inclusion in the university's financial statements are described below:

- **The Ohio State University Foundation** – The fiscal dependency criteria apply to this not-for-profit fundraising organization, which operates exclusively for the benefit of The Ohio State University.
- **OSU Health Plan, Inc.** – The university appoints a voting majority of the board for this organization, which provides medical benefit plan administration services to the university and its faculty and staff.
- **Oval Limited** – The university holds all of the voting stock of this captive insurance entity, which was established by the university to provide medical malpractice coverage to physicians in the university's medical center.

The component units listed above provide services entirely, or almost entirely, to the university or otherwise exclusively, or almost exclusively, benefit the university. Therefore, the transactions and balances for these organizations have been blended with those of the university.

In addition to the blended component units described above, the university's financial statements include the following discretely presented component units:

- **The Ohio State University Physicians, Inc.** – The university appoints a voting majority of the board of the medical practice group for physician faculty members in the Colleges of Medicine and Public Health.
- **Campus Partners for Community Urban Redevelopment, Inc.** – This non-profit organization, which participates in the redevelopment of neighborhoods adjacent to the Columbus campus, is fiscally dependent on the university.
- **Transportation Research Center of Ohio, Inc.** – The university appoints a voting majority of the board for this automotive research and testing facility in East Liberty, Ohio.
- **Dental Faculty Practice Association, Inc.** – The university appoints a voting majority of the board for the dental practice group for faculty in the College of Dentistry.

Summary financial statement information for the university's blended and discretely presented component units is provided in Notes 19 and 20. Audited financial statements for the discretely presented component units considered to be material to the university may be obtained from the Office of the Controller. A total university column in the financial statements is provided as

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

memorandum only for purposes of additional analysis by users. The total university column reflects eliminations of transactions between the primary institution and the discretely component units. These transactions consist primarily of (a) discretionary subsidies and contributions which are presented as either non-operating activities or capital additions at the component unit level and (b) exchanged-based goods and services that support the operations of the entity, which are presented as operating revenues and expenses at the component unit level. The impact of these transactions on the statement of revenues, expenses and other changes in net position was \$8,850 and \$3,709 for the years ended June 30, 2017 and 2016, respectively.

The university, as a component unit of the State of Ohio, is included as a discrete entity in the State of Ohio's Comprehensive Annual Financial Report.

Basis of Accounting

The financial statements of the university have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the GASB. The university is reporting as a special purpose government engaged in business type activities (BTA) on the accrual basis. Business type activities are those that are financed in whole or in part by fees charged to external parties for goods and services. In accordance with BTA reporting, the university presents Management's Discussion and Analysis; Statements of Net Position; Statements of Revenues, Expenses and Other Changes in Net Position; Statements of Cash Flows; and Notes to the Financial Statements. In the Financial Statements, separate columns are presented for the *primary institution* (which includes the primary government and the blended component units), *discretely presented component units* and the *total university*. The Notes to the Financial Statements include separate disclosures for the primary institution and the discretely presented component units, where relevant and material. Unless otherwise specified, the amounts presented in MD&A are those of the primary institution.

The university's financial resources are classified for accounting and reporting purposes into the following four net position categories:

- **Net investment in capital assets:** Capital assets, net of accumulated depreciation, cash restricted for capital projects and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- **Restricted - nonexpendable:** Amounts subject to externally-imposed stipulations that they be maintained in perpetuity and invested for the purpose of generating present and future income, which may either be expended or added to the principal by the university. These assets primarily consist of the university's permanent endowments.

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

- **Restricted - expendable:** Amounts whose use is subject to externally-imposed stipulations that can be fulfilled by actions of the university pursuant to those stipulations or that expire by the passage of time.
- **Unrestricted:** Amounts which are not subject to externally-imposed stipulations. Substantially all unrestricted balances are internally designated for use by university departments to support working capital needs, to fund related academic or research programs, and to provide for unanticipated shortfalls in revenues and deviations in enrollment.

Under the university's decentralized management structure, it is the responsibility of individual departments to determine whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted funds are available.

For internal financial management purposes, the university classifies financial resources into funds that reflect the specific activities, objectives or restrictions of the resources.

Cash and Investments

Cash and cash equivalents consist primarily of petty cash, demand deposit accounts, money market accounts, savings accounts and investments with original maturities of ninety days or less at the time of purchase. Such investments consist primarily of U.S. Government obligations, U.S. Agency obligations, repurchase agreements and money market funds. Restricted cash consists of bond proceeds restricted for capital expenditures. For purposes of the Statement of Cash Flows, "cash" is defined as the total of these two line items.

Investments are carried at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as amended by GASB Statement No. 72, *Fair Value Measurement and Application*. The average cost method is used for purposes of determining gains and losses on the sale of investments. The specific identification method is used for purposes of determining gains and losses on the sale of gifted securities.

The university holds investments in limited partnerships, private equity and other investments, which are carried at estimated fair value provided by the management of these limited partnerships. The purpose of this alternative investment class is to increase portfolio diversification and reduce risk due to the low correlation with other asset classes. Investments in these limited partnerships are fair valued based on the university's proportional share of the net asset value of the total fund. Because these investments are not readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed, and such differences could be material. As of June 30, 2017, the university has made commitments to limited partnerships totaling \$1,161,359 that have not yet been funded. These commitments may extend for a maximum of ten years.

Investment income is recognized on an accrual basis. Interest and dividend income is recorded when earned.

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Endowment Policy

All endowments are invested in the university's Long Term Investment Pool, which consists of more than 5,464 Board authorized funds and 260 pending funds. Each named fund is assigned a number of shares in the Long Term Investment Pool based on the value of the gifts, income-to-principal transfers, or transfers of operating funds to that named fund. For donor restricted endowments, the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted in Ohio, permits the university's Board of Trustees to appropriate an amount of realized and unrealized endowment appreciation as the Board deems prudent. The UPMIFA, as adopted in Ohio, establishes a 5% safe harbor of prudence for funds appropriated for expenditure. Net realized and unrealized appreciation, after the spending rule distributions, is retained in the Long Term Investment Pool, and the associated net position is classified as restricted-expendable, unless otherwise restricted by the donor.

Annual distributions to named funds in the Long Term Investment Pool are computed using the share method of accounting for pooled investments. The annual distribution per share is 4.25% of the average fair value per share of the Long Term Investment Pool over the most recent seven year period. In 2016, the Board of Trustees approved an increase in the distribution rate to 4.5%, effective fiscal year 2017.

At June 30, 2017, the fair value of the university's gifted endowments is \$1,939,582, which is \$327,343 above the historical dollar value of \$1,612,239. Although the fair value of the gifted endowments in total exceeds the historical cost at June 30, 2017, there are 1,347 named funds that remain underwater. The fair value of these underwater funds at June 30, 2017 is \$492,695, which is \$47,823 below the historical dollar value of \$540,518.

At June 30, 2016, the fair value of the university's gifted endowments is \$1,740,505, which is \$183,572 above the historical dollar value of \$1,556,933. Although the fair value of the gifted endowments in total exceeds the historical cost at June 30, 2016, there are 2,729 named funds that remain underwater. The fair value of these underwater funds at June 30, 2016 is \$822,501, which is \$99,527 below the historical dollar value of \$922,028.

The depreciation on non-expendable endowment funds is recorded as a reduction to restricted non-expendable net position. Recovery on these funds is recorded as an increase in restricted non-expendable up to the historical value of each fund. Per UPMIFA (§ 1715.53(D)(C)), the reporting of such deficiencies does not create an obligation on the part of the endowment fund to restore the fair value of those funds.

Gift Pledges Receivable

The university receives pledges and bequests of financial support from corporations, foundations and individuals. Revenue is recognized when a pledge representing an unconditional promise to pay is received and all eligibility requirements have been met. In the absence of such promise, revenue is recognized when the gift is received. In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, endowment pledges are not recorded as assets until the related gift is received. An allowance

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

for uncollectible pledges receivable is provided based on management's judgment of potential uncollectible amounts and includes such factors as prior collection history, type of gift and nature of fundraising.

Inventories

The university's inventories, which consist principally of publications, general stores and other goods for resale by earnings operations, are valued at the lower of moving average cost or market. The inventories of the Health System, which consist principally of pharmaceuticals and operating supplies, are valued at cost on a first-in, first-out basis.

Capital Assets and Collections

Capital assets are long-life assets in the service of the university and include land, buildings, improvements, equipment, software and library books. Capital assets are stated at cost or acquisition value at date of gift. Depreciation of capital assets (excluding land and construction in progress) is provided on a straight-line basis over the following estimated useful lives:

Type of Asset	Estimated Useful Life
Improvements other than buildings	20 years
Buildings	10 to 100 years
Moveable equipment, software and furniture	5 to 15 years
Library books	10 years

The university does not capitalize works of art or historical treasures that are held for exhibition, education, research and public service. These collections are neither disposed of for financial gain nor encumbered in any way. Accordingly, such collections are not recognized or capitalized for financial statement purposes.

Advance Payments for Goods and Services

Advance payments for goods and services primarily consist of receipts relating to tuition, room, board, grants, contracts and athletic events received in advance of the services to be provided. Tuition and fees relating to the summer academic term are recorded as revenue in the year to which they pertain. The university will recognize revenue to the extent these services are provided over the coming fiscal year.

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Derivative Instruments

The university accounts for all derivative instruments on the statement of net position at fair value. Changes in the fair value (i.e., gains or losses) of the university's interest rate swap investments and futures investments are recorded each period in the statement of revenues, expenses and other changes in net position as a component of other non-operating expense.

Operating and Non-Operating Revenues and Expenses

The university defines operating activities, for purposes of reporting on the Statement of Revenues, Expenses, and Other Changes in Net Position, as those activities that generally result from exchange transactions, such as payments received for providing services and payments made for goods or services received. With the exception of interest expense on long-term indebtedness, substantially all university expenses are considered to be operating expenses. Certain significant revenue streams relied upon for operations are recorded as non-operating revenues, as defined by GASB Statement No. 35, including state appropriations, current-use gifts and net investment income.

Tuition, Room and Board

Student tuition and residence hall fees are presented net of scholarships and fellowships applied to student accounts. Stipends and other payments made directly to students are presented as scholarship and fellowship expense. Fee authorizations provided to graduate teaching, research and administrative associates as part of an employment arrangement are presented in instruction, research and other functional categories of operating expense.

State Support

The university is a state-assisted institution of higher education which receives a student enrollment-based instructional subsidy from the State of Ohio. This subsidy, which is based upon a formula devised by the Ohio Board of Regents, is determined annually and is adjusted to state resources available.

The state also provides line-item appropriations which partially support the current operations of various activities, which include clinical teaching expenditures incurred at The Ohio State University Health System and other health sciences teaching facilities, The Ohio State University Extension, the Ohio Agricultural Research and Development Center, and the Center for Labor Research.

In addition to current operating support, the State of Ohio provides the funding for and constructs major plant facilities on the university's campuses, and this funding is recorded as state capital appropriations. The funding is obtained from the issuance of revenue bonds by the Ohio Public Facilities Commission (OPFC) which, in turn, initiates the construction and subsequent lease of the facility by the Ohio Board of Regents.

Such facilities are reflected as buildings or construction in progress in the accompanying statement of net position. Neither the obligations for the revenue bonds issued by OPFC nor

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

the annual debt service charges for principal and interest on the bonds are reflected in the university's financial statements. Debt service is funded through appropriations to the Ohio Board of Regents by the General Assembly.

These facilities are not pledged as collateral for the revenue bonds. Instead, the bonds are supported by a pledge of monies in the Higher Education Bond Service Fund and future payments to be received by such fund, which is established in the custody of the Treasurer of State.

Government Grants and Contracts

Government grants and contracts normally provide for the recovery of direct and indirect costs and are subject to audit by the appropriate government agency. Federal funds are subject to an annual OMB Uniform Guidance audit. Recovery of related indirect costs is generally recorded at fixed rates negotiated for a period of one to three years.

The university generally considers grants, contracts and non-capital appropriations to be exchange transactions. Under these arrangements, the university provides a bargained-for benefit, typically in the form of instruction, research or public service programs, either directly to the funding entity or to its constituents. The overall scope and nature of these program activities is determined by the level of funding and the requirements set forth by these resource providers.

OSU Health System Revenue

Net patient service revenue represents amounts received and the estimated realizable amounts due from patients and third-party payors for services rendered net of contractual allowances, charity care and bad debt expenses. Revenue received under third-party cost reimbursement agreements (primarily the federal Medicare and Medicaid programs) are subject to examination and retroactive adjustments by the agencies administering the programs. In the normal course of business, the Health System contests certain issues resulting from examination of prior years' reimbursement reports. The accompanying financial statements include provisions for estimated retroactive adjustments arising from such examinations and contested issues. The Health System recognizes settlements of protested adjustments or appeals upon resolution of the matters.

OSU Physicians Revenue

Net patient service revenue represents amounts received and the estimated realizable amounts due from patients and third-party payors for services rendered net of contractual allowances, charity care, self-pay discounts and bad debt expenses. OSU Physicians (OSUP), a discretely presented component unit of the university, provides care to patients under various reimbursable agreements, including governmental and commercial payors (third party payors). These arrangements provide for payment for covered services at agreed-upon rates and under certain fee schedules and various discounts from charges. Provisions have been made in the financial statements for estimated contractual adjustments, representing the difference

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

between the customary charges for services rendered and related reimbursements, and for administrative adjustments.

Charity Care and Community Benefit

Care is provided to patients regardless of their ability to pay. A patient is classified as charity care in accordance with policies established by the OSU Health System and OSUP. Because collection of amounts determined to qualify as charity care are not pursued, such amounts are written off and not reported as gross patient service revenue. OSU Health System and OSUP maintain records to identify and monitor the level of charity care provided, including the amount of charges foregone for services rendered. Net charity care costs for the OSU Health System for the years ended June 30, 2017 and 2016 are \$42,710 and \$36,020, respectively, after applying an additional expense of \$12,416 and \$12,380, respectively, for support received under the Health Care Assurance Program (HCAP). HCAP is administered by the State of Ohio to help hospitals cover a portion of the cost of providing charity care. Charity care costs for OSUP for the years ended June 30, 2017 and 2016 are \$9,362 and \$6,022, respectively.

Management Estimates

The preparation of financial statements in conformity with accounting principles, generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenditures during the reporting period. Disclosure of contingent assets and liabilities at the date of the financial statements may also be affected. Actual results could differ from those estimates.

Implementation of GASB Statement No. 72

In fiscal year 2016, the university implemented GASB Statement No. 72, *Fair Value Measurement and Application*. GASB Statement No. 72 expands the guidance on valuation of university investments and requires new disclosures of fair value measurements grouped by level and allows Net Asset Value (NAV) to be used for valuation of certain investments. In addition, the new standard requires additional disclosures related to investments valued at NAV, including information on unfunded commitments and a general description of redemption terms and related restrictions. These disclosures are provided in Note 3.

Newly Issued Accounting Pronouncements

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This standard, which is the companion to Statement 74, establishes new reporting requirements for employers participating in OPEB plans. Similar to Statement 68, it will require employers in cost-sharing, multi-employer plans to record a liability (and related deferrals) for the employer's pro-rata share of net OPEB liabilities. It also expands disclosure and supplementary reporting requirements for employers participating in OPEB plans. The standard is effective for periods beginning after June 15, 2017 (FY2018).

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. This standard requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. It also requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. In general, revenue recognition related to these agreements will be delayed until a specified event occurs (such as the death of the lead beneficiary). This standard is effective for periods beginning after December 15, 2016 (FY2018).

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This standard establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. The deferred outflow is recognized as expense over the life of the related asset. The determination of when the liability is incurred is based on the existence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Internal obligating events include the occurrence of contamination, placing into use a tangible capital asset that is required to be retired, abandoning a tangible capital asset before use begins, or acquiring a tangible capital asset that has an existing asset retirement obligation. This standard is effective for periods beginning after June 15, 2018 (FY2019).

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This standard establishes criteria for identifying and reporting fiduciary activities of all state and local governments. The focus of the criteria generally is whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Governments with activities meeting the criteria are required to present these activities in a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to this requirement is provided for a business-type activity that expects to hold assets in a custodial fund for three months or less. This standard is effective for periods beginning after December 15, 2018 (FY2020).

In March 2017, the GASB issued Statement No. 85, *Omnibus 2017*. This standard addresses a variety of practice issues identified during implementation and application of certain GASB statements. It provides guidance on blending of component units (confirming limited applicability of blended presentation for BTAs), accounting for goodwill acquired prior to the issuance of GASB 69, accounting for real estate held for investment by insurance entities, clarification of circumstances in which money-market investments may be valued at amortized cost, and various technical corrections related to the implementation of the new OPEB standards. This standard is effective for periods beginning after June 15, 2017 (FY2018).

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. This standard provides guidance on in-substance defeasance of debt, in which a government uses its existing resources (not the proceeds of refunding debt) to establish an irrevocable trust for the sole purpose of extinguishing debt. The accounting, reporting and disclosures for defeasance transactions, including reporting of gains and losses, generally will be consistent,

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

regardless of the source of the funds used to defease the debt. This standard is effective for periods beginning after June 15, 2017 (FY2018).

In June 2017, the GASB issued Statement No. 87, *Leases*. This standard establishes accounting and reporting for leases, based on the foundational principle that all leases are financings of the right to use an underlying asset for a period of time. Lessees will record an intangible right-of-use asset and corresponding lease liability. Lessors will record a lease receivable and a corresponding deferred inflow of resources. The standard provides an exception for short-term leases with a maximum possible term of 12 months or less. This standard is effective for periods beginning after December 15, 2019 (FY2021).

University management is currently assessing the impact that implementation of GASB Statements No. 75, 81, 83, 84, 85, 86 and 87 will have on the university's financial statements.

Other

The university is exempt from income taxes as an instrumentality of the State of Ohio under Internal Revenue Code §115 and Internal Revenue Service regulations. Any unrelated business income is taxable.

NOTE 2 — CASH AND CASH EQUIVALENTS

At June 30, 2017, the carrying amount of the primary institution's cash, cash equivalents and restricted cash is \$1,250,960 as compared to bank balances of \$1,265,022. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, \$53,569 is covered by federal deposit insurance and \$1,211,453 is uninsured but collateralized by pools of securities pledged by the depository banks and held in the name of the respective banks.

At June 30, 2016, the carrying amount of the primary institution's cash, cash equivalents and restricted cash is \$1,265,782 as compared to bank balances of \$1,324,013. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, \$53,280 is covered by federal deposit insurance and \$1,270,733 is uninsured but collateralized by pools of securities pledged by the depository banks and held in the name of the respective banks.

At June 30, 2017, the carrying amount of the discretely presented component units' cash, cash equivalents and restricted cash is \$125,725 as compared to bank balances of \$122,850. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, \$5,121 is covered by federal deposit insurance and \$117,729 is uninsured but collateralized by pools of securities pledged by the depository banks and held in the name of the respective banks.

At June 30, 2016, the carrying amount of the discretely presented component units' cash, cash equivalents and restricted cash is \$87,001 as compared to bank balances of \$79,794. The differences in carrying amount and bank balances are caused by outstanding checks and

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

deposits in transit. Of the bank balances, \$4,911 is covered by federal deposit insurance and \$74,883 is uninsured but collateralized by pools of securities pledged by the depository banks and held in the name of the respective banks.

NOTE 3 — INVESTMENTS

University investments are grouped into three major categories for financial reporting purposes: Temporary Investments, the Long-Term Investment Pool and Other Long-Term Investments.

Temporary Investments are amounts available for current operations. The target is to maximize value while protecting the liquidity of the assets. Temporary Investments include the following instruments with varying maturities: obligations of the U. S. Treasury and other federal agencies and instrumentalities, municipal and state bonds, corporate bonds, certificates of deposit, commercial paper, repurchase agreements, money market funds and mutual funds.

The Long-Term Investment Pool is a unitized investment pool consisting of gifted endowment funds of the university, gifted endowment funds of the OSU Foundation, and quasi-endowment funds which are internally designated funds that are to function as endowments. The Long-Term Investment Pool operates with a long-term investment goal of preserving and maintaining the real purchasing power of the principal while allowing for the generation of a predictable stream of annual distribution. The university's Board of Trustees approved the following thematic asset classes, allocation ranges and benchmarks for the Long-Term Investment Pool:

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Asset Class	Range	Benchmark
Global Equities	40-80%	MSCI All Country World Index (ACWI)
Global Credit	10-50%	Barclays U.S. Aggregate Bond Index
Real Assets	5-20%	U.S. Consumer Price Index (CPI) + 5%

The Global Equities category includes domestic equity, international equity, emerging market equity, hedged funds and private equity. The Global Credit category includes global fixed income and relative value/macro, credit oriented managers and private credit. The Real Assets category includes real estate and infrastructure funds.

Other Long-Term Investments are non-unitized investments that relate primarily to gift arrangements between donors and the OSU Foundation. Included in this category are charitable remainder trust assets invested in mutual funds, OSU Foundation interests in unitrust, gift annuities, annuity trust and pooled income agreements, life insurance policies for which the OSU Foundation has been named owner and beneficiary, and certain real estate investments. Also included in this category are other private equity investments and investments in certain organizations that are affiliated with the OSU Health System.

U. S. Government and Agency securities are invested through trust agreements with banks who keep the securities in their safekeeping accounts at the Federal Reserve Bank in "book entry" form. The banks internally designate the securities as owned by or pledged to the university. Common stocks, corporate bonds and money market instruments are invested through trust agreements with banks who keep the investments in their safekeeping accounts at Northern Trust and BNY Mellon in "book entry" form. The banks internally designate the securities as owned by or pledged to the university.

The cash and cash equivalents amount represents cash held in the Long-Term Investment Pool by various investment managers. Such amounts were generated by gifts received throughout the fiscal year and sales of investments in the Long-Term Investment Pool. Subsequently, the cash and cash equivalents will be used to purchase long-term investments.

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Total university investments by major category for the primary institution at June 30, 2017 and 2016 are as follows:

	Primary Institution	
	2017	2016
Temporary Investments	\$ 1,645,681	\$ 1,508,854
Long-Term Investment Pool:		
Gifted Endowment - University	1,062,321	977,173
Gifted Endowment - OSU Foundation	877,261	763,332
Quasi Endowment - Operating	1,299,779	1,203,959
Quasi Endowment - Designated	1,014,098	672,098
Total Long-Term Investment Pool	4,253,459	3,616,562
Securities Lending Collateral Investments	15,949	27,589
Other Long-Term Investments	143,638	132,971
Total Investments	<u>\$ 6,058,727</u>	<u>\$ 5,285,976</u>

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Total university investments by investment type for the primary institution at June 30, 2017 are as follows:

	Primary Institution				
	Temporary Investments	Long-Term Investment Pool	Other Long-Term Investments	Securities	Total
				Lending Collateral Investments	
U.S. equity	\$ -	\$ 214,328	\$ -	\$ -	\$ 214,328
International equity	-	160,680	-	-	160,680
Equity mutual funds	84,674	536,226	23,810	-	644,710
U.S. government obligations	162,870	367,909	352	-	531,131
U.S. government agency obligations	130,557	-	-	-	130,557
Repurchase agreements	-	-	-	-	-
Corporate bonds and notes	1,073,319	-	-	-	1,073,319
Bond mutual funds	88,106	-	16,831	-	104,937
Foreign government bonds	30,212	-	-	-	30,212
Real assets	8,347	674,729	25,930	-	709,006
Hedge funds	-	1,399,392	-	-	1,399,392
Private equity	-	588,281	59,047	-	647,328
Commercial paper	46,028	-	-	-	46,028
Cash and cash equivalents	-	311,914	-	-	311,914
Other	21,568	-	17,668	-	39,236
Securities Lending Collateral Assets:					
Repurchase agreements	-	-	-	10,621	10,621
Variable rate notes	-	-	-	890	890
Commercial paper	-	-	-	1,410	1,410
Certificates of deposit	-	-	-	3,044	3,044
Cash and other adjustments	-	-	-	(16)	(16)
	<u>\$ 1,645,681</u>	<u>\$ 4,253,459</u>	<u>\$ 143,638</u>	<u>\$ 15,949</u>	<u>\$ 6,058,727</u>

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Total university investments by investment type for the primary institution at June 30, 2016 are as follows:

	Primary Institution				
			Other	Securities	
	Temporary	Long-Term	Long-Term	Lending Collateral	
	Investments	Investment Pool	Investments	Investments	Total
U.S. equity	\$ -	\$ 366,931	\$ -	\$ -	\$ 366,931
International equity	-	112,199	-	-	112,199
Equity mutual funds	81,371	158,936	23,407	-	263,714
U.S. government obligations	167,430	5,094	2,745	-	175,269
U.S. government agency obligations	120,992	-	-	-	120,992
Repurchase agreements	2,200	-	-	-	2,200
Corporate bonds and notes	983,399	-	214	-	983,613
Bond mutual funds	83,697	-	17,801	-	101,498
Foreign government bonds	6,819	-	-	-	6,819
Real assets	10,184	644,415	16,705	-	671,304
Hedge funds	-	1,444,636	-	-	1,444,636
Private equity	-	514,100	56,409	-	570,509
Commercial paper	40,746	-	-	-	40,746
Cash and cash equivalents	-	370,251	-	-	370,251
Other	12,016	-	15,690	-	27,706
Securities Lending Collateral Assets:					
Repurchase agreements	-	-	-	7,317	7,317
Variable rate notes	-	-	-	17,774	17,774
Commercial paper	-	-	-	521	521
Certificates of deposit	-	-	-	-	-
Cash and other adjustments	-	-	-	1,977	1,977
	\$ 1,508,854	\$ 3,616,562	\$ 132,971	\$ 27,589	\$ 5,285,976

The components of the net investment income and loss for the primary institution are as follows:

	Net Increase (Decrease)		
	Interest and Dividends	in Fair Value of Investments	Net Investment Income (Loss)
Temporary Investments	\$ 41,653	\$ (496)	\$ 41,157
Long-Term Investment Pool	78,984	472,758	551,742
Other Long-Term Investments	3,058	4,744	7,802
Total 2017	<u>\$ 123,695</u>	<u>\$ 477,006</u>	<u>\$ 600,701</u>
Total 2016	<u>\$ 94,799</u>	<u>\$ (105,312)</u>	<u>\$ (10,513)</u>

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Information on Fair Value of Investments

Fair value is defined in the accounting standards as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities reported at fair value are organized into a hierarchy based on the levels of inputs observable in the marketplace that are used to measure fair value.

Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, liquidity statistics, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

Level 1 – Prices based on unadjusted quoted prices in active markets that are accessible for identical assets or liabilities are classified as Level 1. Directly held equity securities, registered bond and equity mutual funds, and other miscellaneous investments classified in Level 1 are valued using prices quoted in active markets that the custodian and university have the ability to access.

Level 2 – Quoted prices in the markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly, are classified as Level 2. Level 2 investments include US government agencies and obligations, corporate bonds, municipal bonds, foreign government bonds, repurchase agreements, commercial paper, and other debt related investments. The evaluated prices may be determined by factors which include, but are not limited to, market quotations, yields, maturities, call features, ratings, institutional size trading in similar groups of securities and developments related to specific securities.

Level 3 – Investments classified as Level 3 have significant unobservable inputs, as they trade infrequently or not at all. The inputs into the determination of fair value of these investments are based upon the best information in the circumstance and may require significant management judgment. Investments included in Level 3 consist primarily of the university's ownership in real estate, limited partnerships and equity positions in private companies.

Net Asset Value (NAV) – Investments whose fair value is measured at NAV are excluded from the fair value hierarchy. Investments in non-governmental entities that do not have a readily determinable fair value may be valued at NAV if the NAV is determined in accordance with the fair value measurement principles provided by the FASB standards relevant to investment companies. Interest in investment funds with a NAV reported under an alternative basis are reflected as Level 3 investments. Investments measured at NAV consist mainly of non-publicly

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

traded mutual funds, hedge funds, private equity, and other alternative funds. These assets are valued by the associated external investment manager/general partner and reviewed by the university using the most recent audited and unaudited financial statements available.

Not Leveled – Cash is not measured at fair value and, thus, is not subject to the fair value disclosure requirements. Cash not subject to such requirements amounted to \$76,474 and \$179,177 at June 30, 2017 and 2016, respectively.

Investments by fair value category for the primary institution at June 30, 2017 are as follows:

	Primary Institution				
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV as Practical Expedient (NAV)	Total Fair Value
U.S. equity	\$ 214,328	\$ -	\$ -	\$ -	\$ 214,328
International equity	160,680	-	-	-	160,680
Equity mutual funds	164,075	-	-	480,635	644,710
U.S. government obligations	(138)	531,269	-	-	531,131
U.S. government agency obligations	-	130,557	-	-	130,557
Corporate bonds and notes	-	1,072,324	995	-	1,073,319
Bond mutual funds	104,937	-	-	-	104,937
Foreign government bonds	-	30,212	-	-	30,212
Real assets	18,592	-	141,757	548,657	709,006
Hedge funds	-	-	-	1,399,392	1,399,392
Private equity	-	-	41,084	606,244	647,328
Commercial paper	-	46,028	-	-	46,028
Cash equivalents	235,440	-	-	-	235,440
Other	-	21,237	17,999	-	39,236
Securities Lending Collateral Assets:					
Repurchase agreements	-	10,621	-	-	10,621
Variable rate notes	-	890	-	-	890
Commercial paper	-	1,410	-	-	1,410
Certificates of deposit	-	3,044	-	-	3,044
Other adjustments	-	(16)	-	-	(16)
	<u>\$ 897,914</u>	<u>\$ 1,847,576</u>	<u>\$ 201,835</u>	<u>\$ 3,034,928</u>	<u>\$ 5,982,253</u>

Securities not leveled in investment portfolio:

Cash	\$ 76,474	\$ -	\$ -	\$ -	\$ 76,474
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Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Investments by fair value category for the primary institution at June 30, 2016 are as follows:

	Primary Institution					Total Fair Value
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV as Practical Expedient (NAV)		
U.S. equity	\$ 366,931	\$ -	\$ -	\$ -	\$	366,931
International equity	112,199	-	-	-		112,199
Equity mutual funds	104,779	-	-	158,935		263,714
U.S. government obligations	-	175,269	-	-		175,269
U.S. government agency obligations	-	120,992	-	-		120,992
Repurchase agreements	-	2,200	-	-		2,200
Corporate bonds and notes	-	980,094	3,519	-		983,613
Bond mutual funds	101,498	-	-	-		101,498
Foreign government bonds	-	6,819	-	-		6,819
Real assets	15,182	-	125,357	530,765		671,304
Hedge funds	-	-	-	1,444,636		1,444,636
Private equity	-	-	23,806	546,703		570,509
Commercial paper	-	40,746	-	-		40,746
Cash equivalents	191,074	-	-	-		191,074
Other	-	11,685	16,021	-		27,706
Securities Lending Collateral Assets:						
Repurchase agreements	-	7,317	-	-		7,317
Variable rate notes	-	17,199	575	-		17,774
Commercial paper	-	521	-	-		521
Certificates of deposit	-	-	-	-		-
Other adjustments	-	1,977	-	-		1,977
	<u>\$ 891,663</u>	<u>\$ 1,364,819</u>	<u>\$ 169,278</u>	<u>\$ 2,681,039</u>	<u>\$</u>	<u>5,106,799</u>
Securities not leveled in investment portfolio:						
Cash	<u>\$ 179,177</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$</u>	<u>179,177</u>

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Additional Information on Investments Measured at the NAV

Additional information on fair values, unfunded commitments, remaining life and redemption for investments measured at the NAV for the primary institution at June 30, 2017 is as follows:

	Fair Value	Unfunded Commitments	Remaining Life	Redemption Notice Period	Redemption Restrictions
Equity mutual funds - non-public international	\$ 480,635	\$ -	No limit	1 to 30 days	None
Hedge funds - absolute return, credit, long/short equities	1,399,392	-	No limit	30 to 90 day notice periods	Lock-up provisions ranging from none to 2 years; side pockets on a few funds
Private equity - private credit, buyouts, venture, secondary	606,244	648,769	1-10 years	Partnerships ineligible for redemption	Not redeemable
Real assets - natural resources, real estate, infrastructure	548,657	224,711	1-10 years	Partnerships ineligible for redemption	Not redeemable
	<u>\$ 3,034,928</u>	<u>\$ 873,480</u>			

Additional Risk Disclosures for Investments

GASB Statements No. 3 and 40 require certain additional disclosures related to the liquidity, interest-rate, custodial, credit and foreign currency risks associated with deposits and investments.

Liquidity risk – The university's private equity and real asset investments are illiquid and subject to redemption restrictions in accordance with their respective governing documents. Such governing documents do not provide for the university to exit these investments until their respective terms have ended.

Interest-rate risk – Interest-rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments with interest rates that are fixed for longer periods are likely to be subject to more variability in their fair values as a result of future changes in interest rates.

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

The maturities of the university's interest-bearing investments for the primary institution at June 30, 2017 are as follows:

	Primary Institution				
	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
U.S. government obligations	\$ 531,131	\$ 395,780	\$ 107,902	\$ 27,449	\$ -
U.S. government agency obligations	130,557	12,681	55,288	16,468	46,120
Commercial paper	46,028	46,028	-	-	-
Corporate bonds	1,073,319	301,723	661,802	55,156	54,638
Bond mutual funds	104,937	4,862	58,284	28,182	13,609
Other governmental bonds	21,237	4,803	13,216	175	3,043
Foreign governmental bonds	30,212	22,666	7,546	-	-
Securities Lending Collateral:					
Repurchase agreements	10,621	10,621	-	-	-
Certificates of deposit	3,044	3,044	-	-	-
Commercial paper	1,410	1,410	-	-	-
Variable rate notes	890	890	-	-	-
Total	\$ 1,953,386	\$ 804,508	\$ 904,038	\$ 127,430	\$ 117,410

The maturities of the university's interest-bearing investments for the primary institution at June 30, 2016 are as follows:

	Primary Institution				
	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
U.S. government obligations	\$ 175,269	\$ 18,829	\$ 157,613	\$ (1,173)	\$ -
U.S. government agency obligations	120,992	14,980	62,941	17,088	25,983
Repurchase agreements	2,200	2,200	-	-	-
Commercial paper	40,746	40,746	-	-	-
Corporate bonds	983,613	270,225	634,723	35,072	43,593
Bond mutual funds	101,498	(1,011)	66,138	27,106	9,265
Other governmental bonds	11,685	3,237	7,739	-	709
Foreign governmental bonds	6,819	1,726	5,093	-	-
Securities Lending Collateral:					
Repurchase agreements	7,317	7,317	-	-	-
Commercial paper	521	521	-	-	-
Variable rate notes	17,774	17,774	-	-	-
Total	\$ 1,468,434	\$ 376,544	\$ 934,247	\$ 78,093	\$ 79,550

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Custodial credit risk – Custodial credit risk is the risk that, in the event of the failure of the custodian, university investments may not be recovered. It is the policy of the university to hold investments in custodial accounts, and the securities are registered solely in the name of the university. All investments are transacted with nationally reputable brokerage firms offering protection by the Securities Investor Protection Corporation.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the holder of the investment. Credit quality information – as commonly expressed in terms of the credit ratings issued by nationally recognized statistical rating organizations such as Moody's Investors Service, Standard & Poor's, or Fitch Ratings – provides a current depiction of potential variable cash flows and credit risk.

Per GASB Statement No. 40, *Deposit and Investment Risk Disclosures, an amendment to GASB Statement No. 3*, securities with split ratings, or a different rating assignment, are disclosed using the rating indicative of the greatest degree of risk.

The credit ratings of the university's interest-bearing investments for the primary institution at June 30, 2017 are as follows:

	Primary Institution										Not Rated
	Total	AAA	AA	A	BBB	BB	B	CCC	CC	C	
U.S. government and agency obligations	\$ 661,688	\$ 4,828	\$ 615,608	\$ 33,253	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,999
Corporate bonds	1,073,319	74,388	187,093	367,603	328,182	19,966	5,249	-	-	-	90,838
Bond mutual funds	104,937	69,995	5,424	18,060	8,080	1,474	619	1,272	-	-	13
Foreign government bonds	30,212	3,080	2,126	12,724	2,043	-	-	-	-	-	10,239
Commercial paper	46,028	-	-	10,949	-	-	-	-	-	-	35,079
Other government bonds	21,237	1,325	9,964	5,259	3,688	-	-	-	-	-	1,001
Securities Lending Collateral:											
Repurchase agreements	10,621	-	-	-	-	-	-	-	-	-	10,621
Certificates of deposit	3,044	-	-	2,627	-	-	-	-	-	-	417
Commercial paper	1,410	-	-	1,410	-	-	-	-	-	-	-
Variable rate notes	890	-	633	257	-	-	-	-	-	-	-
Total	\$ 1,953,386	\$ 153,616	\$ 820,848	\$ 452,142	\$ 341,993	\$ 21,440	\$ 5,868	\$ 1,272	\$ -	\$ -	\$ 156,207

The credit ratings of the university's interest-bearing investments for the primary institution at June 30, 2016 are as follows:

	Primary Institution										Not Rated
	Total	AAA	AA	A	BBB	BB	B	CCC	CC	C	
U.S. government and agency obligations	\$ 296,261	\$ 289	\$ 292,392	\$ 2,518	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,062
Repurchase agreements	2,200	-	-	-	-	-	-	-	-	-	2,200
Corporate bonds	983,613	61,182	211,662	359,356	291,321	22,258	8,313	238	-	-	29,283
Bond mutual funds	101,498	62,906	7,385	16,059	12,540	870	281	1	-	1,320	136
Foreign government bonds	6,819	2,322	2,731	-	1,255	-	-	-	-	-	511
Commercial paper	40,746	-	-	-	-	-	-	-	-	-	40,746
Other government bonds	11,685	-	4,726	5,235	275	-	1,004	-	-	-	445
Securities Lending Collateral:											
Repurchase agreements	7,317	-	-	-	-	-	-	-	-	-	7,317
Commercial paper	521	521	-	-	-	-	-	-	-	-	-
Variable rate notes	17,774	2,015	6,029	9,730	-	-	-	-	-	-	-
Total	\$ 1,468,434	\$ 129,235	\$ 524,925	\$ 392,898	\$ 305,391	\$ 23,128	\$ 9,598	\$ 239	\$ -	\$ 1,320	\$ 81,700

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Concentration of credit risk – Concentration of credit risk is the risk associated with a lack of diversification, such as having substantial investments in a few individual issuers, thereby exposing the university to greater risks resulting from adverse economic, political, regulatory, geographic or credit developments.

There is no investment in issuers other than U. S. government guaranteed securities that represents five percent or more of investments held at June 30, 2017 and June 30, 2016.

Foreign currency risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit.

Draft, 10/16/17, 5:30pm

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

At June 30, 2017, exposure to foreign currency risk for the primary institution is as follows:

	Primary Institution					
	Common	Equity	Bond	Corporate	Foreign	Partnerships
	Stock	Mutual Funds	Mutual Funds	Bonds and Notes	Government Bonds	and Hedge Funds
Australian dollar	\$ 1,557	\$ 12,026	\$ 486	\$ -	\$ -	\$ 4,054
Bangladeshi taka	-	544	-	-	-	-
Brazilian real	2,473	7,196	183	-	-	-
Canadian dollar	11,022	4,644	(30)	-	-	-
Chilean peso	(1)	2,256	-	-	-	-
Chinese yuan	-	2,225	3	-	-	-
Columbian peso	-	1,906	-	-	-	-
Czech Republic koruna	-	1,216	-	-	2,185	-
Danish krone	2,891	341	8	8,543	-	-
Egyptian pound	-	22	-	-	-	-
Euro	49,766	45,438	182	4,023	-	96,881
Great Britain pound sterling	27,369	66,843	114	2,638	-	30,577
Hong Kong dollar	10,858	16,146	17	-	-	-
Hungarian forint	-	56	-	-	-	-
Indian rupee	(5)	4,793	139	-	-	-
Indonesian rupiah	(1)	933	141	-	-	-
Israeli shekel	-	74	-	-	-	-
Japanese yen	28,717	55,177	34	-	15,099	-
Kuwaiti dinar	-	1,910	-	-	-	-
Malaysian ringgit	-	1,908	69	-	-	-
Mexican peso	(2)	4,767	274	(61)	-	-
New Taiwan dollar	(8)	6,438	(174)	-	-	-
New Turkish lira	-	2,535	232	-	-	-
New Zealand dollar	-	27	(289)	-	-	-
Norwegian krone	3,505	1,745	50	-	-	-
Pakistan rupee	-	4,823	-	-	-	-
Peruvian nuevo sol	-	6	71	-	-	-
Philippine peso	-	1,348	-	-	-	-
Polish zloty	(7)	1,048	-	-	-	-
Qatari riyal	-	85	-	-	-	-
Romanian new leu	-	2,887	-	-	-	-
Russian ruble	(2)	33	146	-	-	-
Singapore dollar	-	7,978	(625)	-	-	-
South African rand	(4)	5,560	6	-	-	-
South Korean won	3,284	4,839	(183)	-	-	-
Sri Lanka rupee	-	116	-	-	-	-
Swedish krona	773	4,711	273	-	-	-
Swiss franc	18,495	15,004	(262)	-	-	13,860
Thailand baht	-	3,232	(3)	-	-	-
UAE dirham	-	1,137	-	-	-	-
Total	\$ 160,680	\$ 293,973	\$ 862	\$ 15,143	\$ 17,284	\$ 145,372

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

At June 30, 2016, exposure to foreign currency risk for the primary institution is as follows:

	Primary Institution					
	Common	Equity	Bond	Corporate	Foreign	Partnerships
	Stock	Mutual Funds	Mutual Funds	Bonds and Notes	Government Bonds	and Hedge Funds
Australian dollar	\$ 1,005	\$ 6,759	\$ (60)	\$ -	\$ -	\$ 11,493
Bangladeshi taka	-	605	-	-	-	-
Brazilian real	315	6,425	298	-	-	-
Canadian dollar	7,474	1,111	6	-	-	-
Chilean peso	-	1,520	-	-	-	-
Chinese yuan	-	342	(280)	-	-	-
Columbian peso	-	628	-	-	-	-
Czech Republic koruna	-	974	-	-	-	-
Danish krone	1,110	251	(3)	-	-	-
Egyptian pound	-	30	-	-	-	-
Euro	35,254	23,712	(456)	1,597	-	80,657
Great Britain pound sterling	22,789	36,297	(293)	190	-	19,414
Hong Kong dollar	5,104	14,562	18	-	-	-
Hungarian forint	-	38	-	-	-	-
Indian rupee	-	3,986	3	-	-	-
Indonesian rupiah	-	323	5	-	-	-
Israeli shekel	-	82	-	-	-	-
Japanese yen	19,823	26,559	(55)	-	-	-
Kuwaiti dinar	-	443	-	-	-	-
Malaysian ringgit	-	1,163	-	-	-	-
Mexican peso	-	1,279	130	-	-	-
New Taiwan dollar	-	4,777	(240)	-	-	-
New Turkish lira	-	1,166	-	-	-	-
New Zealand dollar	-	39	4	-	-	-
Norwegian krone	1,529	1,130	1	-	-	-
Pakistan rupee	-	1,818	-	-	-	-
Philippine peso	-	233	-	-	-	-
Polish zloty	-	559	-	-	-	-
Romanian new leu	-	1,810	-	-	-	-
Russian ruble	-	-	150	-	-	-
Singapore dollar	-	6,925	(483)	-	-	-
South African rand	-	5,525	3	-	-	-
South Korean won	-	4,324	(13)	-	-	-
Sri Lanka rupee	-	345	-	-	-	-
Swedish krona	1,723	1,315	222	-	-	-
Swiss franc	16,073	6,247	(218)	-	-	7,968
Thailand bhat	-	774	-	-	-	-
UAE dirham	-	107	-	-	-	-
Total	\$ 112,199	\$ 164,183	\$ (1,261)	\$ 1,787	\$ -	\$ 119,532

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Securities Lending

The university has engaged in a securities lending program through its custodian bank of the Long-Term Investment Pool. Securities loaned at June 30, 2017 were comprised completely of equities, and these loans were secured by collateral in the form of cash, equities, U.S. government obligations, and foreign government/private debt. All loans must be secured by collateral amounting to no less than 102% of the current fair value of domestic securities loaned and no less than 105% of the current fair value of foreign securities loaned.

As of the financial statements' date, there was no credit risk on securities loaned due to the fair value of the collateral held being greater than the fair value of securities on loan to each individual broker. The university, the custodian, and the borrower each maintain the right to terminate a loan. Upon maturity or termination of a loan agreement, the custodian is contractually obligated to indemnify the university if the borrowers fail to return loaned securities and if liquidation of the collateral is insufficient to replace the value of the securities loaned. Noncash collateral cannot be pledged or sold by the university without a borrower's default. While earning fees received by the university during the loan period, cash collateral is simultaneously invested in short term, highly liquid securities in order to further increase interest earned while also matching a weighted average maturity of loans which is not to exceed 60 days.

As of June 30, 2017, securities loaned by the university amounted to a fair value of \$26,267 and were secured by collateral in the amount of \$27,745. The portion of this collateral that was received in cash amounted to \$15,949 and is reflected within the university's statement of net position as a current asset and a corresponding current liability.

As of June 30, 2016, securities loaned by the university amounted to a fair value of \$38,166 and were secured by collateral in the amount of \$40,139. The portion of this collateral that was received in cash amounted to \$27,589 and is reflected within the university's statement of net position as a current asset and a corresponding current liability.

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

NOTE 4 — ACCOUNTS, NOTES AND PLEDGES RECEIVABLE

Accounts receivable for the primary institution at June 30, 2017 and 2016 consist of the following:

	Primary Institution	
	2017	2016
Gross patient receivables - OSU Health System	\$ 1,089,251	\$ 1,057,506
Grant and contract receivables	91,684	88,725
Tuition and fees receivable	20,176	19,508
Receivables for departmental and auxiliary sales and services	52,415	47,934
State and federal receivables	9,239	7,223
Other receivables	9,440	409
Total receivables	1,272,205	1,221,305
Less: Allowances	696,330	708,674
Total receivables, net	\$ 575,875	\$ 512,631

Allowances consist primarily of allowances for doubtful accounts and contractual adjustments of patient receivables of the OSU Health System.

Notes receivable consist primarily of Perkins and health professions loans and are net of an allowance for doubtful accounts of \$18,445 and \$17,500 at June 30, 2017 and 2016, respectively. Federal capital contributions to the Perkins loan programs represent advances which are ultimately refundable to the federal government.

In accordance with GASB Statement No. 33, *Accounting and Reporting for Non-exchange Transactions*, the university has recorded \$110,849 in non-endowment pledges receivable and a related allowance for doubtful accounts of \$4,781 at June 30, 2017. The university recorded \$105,671 in non-endowment pledges receivable and a related allowance for doubtful accounts of \$4,804 at June 30, 2016.

Accounts receivable for the discretely presented component units at June 30, 2017 and 2016 consist of the following:

	Discretely Presented Component Units	
	2017	2016
Gross patient receivables - OSU Physicians	\$ 101,787	\$ 116,489
Other receivables	13,234	14,693
Total receivables	115,021	131,182
Less: Allowances for doubtful accounts	67,285	78,467
Total receivables, net	\$ 47,736	\$ 52,715

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Allowances consist primarily of allowances for doubtful accounts and contractual adjustments of patient receivables of OSU Physicians.

NOTE 5 — CAPITAL ASSETS

Capital assets activity for the primary institution for the year ended June 30, 2017 is summarized as follows:

	Primary Institution			
	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land	\$ 85,335	\$ 3,474	\$ 307	\$ 88,502
Intangibles	18,413	-	-	18,413
Construction in progress	103,555	63,155	-	166,710
Total non depreciable assets	207,303	66,629	307	273,625
Capital assets being depreciated:				
Improvements other than buildings	812,055	16,374	-	828,429
Buildings and fixed equipment	6,039,509	183,276	8,246	6,214,539
Movable equipment, furniture and software	1,374,200	138,473	59,928	1,452,745
Library books	183,389	5,109	492	188,006
Total	8,409,153	343,232	68,666	8,683,719
Less: Accumulated depreciation	3,764,023	374,615	64,878	4,073,760
Total depreciable assets, net	4,645,130	(31,383)	3,788	4,609,959
Capital assets, net	\$ 4,852,433	\$ 35,246	\$ 4,095	\$ 4,883,584

The increase in construction in progress of \$63,155 in fiscal year 2017 represents the amount of capital expenditures for new projects of \$318,555, net of assets placed in service of \$255,400.

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Capital assets activity for the primary institution for the year ended June 30, 2016 is summarized as follows:

	Primary Institution			
	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land	\$ 86,915	\$ 3,319	\$ 4,899	\$ 85,335
Intangibles	18,413	-	-	18,413
Construction in progress	332,346	(228,791)	-	103,555
Total non depreciable assets	437,674	(225,472)	4,899	207,303
Capital assets being depreciated:				
Improvements other than buildings	730,346	81,709	-	812,055
Buildings and fixed equipment	5,607,541	441,277	9,309	6,039,509
Movable equipment, furniture and software	1,300,468	109,169	35,437	1,374,200
Library books	177,753	6,165	529	183,389
Total	7,816,108	638,320	45,275	8,409,153
Less: Accumulated depreciation	3,450,540	351,901	38,418	3,764,023
Total depreciable assets, net	4,365,568	286,419	6,857	4,645,130
Capital assets, net	\$ 4,803,242	\$ 60,947	\$ 11,756	\$ 4,852,433

The decrease in construction in progress of \$228,791 in fiscal year 2016 represents the amount of capital expenditures for new projects of \$349,456, net of assets placed in service of \$578,247.

Capital assets activity for the discretely presented component units for the year ended June 30, 2017 is summarized as follows:

	Discretely Presented Component Units			
	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land	\$ 21,122	\$ 6,354	\$ 1,745	\$ 25,731
Intangibles	-	52	-	52
Construction in progress	25,491	(10,325)	-	15,166
Total non depreciable assets	46,613	(3,919)	1,745	40,949
Capital assets being depreciated:				
Improvements other than buildings	8,510	5,663	750	13,423
Buildings and fixed equipment	72,366	41,622	11,622	102,366
Movable equipment, furniture and software	50,281	2,611	22,318	30,574
Library books	-	-	-	-
Total	131,157	49,896	34,690	146,363
Less: Accumulated depreciation	59,805	7,138	1,798	65,145
Total depreciable assets, net	71,352	42,758	32,892	81,218
Capital assets, net	\$ 117,965	\$ 38,839	\$ 34,637	\$ 122,167

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Capital assets activity for the discretely presented component units for the year ended June 30, 2016 is summarized as follows:

	Discretely Presented Component Units			
	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land	\$ 10,844	\$ 20,881	\$ 10,603	\$ 21,122
Intangibles	-	-	-	-
Construction in progress	582	24,909	-	25,491
Total non depreciable assets	11,426	45,790	10,603	46,613
Capital assets being depreciated:				
Improvements other than buildings	8,314	1,625	1,429	8,510
Buildings and fixed equipment	67,551	8,101	3,286	72,366
Movable equipment, furniture and software	48,398	2,662	779	50,281
Library books	-	-	-	-
Total	124,263	12,388	5,494	131,157
Less: Accumulated depreciation	55,778	6,425	2,398	59,805
Total depreciable assets, net	68,485	5,963	3,096	71,352
Capital assets, net	\$ 79,911	\$ 51,753	\$ 13,699	\$ 117,965

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses for the primary institution at June 30, 2017 and 2016 consist of the following:

	Primary Institution	
	2017	2016
Payables to vendors for supplies and services	\$ 303,026	\$ 333,524
Accrued compensation and benefits	125,049	90,906
Retirement system contributions payable	49,572	45,118
Other accrued expenses	47,107	(332)
Total payables and accrued expenses	\$ 524,754	\$ 469,216

NOTE 7 – DEPOSITS AND ADVANCE PAYMENTS FOR GOODS AND SERVICES

Deposits and advance payments for goods and services for the primary institution at June 30, 2017 and 2016 consist of the following:

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

	Primary Institution	
	2017	2016
Current deposits and advance payments:		
Tuition and fees	\$ 40,002	\$ 40,119
Departmental and auxiliary sales and services	64,546	75,686
Affinity agreements	5,068	7,901
Grant and contract advances	101,307	78,329
Other deposits and advance payments	12,957	14,337
Total current deposits and advance payments	<u>\$ 223,880</u>	<u>\$ 216,372</u>
Other non-current deposits and advance payments:	<u>\$ 73,289</u>	<u>\$ 79,538</u>

NOTE 8 – SELF-INSURANCE ACCRUALS

The university maintains self-insurance programs for professional medical malpractice, employee health insurance and workers' compensation. Information on each of these programs is provided below.

Medical Malpractice

The university has established trustee self-insurance funds for professional medical malpractice liability claims with a \$4,000 limit per occurrence and \$18,000 annual aggregate. The university self-insurance funds have insurance in excess of \$4,000 per occurrence through Oval Limited, a blended component unit of the university. Effective July 1, 2016, Oval Limited provides coverage with limits of \$85,000 per occurrence and in the aggregate.

Previous coverage levels for Oval Limited are as follows:

Accident Period for Oval	Gross Oval Limit (Occurrence and Annual Aggregate)
7/1/16 – 6/30/17	\$85,000
7/1/15 – 6/30/16	\$75,000
7/1/08 – 6/30/15	\$55,000
7/1/06 – 6/30/08	\$40,000
7/1/05 – 6/30/06	\$35,000
7/1/02 – 6/30/05	\$25,000
7/1/97 – 6/30/02	\$15,000
9/30/94 – 6/30/97	\$10,000

The limits are in excess of underlying policies with limits of \$4,000 per occurrence and \$18,000 in the aggregate. A portion of the risks written by Oval Limited to date is reinsured by four reinsurance companies. Oval Limited retains 50% of the first \$15,000 of risk and cedes the remainder to Berkley Medical Excess Underwriters (rated A+ by A.M. Best). The next \$20,000 is fully ceded to Lexington Insurance Company (rated A by A.M. Best). The next \$20,000 is fully ceded to Endurance Specialty Insurance Ltd. (rated A by A.M. Best). Above that, Oval

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Limited cedes the remaining \$20,000 of risk to Medical Protective (rated A++ by A.M. Best). The estimated liability and the related contributions to the trustee fund are based upon an independent actuarial determination as of June 30, 2017. OSUP participates in the university self-insurance fund for professional medical malpractice liability claims.

The university's estimate of professional malpractice liability includes provisions for known claims and actuarially determined estimates of incurred but not reported claims and incidents. This liability at June 30, 2017 of the anticipated future payments on gross claims is estimated at its present value of \$51,626 discounted at an estimated rate of 3.0% (university funds) and an additional \$7,297 discounted at an estimated rate of 3.0% (Oval Limited).

Although actual experience upon the ultimate disposition of the claims may vary from this estimate, the self-insurance fund assets of \$184,849 (which primarily consist of bond and equity mutual funds, money market funds and U.S. treasury notes) are more than the recorded liability at June 30, 2017, and the surplus of \$111,328 is included in unrestricted net position.

At June 30, 2016, the anticipated future payments on gross claims was estimated at its present value of \$57,873 discounted at an estimated rate of 3% (university funds) and an additional \$26,927 discounted at an estimated rate of 3% (Oval Limited). The self-insurance fund assets of \$179,198 (which primarily consist of bond and equity mutual funds, money market funds and U.S. treasury notes) were more than the recorded liability at June 30, 2016, and the surplus of \$94,398 was included in unrestricted net position.

Employee Health Insurance

The university is also self-insured for employee health insurance. As of June 30, 2017 and 2016, \$35,849 and \$39,096, respectively is recorded as a liability relating to both claims received but not paid and estimates of claims incurred but not yet reported.

Workers' Compensation

Effective January 1, 2013, the university became self-insured for workers' compensation. As of June 30, 2017 and 2016, respectively, \$20,498 and \$19,127 are recorded as a liability relating to both claims received but not paid and estimates of claims incurred but not yet reported.

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Changes in reported self-insurance liabilities for the primary institution since June 30, 2015 result from the following activities:

	Malpractice		Health		Workers' Compensation	
	2017	2016	2017	2016	2017	2016
Liability at beginning of fiscal year	\$ 84,800	\$ 98,578	\$ 39,096	\$ 37,375	\$ 19,127	\$ 15,308
Current year provision for losses	(10,307)	(9,128)	325,339	343,904	(11,409)	(5,492)
Claim payments	(970)	(4,650)	(328,586)	(342,183)	12,780	9,311
Balance at fiscal year end	\$ 73,523	\$ 84,800	\$ 35,849	\$ 39,096	\$ 20,498	\$ 19,127

NOTE 9 — DEBT

The university may finance the construction, renovation and acquisition of certain facilities through the issuance of debt obligations, which may include general receipts bonds, certificates of participation, commercial paper, capital lease obligations and other borrowings. Debt activity for the primary institution for the year ended June 30, 2017 is as follows:

	Primary Institution				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Notes:					
WOSU	\$ 2,303	\$ -	\$ 159	\$ 2,144	\$ 159
OH Air Quality Note Series A	3,438	-	407	3,031	413
OH Air Quality Note Series B	2,340	-	-	2,340	-
St. Stephens Church Note	2,802	-	73	2,729	76
General Receipts Bonds - Fixed Rate:					
2008A, due serially through 2028	110,330	-	15,820	94,510	7,340
2010A, due serially through 2020	117,190	-	38,030	79,160	38,700
2010C, due 2040	654,785	-	-	654,785	-
2010D, due serially through 2032	84,625	-	-	84,625	-
2011, due 2111	500,000	-	-	500,000	-
2012A, due 2030	82,870	-	7,890	74,980	8,230
2012B, due 2033	17,135	-	1,800	15,335	1,820
2014A, due serially through 2044	133,795	-	2,235	131,560	2,315
2016A, due serially through 2111	600,000	-	-	600,000	-
2016B, due serially through 2030	28,545	-	2,610	25,935	2,680
Special Purpose General Receipts Bonds - Fixed Rate:					
2013A, due 2043	337,955	-	-	337,955	-
General Receipts Bonds - Variable Rate:					
1997, due serially through 2027	17,160	-	-	17,160	17,160
1999B1, due serially through 2029	10,765	-	-	10,765	10,765
2001, due serially through 2032	53,035	-	-	53,035	53,035
2003C, due serially through 2031	51,975	-	2,175	49,800	49,800
2005B, due serially through 2035	71,575	-	-	71,575	71,575
2008B, due serially through 2028	91,925	-	5,900	86,025	86,025
2010E, due serially through 2035	150,000	-	-	150,000	150,000
2014B, due serially through 2044	150,000	-	-	150,000	150,000
Capital Lease Obligations	4,547	6,430	2,429	8,548	1,891
	3,279,095	6,430	79,528	3,205,997	651,984
Unamortized Bond Premiums	94,165	-	8,036	86,129	-
Total outstanding debt	\$ 3,373,260	\$ 6,430	\$ 87,564	\$ 3,292,126	\$ 651,984

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Debt activity for the primary institution for the year ended June 30, 2016 is as follows:

	Primary Institution				
	Beginning	Additions	Reductions	Ending	Current
	Balance			Balance	Portion
Notes:					
WOSU	\$ 2,462	\$ -	\$ 159	\$ 2,303	\$ 159
OH Air Quality Note Series A	3,839	-	401	3,438	407
OH Air Quality Note Series B	2,340	-	-	2,340	-
St. Stephens Church Note	2,871	-	69	2,802	73
General Receipts Bonds - Fixed Rate:					
2005A, due serially through 2035	36,040	-	36,040	-	-
2008A, due serially through 2028	124,165	-	13,835	110,330	7,070
2010A, due serially through 2020	146,040	-	28,850	117,190	38,030
2010C, due 2040	654,785	-	-	654,785	-
2010D, due serially through 2032	84,625	-	-	84,625	-
2011, due 2111	500,000	-	-	500,000	-
2012A, due 2030	90,500	-	7,630	82,870	7,890
2012B, due 2033	18,920	-	1,785	17,135	1,800
2014A, due serially through 2044	135,985	-	2,190	133,795	2,235
2016A, due serially through 2111	-	600,000	-	600,000	-
2016B, due serially through 2030	-	30,875	2,330	28,545	2,610
Special Purpose General Receipts Bonds - Fixed Rate:					
2013A, due 2043	337,955	-	-	337,955	-
General Receipts Bonds - Variable Rate:					
1997, due serially through 2027	17,160	-	-	17,160	17,160
1999B1, due serially through 2029	10,765	-	-	10,765	10,765
2001, due serially through 2032	53,035	-	-	53,035	53,035
2003C, due serially through 2031	51,975	-	-	51,975	51,975
2005B, due serially through 2035	71,575	-	-	71,575	71,575
2008B, due serially through 2028	91,925	-	-	91,925	91,925
2010E, due serially through 2035	150,000	-	-	150,000	150,000
2014B, due serially through 2044	150,000	-	-	150,000	150,000
Capital Lease Obligations	6,389	-	1,842	4,547	1,709
	2,743,351	630,875	95,131	3,279,095	658,418
Unamortized Bond Premiums	98,658	4,745	9,238	94,165	-
Total outstanding debt	\$ 2,842,009	\$ 635,620	\$ 104,369	\$ 3,373,260	\$ 658,418

Debt activity for the discretely presented component units for the year ended June 30, 2017 is as follows:

	Discretely Presented Component Units				
	Beginning	Additions	Reductions	Ending	Current
	Balance			Balance	Portion
Notes:					
OSU Physicians - Series 2013 Health Care					
Facilities Revenue Bond, due through 2035	\$ 13,659	\$ -	\$ 635	\$ 13,024	\$ 601
OSU Physicians - Term Loan Payable, due 2023	1,887	-	273	1,614	261
Campus Partners - Columbus Foundation Note Payable	-	1,979	83	1,896	84
Campus Partners - Edwards TIF Note Payable	-	150	-	150	-
Capital Lease Obligations	-	-	-	-	-
Total outstanding debt	\$ 15,546	\$ 2,129	\$ 991	\$ 16,684	\$ 946

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Debt activity for the discretely presented component units for the year ended June 30, 2016 is as follows:

	Discretely Presented Component Units				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Notes:					
OSU Physicians - Series 2013 Health Care Facilities Revenue Bond, due through 2035	\$ 14,228	\$ -	\$ 569	\$ 13,659	\$ 811
OSU Physicians - Term Loan Payable, due 2023	2,136	-	249	1,887	-
Capital Lease Obligations	5	-	5	-	-
Total outstanding debt	<u>\$ 16,369</u>	<u>\$ -</u>	<u>\$ 823</u>	<u>\$ 15,546</u>	<u>\$ 811</u>

Debt obligations are generally callable by the university, bear interest at fixed and variable rates ranging from 0% to 6% and mature at various dates through 2111. Maturities and interest on debt obligations for the next five years and in five-year periods for the primary institution are as follows:

	Primary Institution		
	Principal	Interest	Total
2018	\$ 651,984	\$ 133,483	\$ 785,467
2019	49,455	126,190	175,645
2020	36,441	124,307	160,748
2021	34,969	122,654	157,623
2022	36,060	121,084	157,144
2023-2027	191,588	578,941	770,529
2028-2032	150,524	539,178	689,702
2033-2037	103,653	511,595	615,248
2038-2042	790,153	398,346	1,188,499
2043-2047	411,170	235,203	646,373
2048-2052	-	170,600	170,600
2053-2057	250,000	165,540	415,540
2058-2062		120,000	120,000
2063-2067		120,000	120,000
2068-2072		120,000	120,000
2073-2077		120,000	120,000
2078-2082		120,000	120,000
2083-2087		120,000	120,000
2088-2092		120,000	120,000
2093-2097		120,000	120,000
2098-2102		120,000	120,000
2103-2107		120,000	120,000
2108-2112	500,000	96,000	596,000
	<u>\$ 3,205,997</u>	<u>\$ 4,523,121</u>	<u>\$ 7,729,118</u>

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Maturities and interest on debt obligations for the next five years and in five-year periods for the discretely presented component units are as follows:

	Discretely Presented Component Units		
	Principal	Interest	Total
2018	\$ 946	\$ 341	\$ 1,287
2019	1,114	320	1,434
2020	986	299	1,285
2021	2,555	273	2,828
2022	938	243	1,181
2023-2027	3,744	871	4,615
2028-2032	3,861	482	4,343
2033-2037	2,540	87	2,627
	<u>\$ 16,684</u>	<u>\$ 2,916</u>	<u>\$ 19,600</u>

General receipts bonds are backed by the unrestricted receipts of the university, excluding certain items as described in the bond indentures.

The outstanding bond indentures do not require mandatory reserves for future payment of principal and interest. However, the university has set aside \$323,350 for future debt service which is included in unrestricted net position.

The university has defeased various bonds by placing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. The defeased bonds for the primary institution are as follows:

	Amount	
	Amount Defeased	Outstanding at June 30, 2017
General Receipts Bonds:		
Series 2008A	\$ 26,945	\$ 20,750
Series 2010A	13,050	4,720
Series 2010D	3,710	3,710
	<u>\$ 43,705</u>	<u>\$ 29,180</u>

Neither the outstanding indebtedness nor the related trust account assets for the above bonds are included in the university's financial statements.

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Special-Purpose General Receipts Bonds

In January 2013, the university issued \$337,955 of Special Purpose General Receipts Bonds, Series 2013A. These bonds are solely payable from, and secured by, a pledge of the gross revenues of Special Purpose Revenue Facilities. Special Purpose Revenue Facilities are defined in the Series 2013 Supplement as all housing and dining facilities and such auxiliary facilities as shall constitute recreation facilities owned by the university. The bond indenture agreement includes a debt covenant, requiring the university “to set rates, charges and fees in each Fiscal Year so as to cause Special Purpose Pledged Revenues to be in an amount not less than 1.10 times the aggregate debt service for the then-current Fiscal Year on all Special Purpose General Receipts Obligations.” At June 30, 2017, the university is in compliance with this covenant. Condensed financial information for the Special Purpose Revenue Facilities is provided in Note 21.

Variable Rate Demand Bonds

Series 1997, 1999B1, 2001, 2003C, 2005B, 2008B, 2010E and 2014B variable rate demand bonds bear interest at rates based upon yield evaluations at par of comparable securities. The maximum interest rate allowable and the effective average interest rate from issue date to June 30, 2017 are as follows:

Series:	Interest Rate Not	Effective Average
	to Exceed	Interest Rate
1997	12%	1.496%
1999B1	12%	1.278%
2001	12%	1.067%
2003C	12%	1.424%
2005B	12%	0.975%
2008B	12%	0.317%
2010E	8%	0.188%
2014B	not specified	0.306%

At the discretion of the university, the interest rate on the bonds can be converted to a fixed rate. The bonds may be redeemed by the university or sold by the bondholders to a remarketing agent appointed by the university at any time prior to conversion to a fixed rate at a price equal to the principal amount plus accrued interest.

The university’s variable rate demand bonds mature at various dates through 2044. GASB Interpretation No. 1, *Demand Bonds Issued by State and Local Governmental Entities*, provides guidance on the statement of net position classification of these bonds. Under GASB Interpretation No. 1, outstanding principal balances on variable rate demand bonds may be classified as non-current liabilities if the issuer has entered into a “take-out agreement” to convert bonds “put” but not resold into some other form of long-term obligation. In the absence

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

of such an agreement, the total outstanding principal balances for these bonds are required to be classified as current liabilities.

Although it is the university's intent to repay its variable rate demand bonds in accordance with the maturities set forth in the bond offering circulars, the university does not have "take-out agreements" in place per the GASB Interpretation No. 1 requirements. Accordingly, the university has classified the total outstanding principal balances on its variable rate demand bonds as current liabilities. The obligations totaled \$588,360 and \$596,435 at June 30, 2017 and 2016, respectively.

Capital Lease Obligations

Some university equipment items and vehicles are financed as capital leases. The original cost and lease obligations related to these capital leases as of June 30, 2017 are \$17,523 and \$8,548, respectively. The original cost and lease obligations related to these capital leases as of June 30, 2016 are \$13,338 and \$4,547, respectively.

Capitalization of Interest

Interest incurred during the construction of capital assets is included in the cost of the asset when capitalized. Total interest costs incurred for the years ended June 30, 2017 and 2016 for the primary institution were \$124,240 and \$105,619, respectively. Of these amounts, interest of \$3,169 and \$11,734 was capitalized in the years ended June 30, 2017 and 2016, respectively. The remaining amounts, \$121,071 and \$93,885 for the years ended June 30, 2017 and 2016, respectively, are reported as interest expense in the statement of revenues, expenses and changes in net position.

NOTE 10 — OPERATING LEASES

The university leases various buildings, office space, and equipment under operating lease agreements. These facilities and equipment are not recorded as assets on the statement of net position. The total rental expense under these agreements was \$24,836 and \$30,152 for the years ended June 30, 2017 and 2016, respectively.

Future minimum payments for all significant operating leases with initial or remaining terms in excess of one year as of June 30, 2017 are as follows:

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Year Ending June 30,	Primary Institution	Discretely Presented Component Units
2018	\$ 18,870	\$ 1,894
2019	17,335	962
2020	16,621	715
2021	14,694	610
2022	14,060	552
2023-2027	50,321	1,576
2028-2032	29,529	124
2033-2037	2,360	-
2038-2042	836	-
2043-2047	1,077	-
2048-2052	1,068	-
2053-2057	1,368	-
2058-2062	1,368	-
2063 and beyond	1,083	-
Total minimum lease payments	<u>\$ 170,590</u>	<u>\$ 6,433</u>

NOTE 11 — COMPENSATED ABSENCES

University employees earn vacation and sick leave on a monthly basis.

Classified civil service employees may accrue vacation benefits up to a maximum of three years credit. Administrative and professional staff and faculty may accrue vacation benefits up to a maximum of 240 hours. For all classes of employees, any earned but unused vacation benefit is payable upon termination.

Sick leave may be accrued without limit. However, earned but unused sick leave benefits are payable only upon retirement from the university with ten or more years of service with the state. The amount of sick leave benefit payable at retirement is one fourth of the value of the accrued but unused sick leave up to a maximum of 240 hours.

The university accrues sick leave liability for those employees who are currently eligible to receive termination payments as well as other employees who are expected to become eligible to receive such payments. This liability is calculated using the "termination payment method" which is set forth in Appendix C, Example 4 of the GASB Statement No. 16, *Accounting for Compensated Absences*. Under the termination method, the university calculates a ratio, Sick Leave Termination Cost per Year Worked, that is based on the university's actual historical experience of sick leave payouts to terminated employees. This ratio is then applied to the total years-of-service for current employees.

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Certain employees of the university (mostly classified civil service employees) receive compensation time in lieu of overtime pay. Any unused compensation time must be paid to the employee at termination or retirement.

NOTE 12 — OTHER LIABILITIES

Other liability activity for the primary institution for the year ended June 30, 2017 is as follows:

	Primary Institution				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	\$ 171,012	\$ 18,808	\$ 12,613	\$ 177,207	\$ 12,613
Self-insurance accruals	143,023	316,403	329,556	129,870	48,631
Amounts due to third party payors	71,228	23,781	28,483	66,526	28,494
Obligations under life income agreements	33,225	2,567	1,700	34,092	3,619
Refundable advances for Federal Perkins loans	32,110	-	396	31,714	-
Other noncurrent liabilities	113,057	-	11,355	101,702	-
	<u>\$ 563,655</u>	<u>\$ 361,559</u>	<u>\$ 384,103</u>	<u>\$ 541,111</u>	<u>\$ 93,357</u>

Other liability activity for the primary institution for the year ended June 30, 2016 is as follows:

	Primary Institution				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	\$ 166,356	\$ 15,794	\$ 11,138	\$ 171,012	\$ 11,138
Self-insurance accruals	151,261	338,595	346,833	143,023	48,407
Amounts due to third party payors	52,811	62,585	44,168	71,228	28,483
Obligations under life income agreements	28,944	7,721	3,440	33,225	3,949
Refundable advances for Federal Perkins loans	32,228	-	118	32,110	-
Other noncurrent liabilities	84,140	28,917	-	113,057	-
	<u>\$ 515,740</u>	<u>\$ 453,612</u>	<u>\$ 405,697</u>	<u>\$ 563,655</u>	<u>\$ 91,977</u>

NOTE 13 – RENTALS UNDER OPERATING LEASES

The university is the lessor of certain land, buildings, office and retail space under operating lease agreements. Future minimum rental income from non-cancelable operating leases for the primary institution as of June 30, 2017 is as follows:

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Year Ending June 30,	
2018	\$ 4,868
2019	4,263
2020	3,710
2021	2,867
2022	2,449
2023-2027	8,659
2028-2032	3,991
2033-2037	3,043
2038-2042	1,868
2043-2047	158
2048-2052	53
Total minimum future rentals	<u>\$ 35,929</u>

NOTE 14 – OPERATING EXPENSES BY OBJECT

In accordance with requirements set forth by the Ohio Board of Regents, the university reports operating expenses by functional classification on the Statement of Revenues, Expenses and Other Changes in Net Position. Operating expenses by object for the primary institution for the years ended June 30, 2017 and 2016 are summarized as follows:

Year Ended June 30, 2017

	Primary Institution				
	Compensation and Benefits	Supplies and Services	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 888,236	\$ 118,175	\$ -	\$ -	\$ 1,006,411
Separately budgeted research	340,784	156,724	-	-	497,508
Public service	104,285	70,816	-	-	175,101
Academic support	180,431	41,612	-	-	222,043
Student services	84,593	23,448	-	-	108,041
Institutional support	124,620	130,162	-	-	254,782
Operation and maintenance of plant	35,143	59,544	-	-	94,687
Scholarships and fellowships	7,263	1,697	121,109	-	130,069
Auxiliary enterprises	187,806	125,379	-	-	313,185
OSU Health System	1,397,568	1,198,229	-	-	2,595,797
Depreciation	-	-	-	374,615	374,615
Total operating expenses	<u>\$ 3,350,729</u>	<u>\$ 1,925,786</u>	<u>\$ 121,109</u>	<u>\$ 374,615</u>	<u>\$ 5,772,239</u>

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Year Ended June 30, 2016

	Primary Institution				
	Compensation and Benefits	Supplies and Services	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 866,910	\$ 127,377	\$ -	\$ -	\$ 994,287
Separately budgeted research	296,748	147,329	-	-	444,077
Public service	90,729	69,552	-	-	160,281
Academic support	169,078	38,610	-	-	207,688
Student services	78,115	25,669	-	-	103,784
Institutional support	117,693	109,464	-	-	227,157
Operation and maintenance of plant	32,547	68,460	-	-	101,007
Scholarships and fellowships	6,308	2,189	112,465	-	120,962
Auxiliary enterprises	153,389	100,748	-	-	254,137
OSU Health System	1,231,265	1,019,765	-	-	2,251,030
Depreciation	-	-	-	351,901	351,901
Total operating expenses	\$ 3,042,782	\$ 1,709,163	\$ 112,465	\$ 351,901	\$ 5,216,311

NOTE 15 — RETIREMENT PLANS

University employees are covered by one of three retirement systems. The university faculty is covered by the State Teachers Retirement System of Ohio (STRS Ohio). Substantially all other employees are covered by the Public Employees Retirement System of Ohio (OPERS). Employees may opt out of STRS Ohio and OPERS and participate in the Alternative Retirement Plan (ARP) if they meet certain eligibility requirements.

STRS Ohio and OPERS each offer three separate plans: 1) a defined benefit plan, 2) a defined contribution plan and 3) a combined plan. Each of these three options is discussed in greater detail in the following sections.

Defined Benefit Plans

STRS Ohio and OPERS offer statewide cost-sharing multiple-employer defined benefit pension plans. STRS Ohio and OPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by state statute and are calculated using formulas that include years of service and final average salary as factors. Both STRS Ohio and OPERS issue separate, publicly available financial reports that include financial statements and required supplemental information. These reports may be obtained by contacting the two organizations.

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

STRS Ohio
275 East Broad Street
Columbus, OH 43215-3371
(614) 227-4090
(888) 227-7877
www.strsoh.org

OPERS, Attn: Finance Director
277 East Town Street
Columbus, OH 43215-4642
(614) 222-5601
(800) 222-7377
www.opers.org/financial/reports.shtml#CAFR

In accordance with GASB Statement No. 68, employers participating in cost-sharing multiple-employer plans are required to recognize a proportionate share of the collective net pension liabilities of the plans. Although changes in the net pension liability generally are recognized as pension expense in the current period, GASB 68 requires certain items to be deferred and recognized as expense in future periods. Deferrals for differences between projected and actual investment returns are amortized to pension expense over five years. Deferrals for employer contributions subsequent to the measurement date are amortized in the following period (one year). Other deferrals are amortized over the estimated remaining service lives of both active and inactive employees (amortization periods range from 3 to 9 years).

The collective net pension liabilities of the retirement systems and the university's proportionate share of these net pension liabilities as of June 30, 2017 are as follows:

	STRS-Ohio	OPERS	Total
Net pension liability - all employers	\$ 33,473,014	\$ 22,652,226	
Proportion of the net pension liability - university	4.5%	9.1%	
Proportionate share of net pension liability	\$ 1,510,814	\$ 2,054,548	\$ 3,565,362

The collective net pension liabilities of the retirement systems and the university's proportionate share of these net pension liabilities as of June 30, 2016 are as follows:

	STRS-Ohio	OPERS	Total
Net pension liability - all employers	\$ 27,637,075	\$ 17,272,216	
Proportion of the net pension liability - university	4.5%	9.0%	
Proportionate share of net pension liability	\$ 1,238,470	\$ 1,556,156	\$ 2,794,626

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Deferred outflows of resources and deferred inflows of resources for pensions were related to the following sources as of June 30, 2017:

	STRS-Ohio	OPERS	Total
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$ 61,044	\$ 3,296	\$ 64,340
Changes in assumptions	-	329,038	329,038
Net difference between projected and actual earnings on pension plan investments	125,438	306,350	431,788
Changes in proportion of university contributions	921	1,163	2,084
University contributions subsequent to the measurement date	70,306	94,003	164,309
Total	\$ 257,709	\$ 733,850	\$ 991,559
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$ -	\$ 16,279	\$ 16,279
Changes in proportion of university contributions	-	63	63
Total	\$ -	\$ 16,342	\$ 16,342

Deferred outflows of resources and deferred inflows of resources for pensions were related to the following sources as of June 30, 2016:

	STRS-Ohio	OPERS	Total
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$ 56,459	\$ 317	\$ 56,776
Net difference between projected and actual earnings on pension plan investments	-	461,637	461,637
Changes in proportion of university contributions	789	1,343	2,132
University contributions subsequent to the measurement date	67,106	88,058	155,164
Total	\$ 124,354	\$ 551,355	\$ 675,709
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$ -	\$ 33,260	\$ 33,260
Net difference between projected and actual earnings on pension plan investments	89,069	-	89,069
Changes in proportion of university contributions	-	40	40
Total	\$ 89,069	\$ 33,300	\$ 122,369

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Net deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense during the years ending June 30 as follows:

	STRS-Ohio	OPERS	Total
2018	100,495	352,017	452,512
2019	30,189	266,590	296,779
2020	77,142	108,889	186,031
2021	49,883	(9,353)	40,530
2022	-	(277)	(277)
2023 and Thereafter	-	(358)	(358)
Total	\$ 257,709	\$ 717,508	\$ 975,217

The following table provides additional details on the pension benefit formulas, contribution requirements and significant assumptions used in the measurement of total pension liabilities for the retirement systems.

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

	STRS-Ohio	OPERS
Statutory Authority	Ohio Revised Code Chapter 3307	Ohio Revised Code Chapter 145
Benefit Formula	The annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Members are eligible to retire at age 60 with five years of qualifying service credit, or at age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.	Benefits are calculated on the basis of age, final average salary (FAS), and service credit. State and Local members in transition Groups A and B are eligible for retirement benefits at age 60 with 60 contributing months of service credit or at age 55 with 25 or more years of service credit. Group C for State and Local is eligible for retirement at age 57 with 25 years of service or at age 62 with 5 years of service. For Groups A and B, the annual benefit is based on 2.2% of final average salary multiplied by the actual years of service for the first 30 years of service credit and 2.5% for years of service in excess of 30 years. For Group C, the annual benefit applies a factor of 2.2% for the first 35 years and a factor of 2.5% for the years of service in excess of 35. FAS represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of annual cost-of-living adjustment.
Cost-of-Living Adjustments	With certain exceptions, the basic benefit is increased each year by 2% of the original base benefit. For members retiring Aug. 1, 2013, or later, the first 2% is paid on the fifth anniversary of the retirement benefit. In April 2017, STRS-Ohio announced that, effective July 1, 2017, it would indefinitely suspend the annual COLA for all retirees.	Once a benefit recipient retiring under the Traditional Pension Plan has received benefits for 12 months, an annual 3% cost-of-living adjustment is provided on the member's base benefit.

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

	STRS-Ohio	OPERS
Contribution Rates	Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. Through June 30, 2016, the employer rate was 14% and the member rate was 13% of covered payroll. The statutory employer rate for fiscal 2017 and subsequent years is 14%. The statutory member contribution rate increased to 14% on July 1, 2016.	Employee and member contribution rates are established by the OPERS Board and limited by Chapter 145 of the Ohio Revised Code. For 2016, employer rates for the State and Local Divisions were 14% of covered payroll (and 18.1% for the Law Enforcement and Public Safety Divisions). Member rates for the State and Local Divisions were 10% of covered payroll (13% for Law Enforcement and 12% for Public Safety).
Measurement Date	June 30, 2016	December 31, 2016
Actuarial Assumptions	Valuation Date: July 1, 2016 Actuarial Cost Method: Individual entry age Investment Rate of Return: 7.75% Inflation: 2.75% Projected Salary Increases: 2.75% - 12.25% Cost-of-Living Adjustments: 2.00% Simple, applied as follows: for members retiring before August 1, 2013, 2% per year; for members retiring August 1, 2013 or later, 2% COLA commences on fifth anniversary of the retirement date.	Valuation Date: December 31, 2016 Actuarial Cost Method: Individual entry age Investment Rate of Return: 7.5% Inflation: 3.25% Projected Salary Increases: 3.25% - 10.75% Cost-of-Living Adjustments: 3.00% Simple – for those retiring after January 7, 2013, 3.00% Simple through 2018, then 2.15% Simple.

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

	STRS-Ohio	OPERS
Mortality Rates	RP-2000 Combined Mortality Table (Projection 2022–Scale AA) for Males and Females. Males' ages are set back two years through age 89 and no setback for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and no set back from age 90 and above.	RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.
Date of Last Experience Study	July 1, 2012	December 31, 2015

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

	STRS-Ohio	OPERS																																																
Investment Return Assumptions	<p>The 10 year expected real rate of return on pension plan investments was determined by STRS Ohio's investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and long-term expected real rate of return for each major asset class are summarized as follows:</p> <table> <tr> <th>Asset Class</th><th>Target Allocation</th><th>Long Term Expected Return*</th></tr> <tr> <td>Domestic Equity</td><td>31.0%</td><td>8.00%</td></tr> <tr> <td>International Equity</td><td>26.0%</td><td>7.85%</td></tr> <tr> <td>Alternatives</td><td>14.0%</td><td>8.00%</td></tr> <tr> <td>Fixed Income</td><td>18.0%</td><td>3.75%</td></tr> <tr> <td>Real Estate</td><td>10.0%</td><td>6.75%</td></tr> <tr> <td>Liquidity Reserves</td><td>1.0%</td><td>3.00%</td></tr> <tr> <td>Total</td><td>100%</td><td></td></tr> </table> <p>* Returns presented as geometric means</p>	Asset Class	Target Allocation	Long Term Expected Return*	Domestic Equity	31.0%	8.00%	International Equity	26.0%	7.85%	Alternatives	14.0%	8.00%	Fixed Income	18.0%	3.75%	Real Estate	10.0%	6.75%	Liquidity Reserves	1.0%	3.00%	Total	100%		<p>The long term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. The following table displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:</p> <table> <tr> <th>Asset Class</th><th>Target Allocation</th><th>Long Term Expected Return*</th></tr> <tr> <td>Fixed Income</td><td>23.0%</td><td>2.75%</td></tr> <tr> <td>Domestic Equity</td><td>20.7%</td><td>6.34%</td></tr> <tr> <td>Real Estate</td><td>10.0%</td><td>4.75%</td></tr> <tr> <td>Private Equity</td><td>10.0%</td><td>8.97%</td></tr> <tr> <td>International Equity</td><td>18.3%</td><td>7.95%</td></tr> <tr> <td>Other Investments</td><td>18.0%</td><td>4.92%</td></tr> <tr> <td>Total</td><td>100.0%</td><td></td></tr> </table> <p>* Returns presented as arithmetic means</p>	Asset Class	Target Allocation	Long Term Expected Return*	Fixed Income	23.0%	2.75%	Domestic Equity	20.7%	6.34%	Real Estate	10.0%	4.75%	Private Equity	10.0%	8.97%	International Equity	18.3%	7.95%	Other Investments	18.0%	4.92%	Total	100.0%	
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Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

	STRS-Ohio	OPERS												
Discount Rate	The discount rate used to measure the total pension liability was 7.75% as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2016. Therefore, the long-term expected rate of return on pension plan investments of 7.75% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2016.	The discount rate used to measure the total pension liability was 7.5% for the Traditional Pension Plan, the Combined Plan and the Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.												
Sensitivity of Net Pension Liability to Changes in Discount Rate	<table> <tr> <th>1% Decrease (6.75%)</th><th>Current Rate (7.75%)</th><th>1% Increase (8.75%)</th></tr> <tr> <td>\$ 2,007,749</td><td>\$ 1,510,814</td><td>\$ 1,091,620</td></tr> </table>	1% Decrease (6.75%)	Current Rate (7.75%)	1% Increase (8.75%)	\$ 2,007,749	\$ 1,510,814	\$ 1,091,620	<table> <tr> <th>1% Decrease (6.5%)</th><th>Current Rate (7.5%)</th><th>1% Increase (8.5%)</th></tr> <tr> <td>\$ 3,147,036</td><td>\$ 2,054,548</td><td>\$ 1,144,550</td></tr> </table>	1% Decrease (6.5%)	Current Rate (7.5%)	1% Increase (8.5%)	\$ 3,147,036	\$ 2,054,548	\$ 1,144,550
1% Decrease (6.75%)	Current Rate (7.75%)	1% Increase (8.75%)												
\$ 2,007,749	\$ 1,510,814	\$ 1,091,620												
1% Decrease (6.5%)	Current Rate (7.5%)	1% Increase (8.5%)												
\$ 3,147,036	\$ 2,054,548	\$ 1,144,550												

Changes in Assumptions between Measurement Date and Report Date

In March 2017, the STRS-Ohio Board adopted certain assumption changes, which will impact their annual actuarial valuation prepared as of June 30, 2017. The most significant change is a reduction in the discount rate from 7.75% to 7.45%. Also, in April 2017, the STRS-Ohio Board voted to suspend cost of living adjustments granted on or after July 1, 2017. Although the exact amounts of these changes are not known, they are expected to have a significant impact on net pension liabilities to be reported at June 30, 2018.

Defined Contribution Plans

ARP is a defined contribution pension plan. Full-time administrative and professional staff and faculty may choose enrollment in ARP in lieu of OPERS or STRS Ohio. Classified civil service

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

employees hired on or after August 1, 2005 are also eligible to participate in ARP. ARP does not provide disability benefits, annual cost-of-living adjustments, post-retirement health care benefits or death benefits to plan members and beneficiaries. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant's choice of investment options.

OPERS also offers a defined contribution plan, the Member-Directed Plan (MD). The MD plan does not provide disability benefits, annual cost-of-living adjustments, post-retirement health care benefits or death benefits to plan members and beneficiaries. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant's choice of investment options.

STRS Ohio also offers a defined contribution plan in addition to its long established defined benefit plan. Employer contributions at a rate of 9.5% and all employee contributions are placed in an investment account directed by the employee. Disability benefits are limited to the employee's account balance. Employees electing the defined contribution plan receive no post-retirement health care benefits.

Combined Plans

STRS Ohio offers a combined plan with features of both a defined contribution plan and a defined benefit plan. In the combined plan, employee contributions are invested in self-directed investments, and the employer contribution is used to fund a reduced defined benefit. Employees electing the combined plan receive post-retirement health care benefits.

OPERS also offers a combined plan. This is a cost-sharing multiple-employer defined benefit plan that has elements of both a defined benefit and defined contribution plan. In the combined plan, employee contributions are invested in self-directed investments, and the employer contribution is used to fund a reduced defined benefit. Employees electing the combined plan receive post-retirement health care benefits. OPERS provides retirement, disability, survivor and post-retirement health benefits to qualifying members of the combined plan.

Summary of Employer Pension Expense

Total pension expense for the year ended June 30, 2017, including employer contributions and accruals associated with recognition of net pension liabilities and related deferrals, is presented below.

	STRS-Ohio	OPERS	ARP	Total
Employer Contributions	\$ 70,373	\$ 188,762	\$ 56,425	\$ 315,560
GASB 68 Accruals	49,919	298,941		348,860
Total Pension Expense	<u>\$ 120,292</u>	<u>\$ 487,703</u>	<u>\$ 56,425</u>	<u>\$ 664,420</u>

Total pension expense for the year ended June 30, 2016, including employer contributions and accruals associated with recognition of net pension liabilities and related deferrals, is presented below.

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

	STRS-Ohio	OPERS	ARP	Total
Employer Contributions	\$ 66,975	\$ 178,293	\$ 53,423	\$ 298,691
GASB 68 Accruals	11,006	100,197		111,203
Total Pension Expense	<u>\$ 77,981</u>	<u>\$ 278,490</u>	<u>\$ 53,423</u>	<u>\$ 409,894</u>

Pension expense is allocated to institutional functions on the Statement of Revenues, Expenses and Other Changes in Net Position.

Post-Retirement Health Care Benefits

STRS Ohio currently provides access to health care coverage to retirees who participated in the defined benefit or combined plans and their dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Pursuant to ORC, STRS Ohio has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care costs in the form of monthly premiums. Under ORC, medical costs paid from the funds of STRS Ohio are included in the employer contribution rate. For the fiscal year ended June 30, 2016, STRS Ohio made no allocation of employer contributions for post-employment health care.

OPERS currently provides post-employment health care benefits to retirees with ten or more years of qualifying service credit. These benefits are advance-funded on an actuarially determined basis and are financed through employer contributions and investment earnings. OPERS determines the amount, if any, of the associated health care costs that will be absorbed by OPERS. Under Ohio Revised Code (ORC), funding for medical costs paid from the funds of OPERS is included in the employer contribution rate. For calendar years 2016 and 2017, OPERS allocated 2.0% and 1.0%, respectively, of the employer contribution rate to fund the health care program for retirees.

OSU Physicians Retirement Plan

Retirement benefits are provided for the employees of OSUP through a tax-sheltered 403(b) and 401(a) program administered by an insurance company. OSUP is required to make nondiscretionary contributions of no less than 7.5% under the Interim Retirement Plan; however, some subsidiaries make an additional discretionary contribution of up to 17.5%, for a range of total employer contributions of 7.5% to 25%. Employees are allowed, but not required, to make contributions to the 403(b) plan. OSUP's share of the cost of these benefits was \$4,619 and \$3,949 for the years ended June 30, 2017 and 2016, respectively.

Employee contributions were \$1,745 and \$1,603 for the years ended June 30, 2017 and 2016.

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

NOTE 16 — CAPITAL PROJECT COMMITMENTS

At June 30, 2017, the university is committed to future contractual obligations for capital expenditures of approximately \$262,286.

These projects are funded by the following sources:

State appropriations	\$ 72,999
Internal and other sources	189,287
Total	<u>\$ 262,286</u>

NOTE 17 — CONTINGENCIES AND RISK MANAGEMENT

The university is a party in a number of legal actions. While the final outcome cannot be determined at this time, management is of the opinion that the liability, if any, for these legal actions will not have a material adverse effect on the university's financial position.

The university is self-insured for the Health System's professional malpractice liability, employee health benefits, workers' compensation and employee life, accidental death and dismemberment benefits. Additional details regarding these self-insurance arrangements are provided in Note 8. The university also carries commercial insurance policies for various property, casualty and excess liability risks. Over the past three years, settlement amounts related to these insured risks have not exceeded the university's coverage amounts.

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. While questioned costs may occur, ultimate repayments required of the university have been infrequent in prior years.

NOTE 18 — PARKING LEASE AND CONCESSION AGREEMENT

On September 21, 2012, the university entered into a 50-year lease and concession agreement with QIC Global Infrastructure (QIC GI). CampusParc LP, a QIC GI affiliate, owns and operates the university's parking concession on QIC GI's behalf. Under the agreement, CampusParc operates, maintains and retains parking revenues from the university's parking lots and garages. This agreement also regulates the parking rates that may be charged and future increases in these rates. The university received lump-sum payments totaling \$483,000 from QIC GI and used the proceeds to establish endowment funds, with income distributions internally designated to support student scholarships, faculty initiatives and research, transportation and sustainability and the university arts district.

The lump-sum payment under this service concession arrangement is reported as a deferred inflow of resources and is being amortized to operating revenue over the life of the agreement. Deferred inflows related to the parking agreement were \$435,807 and \$445,439 at June 30,

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

2017 and 2016, respectively. The university reports the parking lots and garages as capital assets with a carrying amount of \$124,417 and \$124,985 at June 30, 2017 and 2016, respectively.

NOTE 19 – COMBINING INFORMATION FOR BLENDED COMPONENT UNITS

As indicated in the Basis of Presentation in Note 1, the university consolidates certain component units in a blended presentation. Condensed combining financial information for the years ended June 30, 2017 and 2016 is presented below.

Condensed Combining Information – Year Ended June 30, 2017

	OSU Foundation	OSU Health Plan	Ova Limited
Condensed statements of net position:			
Current assets	\$ 47,236	\$ 6,252	\$ 50,634
Capital assets, net	3,271	168	-
Other assets	1,002,456	585	-
Total assets	<u>\$ 1,052,963</u>	<u>\$ 7,005</u>	<u>\$ 50,634</u>
Current liabilities	\$ 3,748	\$ 2,546	\$ 44
Noncurrent liabilities	48,025	467	21,895
Amounts payable to the university	1,853	-	-
Total liabilities	<u>53,626</u>	<u>3,013</u>	<u>21,939</u>
Net investment in capital assets	3,271	-	-
Restricted:			
Nonexpendable	824,383	-	-
Expendable	158,733	-	-
Unrestricted	12,950	3,992	28,695
Total net position	<u>999,337</u>	<u>3,992</u>	<u>28,695</u>
Total liabilities and net position	<u>\$ 1,052,963</u>	<u>\$ 7,005</u>	<u>\$ 50,634</u>

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

	OSU Foundation	OSU Health Plan	Oval Limited
Condensed statements of revenues, expenses and changes in net position:			
Operating revenues:			
Other sales, services and rental income	\$ 1,885	\$ 10,730	\$ 1,406
Total operating revenues	1,885	10,730	1,406
Operating expenses, excluding depreciation	22,380	10,787	193
Depreciation expense	247	-	-
Total operating expenses	22,627	10,787	193
Net operating income (loss)	(20,742)	(57)	1,213
Non-operating revenues and expenses:			
Gifts for current use	179,912	-	-
Net investment income (loss)	116,623	-	3,010
Net non-operating revenue (expense)	296,535	-	3,010
Capital contributions and additions to permanent endowments	79,229	-	-
Transfers from (to) the university	(235,448)	-	-
Change in net position	119,574	(57)	4,223
Beginning net position	879,763	4,049	24,472
Ending net position	\$ 999,337	\$ 3,992	\$ 28,695
Condensed statements of cash flows:			
Net cash provided (used) by:			
Operating activities	\$ (19,578)	\$ 1,817	\$ (1,264)
Noncapital financing activities	(6,519)	(2,081)	-
Capital and related financing activities	26,771	(138)	-
Investing activities	1,195	62	3,023
Net increase (decrease) in cash	1,869	(340)	1,759
Beginning cash and cash equivalents	2,494	5,994	1,758
Ending cash and cash equivalents	\$ 4,363	\$ 5,654	\$ 3,517

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Condensed Combining Information – Year Ended June 30, 2016

	OSU Foundation	OSU Health Plan	Oval Limited
Condensed statements of net position:			
Current assets	\$ 47,947	\$ 6,764	\$ 51,449
Capital assets, net	3,518	31	-
Other assets	879,169	648	-
Amounts receivable from the university	-	-	-
Deferred outflows	-	-	-
Total assets and deferred outflows	<u>\$ 930,634</u>	<u>\$ 7,443</u>	<u>\$ 51,449</u>
Current liabilities	\$ 3,881	\$ 885	\$ 50
Noncurrent liabilities	45,442	428	26,927
Amounts payable to the university	1,548	2,081	-
Deferred inflows	-	-	-
Total liabilities and deferred inflows	<u>50,871</u>	<u>3,394</u>	<u>26,977</u>
Net investment in capital assets	3,518	-	-
Restricted:			
Nonexpendable	744,159	-	-
Expendable	121,124	-	-
Unrestricted	10,962	4,049	24,472
Total net position	<u>879,763</u>	<u>4,049</u>	<u>24,472</u>
Total liabilities, deferred inflows and net position	<u>\$ 930,634</u>	<u>\$ 7,443</u>	<u>\$ 51,449</u>

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

	OSU Foundation	OSU Health Plan	Oval Limited
Condensed statements of revenues, expenses and changes in net position:			
Operating revenues:			
Grants and contracts	\$ -	\$ -	\$ -
Sales and services of OSU Physicians	-	-	-
Other sales, services and rental income	1,846	12,138	759
Other operating	-	-	-
Total operating revenues	1,846	12,138	759
Operating expenses, excluding depreciation	22,531	11,581	152
Depreciation expense	247	-	-
Total operating expenses	22,778	11,581	152
Net operating income (loss)	(20,932)	557	607
Non-operating revenues and expenses:			
Gifts for current use	156,737	-	-
Net investment income (loss)	(12,441)	-	502
Interest expense	-	-	-
Other non-operating revenue (expense)	-	-	-
Net non-operating revenue (expense)	144,296	-	502
Capital contributions and additions to permanent endowments	75,415	-	-
Transfers from (to) the university	(197,297)	-	-
Change in net position	1,482	557	1,109
Beginning net position	878,281	3,492	23,363
Ending net position	\$ 879,763	\$ 4,049	\$ 24,472
Condensed statements of cash flows:			
Net cash provided (used) by:			
Operating activities	\$ (19,660)	\$ 39	\$ 1,198
Noncapital financing activities	29,991	1,332	-
Capital and related financing activities	10,422	104	-
Investing activities	(21,536)	(31)	(12,295)
Net increase (decrease) in cash	(783)	1,444	(11,097)
Beginning cash and cash equivalents	3,276	4,551	12,854
Ending cash and cash equivalents	\$ 2,493	\$ 5,995	\$ 1,757

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

NOTE 20 – COMBINING INFORMATION FOR DISCRETELY PRESENTED COMPONENT UNITS

As indicated in the Basis of Presentation in Note 1, the university consolidates certain component units in a discrete presentation. Condensed combining financial information for the years ended June 30, 2017 and 2016 is presented below.

Condensed Combining Information – Year Ended June 30, 2017

	OSU Physicians	Campus Partners	Transportation Research Center	Denta Faculty Practice Plan
Condensed statements of net position:				
Current assets	\$ 164,004	\$ 9,581	\$ 11,319	\$ 1,485
Capital assets, net	24,330	88,410	9,341	86
Other assets	1,602	2,612	-	-
Amounts receivable from the university	8,663	-	4,002	-
Deferred outflows	-	-	155	-
Total assets and deferred outflows	<u>\$ 198,599</u>	<u>\$ 100,603</u>	<u>\$ 24,817</u>	<u>\$ 1,571</u>
Current liabilities	\$ 12,719	\$ 7,370	\$ 7,724	\$ 55
Noncurrent liabilities	13,931	25,373	382	-
Amounts payable to the university	19,401	77,894	6,000	-
Deferred inflows	-	-	10	-
Total liabilities and deferred inflows	<u>46,051</u>	<u>110,637</u>	<u>14,116</u>	<u>55</u>
Net investment in capital assets	9,640	86,363	9,341	86
Unrestricted	142,908	(96,397)	1,360	1,430
Total net position	<u>152,548</u>	<u>(10,034)</u>	<u>10,701</u>	<u>1,516</u>
Total liabilities, deferred inflows and net position	<u>\$ 198,599</u>	<u>\$ 100,603</u>	<u>\$ 24,817</u>	<u>\$ 1,571</u>

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

	OSU Physicians	Campus Partners	Transportation Research Center	Dental Faculty Practice Plan
Condensed statements of revenues, expenses and changes in net position:				
Operating revenues:				
Grants and contracts	\$ -	\$ 12,693	\$ 47,007	\$ -
Sales and services of OSU Physicians	496,364	-	-	-
Other sales, services and rental income	-	-	-	8,935
Total operating revenues	496,364	12,693	47,007	8,935
Operating expenses, excluding depreciation	444,362	10,779	46,417	6,079
Depreciation expense	3,740	3,121	250	27
Total operating expenses	448,102	13,900	46,667	6,106
Net operating income (loss)	48,262	(1,207)	340	2,829
Non-operating revenues and expenses:				
Net investment income (loss)	215	103	163	-
Interest expense	(369)	(1,154)	(61)	-
Other non-operating revenue (expense)	(18,605)	(9,451)	-	(2,713)
Net non-operating revenue (expense)	(18,759)	(10,502)	102	(2,713)
Change in net position	29,503	(11,709)	442	116
Beginning net position	123,045	1,675	10,259	1,400
Ending net position	\$ 152,548	\$ (10,034)	\$ 10,701	\$ 1,516
Condensed statements of cash flows:				
Net cash provided (used) by:				
Operating activities	\$ 58,225	\$ 6,596	\$ 174	\$ 2,883
Noncapital financing activities	(18,604)	(1,519)	5,667	(2,714)
Capital and related financing activities	(5,049)	(3,742)	(4,587)	(70)
Investing activities	1,357	39	162	(92)
Net increase (decrease) in cash	35,929	1,374	1,416	7
Beginning cash and cash equivalents	79,695	5,975	937	394
Ending cash and cash equivalents	\$ 115,624	\$ 7,349	\$ 2,353	\$ 401

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Condensed Combining Information – Year Ended June 30, 2016

	OSU Physicians	Campus Partners	Transportation Research Center	Dental Faculty Practice Plan
Condensed statements of net position:				
Current assets	\$ 131,333	\$ 11,599	\$ 9,029	\$ 1,369
Capital assets, net	24,297	92,373	1,250	44
Other assets	5,209	-	-	-
Amounts receivable from the university	15,481	-	3,670	-
Deferred outflows	-	-	124	-
Total assets and deferred outflows	\$ 176,320	\$ 103,972	\$ 14,073	\$ 1,413
Current liabilities	\$ 14,365	\$ 31,413	\$ 3,441	\$ 13
Noncurrent liabilities	15,140	-	366	-
Amounts payable to the university	23,770	70,884	-	-
Deferred inflows	-	-	7	-
Total liabilities and deferred inflows	53,275	102,297	3,814	13
Net investment in capital assets	6,444	92,373	1,251	-
Restricted:				
Nonexpendable	-	-	-	-
Expendable	-	-	-	-
Unrestricted	116,601	(90,698)	9,008	1,400
Total net position	123,045	1,675	10,259	1,400
Total liabilities, deferred inflows and net position	\$ 176,320	\$ 103,972	\$ 14,073	\$ 1,413

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

	OSU Physicians	Campus Partners	Transportation Research Center	Dental Faculty Practice Plan
Condensed statements of revenues, expenses and changes in net position:				
Operating revenues:				
Grants and contracts	\$ -	\$ 8,498	\$ 44,456	\$ -
Sales and services of OSU Physicians	487,429	-	-	-
Other sales, services and rental income	-	-	-	8,758
Other operating	-	-	-	-
Total operating revenues	487,429	8,498	44,456	8,758
Operating expenses, excluding depreciation	441,333	9,816	44,052	5,452
Depreciation expense	4,326	1,821	242	36
Total operating expenses	445,659	11,637	44,294	5,488
Net operating income (loss)	41,770	(3,139)	162	3,270
Non-operating revenues and expenses:				
Gifts for current use	-	-	-	-
Net investment income (loss)	76	(91)	(154)	-
Interest expense	(395)	(1,215)	-	-
Other non-operating revenue (expense)	(9,422)	4,044	-	(3,172)
Net non-operating revenue (expense)	(9,741)	2,738	(154)	(3,172)
Capital contributions and additions to permanent endowments	-	3,789	-	-
Change in net position	32,029	3,388	8	98
Beginning net position	91,016	(1,713)	10,251	1,302
Ending net position	\$ 123,045	\$ 1,675	\$ 10,259	\$ 1,400
Condensed statements of cash flows:				
Net cash provided (used) by:				
Operating activities	\$ 28,792	\$ 26,882	\$ (374)	\$ 3,276
Noncapital financing activities	(9,422)	15,283	306	(3,172)
Capital and related financing activities	(3,703)	(42,232)	(977)	-
Investing activities	(4,079)	(91)	(154)	(34)
Net increase (decrease) in cash	11,588	(158)	(1,199)	70
Beginning cash and cash equivalents	68,107	6,134	2,139	324
Ending cash and cash equivalents	\$ 79,695	\$ 5,976	\$ 940	\$ 394

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

NOTE 21 – SEGMENT INFORMATION

A segment is an identifiable activity for which one or more revenue bonds are outstanding. A segment has a specific identifiable revenue stream pledged in support of revenue bonds or other revenue-backed debt and has related expenses, gains, losses, assets and liabilities that can be identified. The university has one segment that meets the GASB reporting requirements.

The Office of Student Life operates student housing, dining and recreational sports facilities on the university's main and regional campuses. In January 2013, the university issued \$337,955 of Special Purpose General Receipts Bonds, Series 2013A. These bonds are solely payable from, and secured by, a pledge of the gross revenues of Special Purpose Revenue Facilities. Special Purpose Revenue Facilities are defined in the Series 2013 Supplement as all housing and dining facilities and such auxiliary facilities as shall constitute recreation facilities owned by the university. Special Purpose Pledged Revenues include all revenues, fees, rentals, rates, charges, insurance proceeds and other moneys derived from the ownership or operation of these facilities. Special Purpose Pledged Revenues totaled \$213,564 and \$172,002 for the years ended June 30, 2017 and 2016, respectively.

Condensed financial information for the Special Purpose Revenue Facilities, before the elimination of certain intra-university transactions, as of and for the years ended June 30, 2017 and 2016 is as follows:

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

Segment Disclosure Information – Year Ended June 30, 2017 and June 30, 2016

	2017	2016
Condensed Statement of Net Position		
Assets and deferred outflows:		
Current assets	\$ 26,022	\$ 24,926
Capital assets	725,840	728,836
Other assets	2,356	35,464
Total assets	<u>\$ 754,218</u>	<u>\$ 789,226</u>
Liabilities and deferred inflows:		
Current liabilities	\$ 7,365	\$ 6,943
Amounts payable to the university	755,890	784,135
Total liabilities	<u>763,255</u>	<u>791,078</u>
Net position:		
Net investment in capital assets	(27,695)	(19,835)
Unrestricted	18,658	17,983
Total net position	<u>(9,037)</u>	<u>(1,852)</u>
Total liabilities and net position	<u>\$ 754,218</u>	<u>\$ 789,226</u>

	2017	2016
Condensed Statement of Revenues, Expenses and Changes in Net Position		
Special-purpose pledged revenues - operating	\$ 213,564	\$ 172,002
Operating expenses, excluding depreciation	(141,323)	(121,182)
Depreciation expense	(32,604)	(28,110)
Operating income	39,637	22,710
Nonoperating revenues, net	(32,499)	(33,326)
Net income (loss) before transfers	7,138	(10,616)
Transfers from (to) other university units, net	(14,323)	8,366
Increase (decrease) in net position	(7,185)	(2,250)
Beginning net position	(1,852)	398
Ending net position	<u>\$ (9,037)</u>	<u>\$ (1,852)</u>

Condensed Statement of Cash Flows		
Net cash provided (used) by:		
Operating activities	\$ 533,452	\$ 402,744
Capital and related financing activities	(565,713)	(531,575)
Investing activities	180	95
Net increase (decrease) in cash	(32,081)	(128,736)
Beginning cash and cash equivalents	59,242	187,978
Ending cash and cash equivalents	<u>\$ 27,161</u>	<u>\$ 59,242</u>

Notes to Financial Statements – Years Ended June 30, 2017 and 2016

(dollars in thousands)

NOTE 22 – SUBSEQUENT EVENTS

On April 10, 2017, the university entered into a 50-year agreement to lease the university's utility system to Ohio State Energy Partners and grant it the exclusive right to operate the utility system and provide utility services to the Columbus campus. The university received an upfront payment of \$1,089,875. The agreement includes the sale of certain utility-related equipment assets, which will be recognized in Fiscal Year 2018. The majority of the remainder of the upfront payment will be recorded as unearned revenues and amortized to revenue on a straight-line basis over the life of the agreement.

Related to this transaction, the university entered into an interest-rate swap agreement with Barclays Bank, PLC on April 10, 2017 for a notional amount of \$397,000 to hedge interest-rate risk prior to the closing of the utility lease and concession agreement. The university terminated the swap on May 26, 2017 and made a \$15,713 payment on July 6, 2017. This payment was reflected in the university's June 30, 2017 financial statements as a non-operating loss and a corresponding current liability.

The Ohio State University
Required Supplementary Information on GASB 68 Pension Liabilities
Year Ended June 30, 2017
(Unaudited)

The schedule of the university's proportionate shares of STRS-Ohio and OPERS net pension liabilities are presented below:

<i>(dollars in thousands)</i>	2017		2016		2015	
	STRS-Ohio	OPERS	STRS-Ohio	OPERS	STRS-Ohio	OPERS
University's proportion of the net pension liability	4.5%	9.1%	4.5%	9.0%	4.4%	8.8%
University's proportionate share of the net pension liability	\$ 1,510,814	\$ 2,054,548	\$ 1,238,470	\$ 1,556,156	\$ 1,070,914	\$ 1,059,519
University's covered payroll	\$ 392,797	\$ 1,289,346	\$ 388,309	\$ 1,236,914	\$ 381,669	\$ 1,188,828
University's proportionate share of the net pension liability as a percentage of its covered payroll	385%	159%	319%	126%	281%	89%
Plan fiduciary net position as a percentage of the total pension liability	66.8%	77.4%	72.1%	81.2%	74.7%	86.5%

The schedule of the university's contributions to STRS-Ohio and OPERS are presented below:

<i>(dollars in thousands)</i>	2017		2016		2015	
	STRS-Ohio	OPERS	STRS-Ohio	OPERS	STRS-Ohio	OPERS
Contractually required contribution	\$ 70,373	\$ 188,762	\$ 66,975	\$ 178,293	\$ 65,738	\$ 170,979
Contributions in relation to the contractually required contribution	\$ 70,373	\$ 188,762	\$ 66,975	\$ 178,293	\$ 65,738	\$ 170,979
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered payroll	\$ 412,149	\$ 1,334,350	\$ 392,797	\$ 1,260,366	\$ 388,309	\$ 1,208,710
Contributions as a percentage of covered payroll	17.1%	14.1%	17.1%	14.1%	16.9%	14.1%

The Ohio State University
Supplementary Information on the Long-Term Investment Pool
Year Ended June 30, 2017
(Unaudited)

The following section of the financial report provides additional information on the university's Long-Term Investment Pool, including a summary of changes in market value, investment returns and related expenses. Additional details on university investments, including asset allocations, endowment distribution policies, investment by type and risk disclosures, are provided in Notes 1 and 3 to the Financial Statements.

In 2017, the market value of the university's Long-Term Investment Pool – which includes gifted endowments, long-term investments of university operating funds and other funds internally designated to function as endowments – increased \$637 million, to \$4.25 billion at June 30, 2017. The Long-Term Investment Pool activity for 2017 is summarized below:

Long-Term Investment Pool Activity (in thousands)

	Gifted Endowments		Quasi - Endowments		Total
	University	Foundation	Operating	Designated	
Balance at June 30, 2016	\$ 977,173	\$ 763,332	\$ 1,203,959	\$ 672,098	\$ 3,616,562
Net Principal: Additions/(Withdrawals)	5,966	49,557	(1,309)	269,850	324,064
Change in Fair Value	120,236	97,309	147,630	107,583	472,758
Income Earned	20,242	16,286	24,852	17,604	78,984
Distributions	(42,767)	(34,316)	(52,604)	(36,923)	(166,610)
Expenses	(18,529)	(14,907)	(22,749)	(16,114)	(72,299)
Balance at June 30, 2017	\$ 1,062,321	\$ 877,261	\$ 1,299,779	\$ 1,014,098	\$ 4,253,459

Net principal additions (withdrawals) for gifted endowments include new endowment gifts and reinvestment of unused endowment distributions. **Change in fair value** includes realized gains and losses for assets sold during the year and unrealized gains and losses for assets held in the pool at June 30, 2017. **Income earned** includes interest and dividends and is used primarily to fund **distributions**. **Expenses** include investment management expenses (\$55 million), University Development related expenses (\$16 million) and other investment related expenses (\$1 million).

Investment Returns and Expenses:

The investment return for the Long-Term Investment Pool was 14.5% for fiscal year 2017. The annualized investment returns for the three-year and five-year periods were 4.7% and 7.9%, respectively. These returns -- which are net of investment management expenses as defined by Cambridge Associates for its annual survey -- are used for comparison purposes with other endowments and various benchmarks. In addition to the \$55 million of investment management expenses, which reduced the pool

by 1.5% in fiscal year 2017, the \$16 million of University Development expenses and \$1 million of other investment related expenses further reduced the pool by 0.5%.

Additional Information:

For more information on how the Long-Term Investment Pool is invested, please visit the Office of Investments website at: investments.osu.edu.

Additional details on university and foundation endowments, including balances for individual funds, are available on the Office of the Controller's website at: go.osu.edu/EndowAdmin (click on the "Endowment Descriptions and Balances" link).

Draft, 10/16/17, 5:30pm

Placeholder for YB opinion

Draft, 10/16/17, 5:30pm

Placeholder for YB opinion

Draft, 10/16/17, 5:30pm

Acknowledgements

The 2017 Financial Report and the included financial statements are prepared by the staff of the Office of the Controller.

Erica N. Armstrong

Lisa A. Plaga

Natalie H. Darner

Patricia M. Privette

Christopher Davis

Wei Qu

Thomas F. Ewing

Dawn M. Romie

Rachel R. Ford

Julie L. Saunders

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Gary L. Leimbach

Timothy A. Thibodeau

John C. Lister

Christopher R. Wagner

Michelle M. McMahon

Mary J. Wehner

Geoffrey S. Chatas - Senior Vice President and Chief Financial Officer

Kristine G. Devine – Vice President for Operations and Deputy CFO

Board of Trustees

The expiration date of each trustee's term is given in parentheses.

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W. G. Jurgensen – Vice Chair, Columbus (2018)

Janet B. Reid – Vice Chair, Cincinnati (2018)

Clark C. Kellogg, Westerville (2019)

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James D. Klingbeil – Charter Trustee, San Francisco, CA (2018)

Lydia A. Lancaster – Student Member, Columbus (2018)

H. Jordan Moseley – Student Member, Albany (2019)

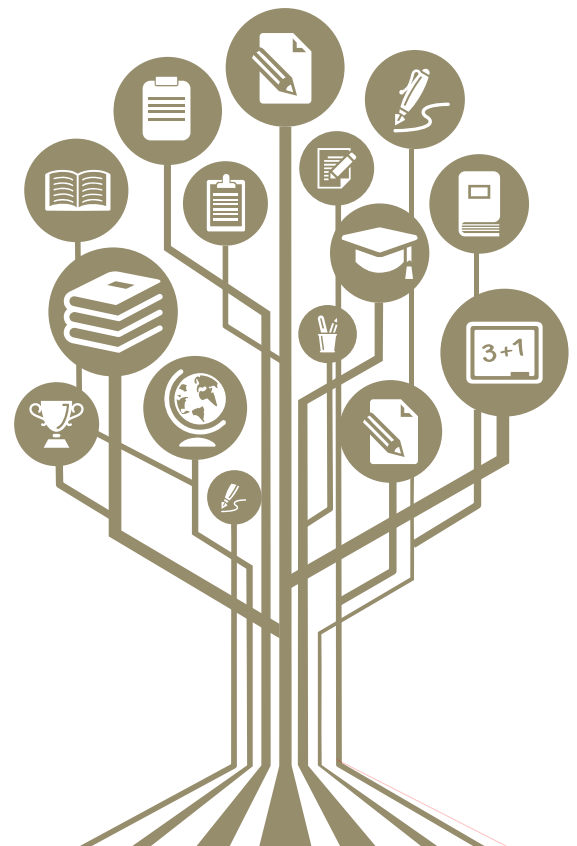
J. Blake Thompson, Upper Arlington - Secretary



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The Ohio State University Required Communications to the Audit and Compliance Committee of the Board of Trustees

November 2, 2017





Members of the Audit and Compliance Committee of
The Ohio State University

October 23, 2017

Dear Members of the Committee:

Our continuing relationship with The Ohio State University (the "University") is an extremely important one to our firm. We have a strong appreciation for the responsibility of management and the Audit and Compliance Committee ("Committee") members, and understand the importance of the Committee's role to the Board of Trustees and stakeholders. We also recognize that the Committee and management place importance on the role that we play as independent auditors. We are committed to providing the highest level of quality service to the University and we accept and affirm our responsibility to the Committee and to the organization. We fulfill this responsibility by performing our audit in accordance with governing professional standards in an independent and professional manner.

Included within our report are the following:

- Overview of Audit Objectives and the Status of our Audit
- Summary of Critical Accounting Estimates and Management Judgments
- Other Communications Required by Auditing Standards

This report is intended solely for your information in your role as members of the Audit and Compliance Committee and should not be referred to or distributed for any purpose to anyone who is not a member of management, or the Board of Trustees.

We appreciate the courtesy and cooperation extended to us by the employees of the University throughout the performance of our engagement, and we look forward to meeting with you in November to present this report, address your questions and discuss any other matters of interest to the Committee.

Please feel free to contact Christa Dewire, Engagement Partner, at (614) 629-5344 with any questions you may have.

Very truly yours,

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP".

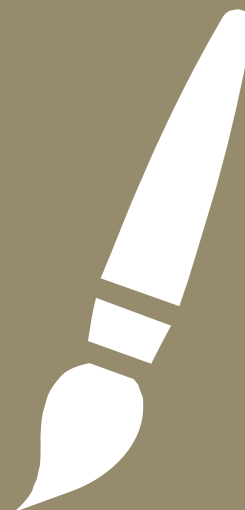
PricewaterhouseCoopers LLP

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Contents

<i>Executive Summary.....</i>	<i>1</i>
<i>Our Audit Objectives</i>	<i>4</i>
<i>Status of the Audit.....</i>	<i>5</i>
<i>Fraud Procedures Performed.....</i>	<i>6</i>
<i>Critical Accounting Estimates and Management Judgment.....</i>	<i>7</i>
<i>Required Communications to the Audit and Compliance Committee</i>	<i>12</i>
<i>Appendix A: Status of Deliverables</i>	<i>17</i>
<i>Appendix B: Draft Form of Reports</i>	<i>19</i>
<i>Appendix C: Draft Management Representation Letter</i>	<i>25</i>



THIS REPORT AND THE INFORMATION THAT IT CONTAINS ARE SOLELY FOR THE BENEFIT AND RESTRICTED USE OF MANAGEMENT AND THE AUDIT AND COMPLIANCE COMMITTEE OF THE OHIO STATE UNIVERSITY BOARD OF TRUSTEES AND ARE NOT INTENDED TO BE USED OR RELIED UPON BY ANY OTHER PARTY.



Executive Summary

Audit Objective and Status	<ul style="list-style-type: none"> ✓ Audit objectives consistent with previous communications. ✓ On track to sign University financial statement opinions following Committee approval. ✓ See Appendix A for status of other deliverables.
Fraud Procedures Performed	<ul style="list-style-type: none"> ✓ Consistent with plan – disaggregated revenue analytics, journal entry testing and review of estimates for management bias.
Critical Accounting Estimates and Management Judgments	<ul style="list-style-type: none"> ✓ No significant changes in management's estimation methodology or audit procedures performed related to significant risk areas: <ul style="list-style-type: none"> – Valuation of Certain Alternative Investments – Patient Accounts Receivables and related Allowances ✓ Other Critical Accounting Estimates <ul style="list-style-type: none"> – Medical malpractice liability – recurring adjustment (immaterial) – Net pension liability – changes in assumptions at Plan level
Fraud	<ul style="list-style-type: none"> ✓ To date, we have not identified any potential or known fraud.
Illegal acts	<ul style="list-style-type: none"> ✓ To date, we have not identified any potential illegal acts.
Accounting policies and practices, critical accounting estimates and significant unusual transactions	<ul style="list-style-type: none"> ✓ No significant changes in accounting policies or related disclosures. ✓ No significant accounting policies in controversial or emerging areas of focus for which there is a lack of authoritative guidance or consensus or diversity in practice. ✓ Upcoming accounting pronouncements of note: <ul style="list-style-type: none"> – GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (FY18) – GASB Statement No. 84, Fiduciary Activities (FY20) – GASB Statement No. 87, Leases (FY21) ✓ Critical accounting estimates – addressed above ✓ Significant unusual transactions – energy privatization agreement (subsequent event disclosure)
Quality of the company's financial reporting	<ul style="list-style-type: none"> ✓ Accounting policies are consistent with standard industry practices and are neither aggressive nor conservative. ✓ No matters noted to be indicative of unreasonable bias; critical accounting estimates appear reasonable. ✓ Financial statements are materially consistent with accounting principles generally accepted in the United States of America. ✓ No particularly sensitive financial statement disclosures noted.
Alternative accounting treatments	<ul style="list-style-type: none"> ✓ None noted.
Independence re-evaluation	<ul style="list-style-type: none"> ✓ No independence matters or concerns identified.



Executive Summary

Significant issues discussed with management prior to appointment or retention

✓ None noted.

Changes to the planned audit strategy

✓ No significant changes to our planned audit strategy.

Material uncertainties related to events and conditions (specifically going concern)

✓ None noted.

Identified misstatements

- ✓ No corrected misstatements identified by PwC.
- ✓ Three recurring uncorrected misstatements related to the Primary Institution, deemed to be immaterial individually and in the aggregate:
 - Overstatement of medical malpractice liability (\$9.1M in FY17 / \$9.9M in FY16)
 - Understatement of Health System revenue due to lag in timing of charges (\$4.6M in FY17 / \$6.5M in FY16)
 - Understatement of Health System revenue related to a lag in timing of positive claims adjustments (\$14.7M in FY17 / \$11.7M in FY16)
- ✓ One out of period adjustment related to Discretely Presented Component Units – deemed immaterial in relation to both current and prior year:
 - Overstatement of current period revenue (reflected within net operating expenses) / understatement of opening net position (\$1.2M in FY17 that should have been reflected in FY16)
- ✓ See Appendix C (pg. 31) for additional detail

Identified control deficiencies

- ✓ Significant deficiency identified in relation to a Discretely Presented Component Unit (Transportation Research Center, Inc.).
 - Challenges in relation to an ERP systems implementation late in the fiscal year, coupled with significant level of management turnover (particularly within the finance function) resulted in a number of accounting adjustments and delays in the preparation of the financial statements. See Appendix C (pg. 33) for additional detail.
 - Deemed to be a material weakness at the stand-alone component level
- ✓ Other control deficiencies will be communicated in writing upon completion of our fieldwork.

Other information in documents containing audited/reviewed financial statements

- ✓ Read MD&A and other supplementary information; no inconsistencies identified.

Disagreements with management

✓ None noted.

Consultation with other accountants

✓ None noted.

Difficulties encountered during the audit

✓ None noted.

Other material written communications

- ✓ Engagement letter shared with Committee Chair.
- ✓ Draft management representation letter – See Appendix C.



Executive Summary

Departure from standard report	- Unqualified reports – see Appendix B.
Other matters	- None noted.
Assessing our performance	- Feedback welcome – interactions with Committee Chair throughout the year.





Our Audit Objectives

Our audit objectives remain consistent with those communicated to the Committee in April.

- Our primary objective is to opine on the University's financial statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, which includes obtaining reasonable assurance about whether the financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP) and are free of material misstatement, whether caused by error or fraud.
- The financial statements subject to our opinions include the statements of net position as of June 30, 2017 and 2016, and the related statements of revenues, expenses, and other changes in net position and of cash flows for the years then ended and the related notes to the financial statements, of both the primary institution and the discretely presented component units.
 - > Additional information regarding the primary institution and discretely presented component units, as well as separate audit opinions or attest reports that are issued in relation to certain components or affiliates of the University are listed in **Appendix A**.

The audits of the financial statements do not relieve management or the Audit and Compliance Committee of their responsibilities. The engagement letter dated May 17, 2017 summarizes the respective responsibilities of PwC and management and has been shared with the Chair of the Audit and Compliance Committee.





Status of the Audit

We expect to have completed our audit procedures related to the University's financial statements by the Committee meeting on November 2, 2017. This document outlines our results to date as well as the audit areas that are in process as of October 23, 2017.

The following highlights the areas that are in-process of being wrapped up as of the date these materials were prepared:

- Subsequent events and other completion procedures; and
- Receipt of management's signed representation letters and legal letters

Our Uniform Guidance testing is in progress, however the direct cost testing performed for purposes of the compliance report is leveraged for purposes of our University financial statement audit and that has been completed.

The status and targeted delivery date with respect to the opinions on the University financial statements as well as certain component units are included in **Appendix A**.





Fraud Procedures Performed

We have a responsibility to plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. In order to fulfill that responsibility, we performed the following procedures to address fraud:

- Conducted interviews with senior management, management, internal audit and other employees regarding the University's fraud risks and their knowledge of any fraudulent activity.
- Considered the fraud risk factors present for the Board of Trustees, senior management, management and employees to commit fraud, including key incentives, pressures and opportunities.
- Evaluated whether the University's programs and controls that address identified risks of misstatement due to fraud have been suitably designed and placed in operation.
- Incorporated unpredictability in the selection of the nature, timing and extent of audit procedures performed.
- Considered the five key fraud risk areas and performed the following procedures to address identified risks:

Fraud Risk Area	Procedures Performed
Revenue recognition	<p>In order to address the risk of material misstatement due to fraud related to revenue recognition, we performed the following procedures:</p> <ul style="list-style-type: none"> • Prepared disaggregated risk assessment analytical procedures on revenue • Performed tests of details in relation to specific revenue streams, including patient service revenue • Performed cutoff procedures, ensuring revenues were reported in the period in which the recognition criteria were met
Journal entries and other adjustments	<p>In order to address the risk of management override, we examined journal entries and other adjustments for evidence of possible material misstatement due to fraud. Specifically, we performed the following procedures:</p> <ul style="list-style-type: none"> • Tested the completeness of the general ledger journal entry population • Selected journal entries for testing based on specified parameters • Performed an analysis over selected journal entries posted by certain users, to ensure postings appear reasonable in light of the employee's job title and responsibility
Accounting estimates	<p>We reviewed supporting evidence for accounting estimates recorded by management, including the valuation of certain alternative investments, the contractual allowance and allowance for doubtful accounts, as well as other estimates such as self-insurance reserves. We considered whether there was any indication of possible bias on the part of management.</p>
Significant unusual transactions	<p>On April 10, 2017, the University entered into a 50-year agreement to lease the University's utility system to ENGIE-Axium and grant it the exclusive right to operate the utility system and provide utility services to the Columbus campus. The impact on the 2017 financial statements is limited to subsequent event disclosure.</p>
Suspense and intercompany accounts	<p>There were no significant suspense or unreconciled intercompany accounts identified during our audit procedures.</p>





Critical Accounting Estimates and Management Judgment

To prepare financial statements in conformity with GAAP, management is required to use estimates and make certain judgments, which often have a material effect on the financial statements. Auditing standards require enhanced communications between the auditor and audit committees regarding such matters. Below we have articulated those items which we believe are the University's critical accounting estimates and judgments.

Valuation of Certain Alternative Investments

Investments are carried at fair value, based upon quoted market prices when available. Fair values for alternative investments which include real assets, hedge funds and private equity are measured using the net asset value ("NAV") provided by the associated external investment manager/general partners and reviewed by the University using the most recent audited and unaudited financial statements available. The following summarizes alternative investments held by the University by type (this excludes investments in real estate and REITs):

Alternative Investments by Type (in 000's)	6/30/17		6/30/16	
	Year-end Value	% of Total	Year-end Value	% of Total
Real Assets	\$709,006		\$671,304	
Hedge Funds	1,399,392		1,444,636	
Private Equity	647,328		570,509	
Total Alternative Investments	\$2,755,726	45%	\$2,686,449	51%
Total Investment Portfolio	\$6,058,727	100%	\$5,285,976	100%

During our planning communications, we noted a significant risk associated with the valuation assertions relating to certain investments within the alternative investment portfolio for which the investee funds do not follow the measurement principles provided by the FASB's standards on investment companies. Under GASB Statement No. 72, it is not appropriate to use NAV as a practical expedient for valuing these particular investments because the audited financial statements of the fund are not prepared on a basis consistent with FASB standards as it relates to fair value. As such, these investments require further consideration by management to determine fair value and have more subjectivity and judgment involved in their valuation. Of the above, approximately 19 alternative fund investments with fair value of \$156.5 million at June 30, 2017 met the definition of our significant risk (compared to 13 alternative fund investments with fair value of \$135.5 million at June 30, 2016).



The remaining alternative investment portfolio consists of investments that follow fair value measurement principles provided by the FASB standards on investment companies with information related to net asset value available at period end. Further, the investee funds that follow these FASB standards often invest in marketable investments and typically have a contractual relationship with an administrator that has a control environment attested to by an independent auditor (i.e. an SSAE 16 report). For these reasons, we do not deem investments in these more traditional types of funds to present a significant or elevated risk of material misstatement, although our approach for all alternative investments is similar.

There have been no significant changes in the processes management uses to estimate fair value of these types of investments, nor were there significant changes in the audit procedures we performed in relation to investments. Details regarding both management's process and our planned audit approach were shared with the Committee as part of our audit plan in April.

Patient Accounts Receivable and Related Allowances

	Health System		OSU Physicians	
(in 000's)	2017	2016	2017	2016
Gross patient A/R	\$987,364	\$964,811	\$101,787	\$116,489
Reserve for contractual allowances	(515,077)	(539,416)	(59,525)	(62,760)
Reserve for bad debts	(84,405)	(85,843)	(7,388)	(15,376)
Other reserves	(42,364)	(32,089)	-	-
Other patient A/R, net	30,012	16,997	n/a	n/a
Net patient service A/R	\$375,530	\$324,460	\$34,874	\$38,353
Net patient service revenue	\$2,660,647	\$2,471,249	\$353,491	\$343,334
Days revenue in patient accounts receivable	52 days	48 days	36 days	41 days
Bad debt expense, net	\$27,730	\$55,886	\$1,106	\$19,041
As a % of net patient revenue before bad debt provision	1.0%	2.2%	0.3%	5.3%

There have been no significant changes in the processes management uses to estimate these allowances, nor were there significant changes in the audit procedures we performed in relation to patient accounts receivable and related allowances. Details regarding both management's process and our planned audit approach were shared with the Committee as part of our audit plan in April.



Other Critical Accounting Estimates

The following are additional areas subject to judgment and estimate, which while not deemed to be significant risks for purposes of our audit, are subject to specific auditing procedures:

Medical Malpractice Liability

(in 000's)	June 30, 2017	June 30, 2016
Liability at beginning of fiscal year	\$84,800	\$98,578
Current year provision/(release)	(10,307)	(9,128)
Claim payments	(970)	(4,650)
Liability at fiscal year-end	\$73,523	\$84,800

The University maintains a self-insurance program for professional medical malpractice liability, which is made up of three funds (Fund I, Fund II and Oval) each of which provide for different levels of loss coverage. Management's estimate of professional medical malpractice liability is based on an independent actuarial determination and includes provisions for known claims (case reserves) and estimates of incurred but not reported claims and incidents (IBNR).

Key inputs and assumptions related to this liability include historical loss data (which is utilized by the third party actuary to estimate losses) and a discount rate, which management has established at 3% (consistent with prior year). In addition, due to the sensitivity surrounding the potential for one loss to be material, management has historically applied an additional cost factor to the actuary's estimate to bring the funding requirement to a 75% confidence level (consistent with prior year). This 'confidence level' is reflected in the recorded liability at June 30, 2017 and 2016.

Although actual experience upon the ultimate disposition of the claims may vary from this estimate, the medical malpractice designated fund assets as of June 30, 2017 are more than the recorded liability.

Our audit procedures are focused on the medical malpractice liability associated with Fund II (approximately 70% of the total liability at June 30, 2017). Consistent with prior years, we engage PwC subject matter experts to assist our engagement team in assessing the reasonableness of the methodologies and assumptions utilized by the University's independent actuarial consultants. In addition, we perform detailed testing in relation to the historical loss/claims information management provides to the actuary.

With regard to management's assumption regarding '75% confidence level,' we note that it is fairly common to see universities with medical malpractice liabilities apply an additional cost factor to bring their funding requirement to a selected confidence level. This is to address the volatility associated with such liabilities. However the factor typically doesn't meet the criteria for recognition as a liability. GAAP doesn't allow for 'risk margin' from an accounting standpoint unless it can be supported via a detailed analysis. Because of the University's favorable loss development experience, and history of settlements below the maximum risk, it is difficult to qualitatively support the need for this additional reserve from a GAAP standpoint. This is the primary driver of the uncorrected misstatement related to the medical malpractice liability that recurs this year.

Pension Liability

GASB Statement No. 68 ("GASB 68") requires governments that participate in defined benefit pension plans to report in their statement of net position a net pension liability, which is the difference between the total pension liability and the assets set aside to pay pension benefits. The Statement also requires cost-sharing employers (such as the University) to record a liability and expense equal to their proportionate share of the collective net pension liability and expense for the cost-sharing plan.



The collective net pension liabilities of the retirement systems and the University's proportionate share of these net pension liabilities are as follows:

Net Pension Liability	STRS - Ohio		OPERS		Total	
(in 000's)	2017	2016	2017	2016	2017	2016
All employers	\$33,473,014	\$27,637,075	\$22,652,226	\$17,272,216		
University's proportionate share	4.5%	4.5%	9.1%	9.0%		
University's	\$1,510,814	\$1,238,470	\$2,054,548	\$1,556,155	\$3,565,362	\$2,794,626

Movements in the net pension liability for fiscal year 2017 are as follows (primary institution only):

(in 000's)	FY 2017
Net pension liability at July 1	\$2,794,626
Pension expense – GASB 68	348,860
Increase (decrease) in deferred outflows of resources	315,850
Decrease (increase) in deferred inflows of resources	106,026
Net pension liability at June 30	\$3,565,362

Key drivers of the increase in net pension liability during FY2017 are a decrease in the discount rate for OPERS from 8% to 7.5%, combined with worse than expected investment returns on STRS pension plan assets. Pension expense is allocated across functional categories within the financial statements but disclosed in aggregate, along with pension expense related to employer contributions, in the footnotes.

Similar to the prior year, additional disclosures related to GASB 68 include net deferred inflows and outflows of resources for the next five years and beyond; detail with respect to pension benefit formulas, contribution requirements and significant assumptions used in the measurement of total pension liabilities for the retirement systems. The benefit formulas as well as significant assumptions are determined at the Plan level and are subject to audit by the State Plan auditors.

In March 2017, the STRS-Ohio Board adopted certain assumption changes, which will impact their annual actuarial valuation, the most significant of which is a reduction in the discount rate from 7.75% to 7.45%. In addition, the Board voted to suspend cost of living adjustments granted on or after July 1, 2017. Although the exact amount of these changes are not known, they are expected to have a significant impact on net pension liabilities to be reported at June 30, 2018.

In addition, GASB Statement No. 75 is effective for fiscal year 2018 and similar to GASB 68, will require that the University record a liability (and related deferrals) for its pro-rata share of net OPEB liabilities, as well as expanded disclosure and supplementary reporting requirements.



Management's Process

Management's recognition of the liability is based on allocation schedules and reports provided by the State Plans which are subject to audit by the State Plans' independent audit firm. Within the allocation schedules, the retirement systems have provided each participating employer associated with the plan, the specific net pension liability, deferred outflows or resources and deferred inflows or resources that should be recorded within their financial statements. The University's proportionate share is determined annually based on the contributions made to the individual plans by each participating employer. Even though the majority of the information is obtained from the retirement systems' audited schedules, the University is responsible for calculating certain significant deferrals, amortization of deferrals and pension expense.

Our Audit Procedures

As the employer auditor, it is our responsibility to audit the employer's financial statements and, therefore, we are responsible for determining the sufficiency and appropriateness of audit evidence necessary to reduce audit risk to an appropriately low level. Our audit procedures with respect to the impacts of GASB 68 were focused on assessing the competency and objectivity of the plan auditor; agreeing management's schedules to the retirement systems' allocation schedules; recalculating the allocation percentage; recalculating the net pension liability/ expense and reviewing management's disclosures.

In addition, to the extent affiliate or component stand-alone financial statements are impacted via an allocation of the pension liability, we reviewed management's allocation methodology to ensure it was reasonable and consistently applied.





Required Communications to the Audit and Compliance Committee

Matter to be communicated	Auditor's response
Fraud	To date, we have not identified any potential or known fraud.
Illegal acts	To date, we have not identified any potential illegal acts.
Accounting policies and practices, critical accounting estimates and significant unusual transactions	<p><i>Significant accounting policies and practices, including:</i></p> <ul style="list-style-type: none"> <i>The initial selection of and changes in significant accounting policies and practices or their application in the current period</i> <i>The effect on financial statements or disclosures of significant accounting policies in controversial or emerging areas or areas for which there is a lack of authoritative guidance or consensus or diversity in practice.</i>

The significant accounting policies used by University are disclosed within the footnotes to the financial statements. There were no newly effective accounting principles that significantly impacted the University's financial statements for the year ended June 30, 2017. There were no significant accounting policies in controversial or emerging areas of focus for which there is a lack of authoritative guidance or consensus or diversity in practice. There are a number of accounting pronouncements that will be effective for the University for fiscal year 2018, for which management's impact assessment is in progress. These include:

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.
- GASB Statement No. 81, *Irrevocable Split-Interest Agreements*
- GASB Statement No. 85, *Omnibus 2017*
- GASB Statement No. 86, *Certain Debt Extinguishment Issues*

Looking further ahead, the University will be required to implement the new GASB Statements on *Asset Retirement Obligations* (FY 2019), *Fiduciary Activities* (FY2020) and *Leases* (FY2021), all of which are likely to impact the University's financial statements and disclosures.



Matter to be communicated**Auditor's response***Critical accounting estimates, including:*

- *A description of the process management used to identify and develop critical accounting estimates*
- *Management's significant assumptions used in critical accounting estimates that have a high degree of subjectivity*
- *Any significant changes management made to the processes used to develop critical accounting estimates or significant assumptions, a description of management's reasons for the changes, and the effects of the changes on the financial statements.*

The critical accounting estimates are those that require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. The University's critical accounting estimates are addressed on pages 7-11 of this report.

Significant unusual transactions, including:

- *Significant transactions that are outside the normal course of business of the company or that otherwise appear to be unusual due to their timing, size, or nature*
- *The policies and practices management used to account for significant unusual transactions.*

On April 10, 2017, the University entered into a 50-year agreement to lease the University's utility system to ENGIE-Axium and grant it the exclusive right to operate the utility system and provide utility services to the Columbus campus. The University received an upfront payment of \$1.1 billion on July 6, 2017. The agreement includes the sale of certain utility-related equipment assets, which will be recognized in FY2018. The majority of the remainder of the upfront payment will be recorded as unearned revenue and amortized over the life of the agreement. This transaction is disclosed as a subsequent event footnote to the financial statements.

Quality of the company's financial reporting

We are required to communicate to the Audit Committee our views about the qualitative aspects of the company's significant accounting policies and practices, including situations in which we identified bias in management's judgments about the amounts and disclosures in the financial statements. Specifically,

- *The appropriateness of the significant accounting policies to the particular circumstances of the entity*

The accounting policies are consistent with standard industry practices and are neither aggressive nor conservative.

- *The results of our evaluation of the differences between (i) estimates best supported by the audit evidence and (ii) estimates included in the financial statements, which are individually reasonable, that indicate a possible bias on the part of the entity's management*

With respect to the University's financial statements, we noted no matters that we consider to be indicative of unreasonable bias on management's part. Refer to pages 7-11 of this report for further discussion on estimates.



Matter to be communicated**Auditor's response**

- *The basis for our conclusions regarding the reasonableness of the critical accounting estimates*

With regard to accounting estimates, we have reviewed:

- management's identification of accounting estimates;
- management's process for making accounting estimates;
- risks of material misstatement;
- indicators of possible management bias; and
- disclosure of estimation uncertainty in the financial statements.

Refer to pages 7-11 of this report for further discussion on estimates. The critical accounting estimates used appear reasonable based on procedures performed.

- *The results of our evaluation of whether the presentation of the financial statements and the related disclosures are in conformity with the applicable financial reporting framework, including our consideration of the form, arrangement, and content of the financial statements (including the accompanying notes)*

The form, arrangement, and content of the financial statements (including the accompanying notes) are materially consistent with accounting principles generally accepted in the United States of America.

- *The issues involved, and related judgments made, in formulating particularly sensitive financial statement disclosures (for example, disclosures related to revenue recognition, going concern, subsequent events, and contingency issues)*

There were no particularly sensitive financial statement disclosures noted.

- *The potential effect on the financial statements of significant exposures and risks, and uncertainties, such as pending litigation, that are disclosed in the financial statements*

Relevant significant exposures and risks and uncertainties are appropriately disclosed in the financial statements.

- *Corrected misstatements, other than those that are clearly trivial related to accounts and disclosures that might not have been detected except through the auditing procedures performed.*

There have been no such misstatements detected through the auditing procedures performed.

Alternative accounting treatments

We have not identified any alternative treatments permissible under US GAAP for accounting policies and practices related to material items, including recognition, measurement, and presentation and disclosure.

Independence re-evaluation

There were no independence matters that occurred or were identified subsequent to the date of our most recent independence communication to the Committee.

Significant issues discussed with management prior to appointment or retention

There were no significant issues discussed with management in connection with the retention of PwC.



Matter to be communicated	Auditor's response
Changes to the planned audit strategy	There have been no significant changes to our planned audit strategy.
Material uncertainties related to events and conditions (specifically going concern)	There have been no conditions and events that we identified that indicate that there is substantial doubt about the University's ability to continue as a going concern.
Identified misstatements	<p>In connection with our audits, we are required to report to you any adjustments, including disclosures, that we identified as a result of our audit procedures and proposed to the University which 1) have been recorded in the preparation of the financial statements ('corrected misstatements') and/or 2) have not been recorded but evaluated by management for materiality ('uncorrected misstatements').</p> <ul style="list-style-type: none"> - There were no corrected misstatements identified by PwC. - See page 31 of Appendix C for additional information regarding uncorrected misstatements. Uncorrected misstatements were deemed to be immaterial both individually as well as in the aggregate.
Identified control deficiencies	<p>We considered the internal control structure of the University to gain a basic understanding of the accounting system in order to design an effective and efficient audit approach, though not specifically for the purpose of providing assurance on the internal control structure.</p> <p>We are required to report to you weaknesses in internal control which are either "significant deficiencies" or "material weaknesses," both of which represent deficiencies in the design or operation of the internal control structure.</p> <ul style="list-style-type: none"> - A <i>significant deficiency</i> is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. - A <i>material weakness</i> is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis. <p>To date, we have identified one significant deficiency in relation to one of the Discretely Presented Component Units. This deficiency was deemed to be a material weaknesses at the stand-alone component reporting level. See page 33 within Appendix C for more details. We will issue our recommendation letter regarding other control deficiencies noted upon finalization of our procedures.</p>
Other information in documents containing audited/reviewed financial statements	<p>Our responsibility with respect to other information in documents containing audited financial statements is to consider whether its content or manner of presentation is materially inconsistent with the financial information covered by our report or whether it contains a material misstatement of fact.</p> <p>Should there be an annual report or bond offering that contains or references the University's audited financial statements, we will read the those materials to ensure there are no material inconsistencies between the audited financial statements and the other information in the Annual Financial Report and the bond offering documents.</p>



Matter to be communicated	Auditor's response
	<p>In addition, the University prepares management's discussion and analysis (MD&A) as well as supplementary information related to the allocation of pension liabilities which is included within the financial reporting package. This supplemental information required by GASB. We read this information to make certain it is not inconsistent with the financial statements; however, this information is not audited.</p> <p>The University also prepares other information on the long-term investment pool that is included within the financial reporting package. This information is not required. We read this information to make certain it is not inconsistent with the financial statements; however, this information is not audited.</p> <p>In cases where supplemental information, such as management's discussion and analysis, is included in financial statements submitted by the auditor, we are also required to include a reference in our opinion describing the supplemental information and our responsibility thereon and that we issue no opinion thereon.</p> <p>We have read the information contained within management's discussion and analysis as well as supplementary information. We have not identified any inconsistencies and/or deficiencies associated with management's preparation of the financial statements and the related footnotes.</p>
Disagreements with management	There were no disagreements with management.
Consultation with other accountants	We are not aware of any such consultations management has had with other accountants about significant accounting or auditing matters.
Difficulties encountered during the audit	There were no significant difficulties encountered during the audit.
Other material written communications	<p>In accordance with our engagement letter, we are obligated to provide The Audit and Compliance Committee with copies of all material written communications between us and the University.</p> <p>The engagement letter has been shared with the Chair of the Committee.</p> <p>A draft of the University-level management representation letter is included within Appendix C. Please note that we receive multiple letters of representation for each significant component (Health Systems, OSU Physicians, Foundation, Transportation Research Center, etc.). We have not historically provided you with copies of all of those letters, but would be pleased to do so if desired.</p>
Departure from standard report	There were no departures from the standard reports. Drafts of our reports are included in Appendix B. Any significant changes in the form of report prior to finalization will be shared with the Committee.
Other matters	There were no other matters arising from the audit that are significant to the oversight of the University's financial reporting process.
Assessing our performance	We will review our relationship with the Audit and Compliance Committee, covering our performance and the Audit Committee's and evaluate whether the two-way communication has been adequate for the purpose of the audit.





Appendix A: Status of Deliverables





Status of PwC Deliverables (as of October 23, 2017)

Consolidated University	Components	Deliverables	Target Completion Date
Primary Institution	General University	Financial Statement Audit Opinion (GASB)	Nov 6
	OSU Wexner Medical Center Health System (OSU Health System)		
Discretely Presented Component Units	OSU Physicians	GAGAS Internal Controls Opinion (including procedures to support compliance with Ohio Revised Code)	
	Campus Partners for Community Urban Redevelopment and Subsidiaries (Campus Partners)		
	Transportation Research Center Inc.		
	Dental Faculty Practice Association, Inc.		
Other Deliverables	Reporting Entity	Target Completion Date	
Stand-alone Financial Statement Audits	OSU Foundation	Oct 26	
	OSU Health System	Completed	
	Transportation Research Center	Nov 15	
	OSU Physicians	Completed	
	Athletics Department	Nov 8	
	WOSU Public Media	Dec 15	
	OSU Global Gateways	Completed	
	Campus Partners	Nov 8	
Compliance Opinion	Uniform Compliance	Nov 30	
Review Report	Wexner Center for the Arts	Oct 31	
	OSU Health Plan	Nov 10	
Agreed Upon Procedures	NCAA	Nov 8	
Benefit Plan Audit	Transportation Research Center – Benefit Plan	Completed	





Appendix B: Draft Form of Reports





Report of Independent Auditors

To the Board of Trustees of
The Ohio State University
Columbus, Ohio:

We have audited the financial statements of the primary institution and of the aggregate discretely presented component units, which collectively comprise The Ohio State University (the “University”), appearing on pages 19 to 22, which consist of the statements of net position as of June 30, 2017 and June 30, 2016, the related statements of revenues, expenses, and other changes in net position and of cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the University’s basic financial statements. The University is a component unit of the State of Ohio.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express opinions on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the University’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the primary institution and the aggregate discretely presented component units of the University as of June 30, 2017 and June 30, 2016, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The accompanying management's discussion and analysis on pages 3 through 18, and the Required Supplementary Information on GASB 68 Pension Liabilities on page 87 are required by accounting principles generally accepted in the United States of America to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The accompanying other information on the long-term investment pool on pages 88 through 89 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2017 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters for the year ended June 30, 2017. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

November 6, 2017





Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Trustees of
The Ohio State University
Columbus, Ohio:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the primary institution and of the aggregate discretely presented component units, which collectively comprise The Ohio State University (the “University”), as of and for the year ended June 30, 2017, appearing on pages 19 to 22, which consist of the statement of net position, the related statements of revenues, expenses and other changes in net position and of cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the University’s basic financial statements, and have issued our report thereon dated November 6, 2017. The University is a component unit of the State of Ohio.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University’s internal control over financial reporting (“internal control”) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University’s internal control. Accordingly, we do not express an opinion on the effectiveness of the University’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control described below that we consider to be a significant deficiency:



Oversight and Monitoring of Key System Implementation

Observation: Transportation Research Center, Inc., (TRC), a component unit of the University, experienced a number of significant changes over the course of the past year throughout many facets of the organization. Namely, TRC implemented a new Enterprise Resource Planning (ERP) system in the last quarter of fiscal 2017; experienced significant management turnover at both the executive level and within its accounting/finance function; and embarked on significant strategic initiatives, including new business opportunities and sizable contract negotiations, which have required the time and attention of executive management.

The challenges management faced with its ERP system conversion coupled with the nearly simultaneous turnover of most of its accounting/finance group resulted in a number of accounting adjustments and delays in the preparation of the financial statements. Examples include timely generation of accurate invoices; difficulty completing a timely month-end general ledger 'close' process and related account reconciliations; and difficulty extracting data from the system to generate supporting schedules used to substantiate account balances and prepared financial statements and disclosures.

Implication: TRC's business operations and relationships with customers could be negatively impacted by an inability to timely generate accurate invoices. In addition, management is ultimately responsible for the preparation and fair presentation in the financial statements of financial position, respective changes in net position, and cash flows in conformity with generally accepted accounting principles, including the appropriate selection and application of accounting policies. Both of the above depend upon the completeness and accuracy of data within the ERP, as well as an accounting/finance team who can perform timely account reconciliations and rigorous analysis and review of period end financial results.

Recommendation: In the near-term we recommend management focus on implementing controls to ensure the completeness and accuracy of financial data coming from the ERP. In addition, management should proactively look to fill the Controller and other accounting/finance positions currently open within TRC. Going forward, TRC should adhere to University's project management framework, or similarly robust standards, when implementing new systems.

Management Response: TRC is working with a third-party consultant to analyze the current state of the system and implement the needed functionality. The University's Office of Business and Finance will monitor the effectiveness of the system implementation corrections and internal control implementation to ensure the completeness and accuracy of financial data. TRC's senior leadership team, in coordination with TRC's Board of Directors, is evaluating the finance department. In addition, TRC's board of directors is managing the executive search for a permanent Chief Financial Officer, who will in turn hire a Controller.

The University's Response to Finding

The University's response to the finding above identified in our audit was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

November 6, 2017





Appendix C: Draft Management Representation Letter





[OSU Letterhead]

November 6, 2017

PricewaterhouseCoopers LLP
41 South High Street
Suite 2500
Columbus, OH 43215

We are providing this letter in connection with your audits of the financial statements of The Ohio State University (the "University") as of June 30, 2017 and June 30, 2016 and for the years then ended for the purpose of expressing opinions as to whether such financial statements present fairly, in all material respects, the respective financial position, changes in net position and cash flows of the primary institution and aggregate discretely presented component units of the University in conformity with accounting principles generally accepted in the United States of America.

We acknowledge and confirm that we have fulfilled our responsibility, as set out in our engagement letter of May 17, 2017, for the preparation and fair presentation in the financial statements of financial position, respective changes in net position, and of cash flows in conformity with generally accepted accounting principles, including the appropriate selection and application of accounting policies. Certain representations in this letter are described as being limited to those matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement. Materiality used for purposes of these representations is \$ 5,000,000.

We confirm, to the best of our knowledge and belief, as of November 6, 2017, the date of your report, the following representations made to you during your audit(s):

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America (GAAP), and include all disclosures necessary for such fair presentation and disclosures otherwise required to be included therein by the laws and regulations to which the University is subject. We have prepared the University's financial statements on the basis that the University is able to continue as a going concern. There are no conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern within one year after the date the financial statements are available to be issued.
2. We have made available to you:
 - a. All financial records and related data.
 - b. Unconditional access to persons within the entity from whom you have requested audit evidence.



The Ohio State University Report to the Audit & Compliance Committee of the Board of Trustees

- c. All minutes of the meetings of the Board of Trustees, the Audit and Compliance Committee, the Finance Committee and other Committees of the Board and summaries of actions of recent meetings for which minutes have not yet been prepared. The most recent meetings held were on:
 - (1) Board of Trustees – November 3, 2017
 - (2) Audit & Compliance Committee – November 2, 2017
 - (3) Finance Committee – November 2, 2017
- 3. We have appropriately reconciled our books and records (e.g., general ledger accounts) underlying the financial statements to their related supporting information (e.g., sub ledger or third-party data). All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the financial statements, as necessary. There were no material unreconciled differences or material general ledger suspense account items that should have been adjusted or reclassified to another account balance. There were no material general ledger suspense account items written off to a balance sheet account, which should have been written off to an income statement account and vice versa. All consolidating entries have been properly recorded. All intra-entity accounts have been eliminated or appropriately measured and considered for disclosure in the financial statements.
- 4. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
- 5. There are no material transactions, agreements or accounts that have not been properly recorded in the accounting records underlying the financial statements.
- 6. The effects of the uncorrected financial statement misstatements and out-of-period adjustments summarized in the accompanying schedule are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
- 7. We acknowledge and confirm that we have fulfilled our responsibility, as set out in our engagement letter of May 17, 2017, for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error and we have disclosed to you all deficiencies in the design or operation of internal control over financial reporting of which we are aware. We have also disclosed to you, in the accompanying schedule, which of these deficiencies we believe are significant deficiencies or material weaknesses in internal control over financial reporting.
- 8. We acknowledge our responsibility for the design and implementation of programs and controls to provide reasonable assurance that fraud is prevented and detected.
- 9. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud and we have no knowledge of any fraud or suspected fraud affecting the University involving:
 - a. Management,
 - b. Employees who have significant roles in internal control over financial reporting, or
 - c. Others where the fraud could have a material effect on the financial statements.
- 10. We have no knowledge of any allegations of fraud or suspected fraud affecting the University received in communications from employees, former employees, analysts, regulators, or others.

(As to items 8, 9 and 10, we understand the term "fraud" to mean those matters described in AICPA AU-C 240.)

11. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
12. We have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
13. We have identified and disclosed to you violations (and possible violations) of laws, regulations, and provisions of contracts and grant agreements whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or for auditor reporting on non-compliance.
14. We have taken timely and appropriate steps to remedy fraud, illegal acts, and violations of provisions of contracts or grant agreements, or abuse that you report.
15. The University has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
16. We have disclosed to you the identity of the University's related parties and all the related party relationships and transactions of which we are aware.
17. The following, if material, have been properly recorded or disclosed in the financial statements:
 - a. Relationships and transactions with related-parties, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which the University is contingently liable.
 - c. Significant estimates and material concentrations known to management that are required to be disclosed. (Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.)
18. The University has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as disclosed in the financial statements.
19. The University has complied with all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance.
20. Receivables recorded in the financial statements represent bona fide claims against debtors for services or other charges arising on or before the balance sheet dates and are not subject to discount except for normal cash discounts. Receivables classified as current do not include any material amounts which are collectible after one year. All receivables have been appropriately reduced to their estimated net realizable value.
21. Inventories recorded in the financial statements for the University are stated at the lower of moving average cost or market. The inventories of the Health System are valued at, cost being determined on the basis of first-in, first-out basis and due provision was made to reduce all slow-moving, obsolete, or unusable inventories to their estimated useful or scrap values. Inventory quantities at the balance

sheet dates were determined from physical counts or from perpetual inventory records, which have been adjusted on the basis of physical inventories taken by competent employees at various times during the year. Liabilities for amounts unpaid are recorded for all items included in inventories at balance sheet dates and all quantities billed to customers at those dates are excluded from the inventory balances.

22. All liabilities of the University of which we are aware are included in the financial statements at the balance sheet dates. There are no other liabilities or gain or loss contingencies that are required to be accrued or disclosed, and no unasserted claims or assessments that our legal counsel has advised us are probable of assertion and required to be disclosed in accordance with that Topic.
23. We are responsible for all significant estimates and judgments affecting the financial statements. Significant estimates and judgments and their underlying assumptions, methods, procedures and the source and reliability of supporting data are reasonable and based on applicable guidance, are completely and appropriately disclosed in the financial statements, and appropriately reflect management's intent and ability to carry out specific courses of action, where relevant. The procedures and methods utilized in developing assumptions, estimates and judgments are appropriate and have been consistently applied in the periods presented. There have been no subsequent events which would require the adjustment of any significant estimate and related disclosures.
24. All borrowings and financial obligations of the University and its components have been disclosed to you and are properly recorded and disclosed in the financial statements. Further, we appropriately classified debt as current or non-current in the statement of net position in accordance with the appropriate authoritative guidance.
25. Investments in the Long-Term Portfolio are in compliance with the University's asset allocation policy.
26. We are responsible for the fair value of estimates related to temporary investments, the Long-term Investment Pool, other long-term investments, and securities loaned by the University under its securities lending program, including real assets, hedge funds and private equity securities, and determined the models, methods and assumptions used by pricing services and other parties are reasonable. In addition, the measurement of fair value and related fair value levelling hierarchy presented within the notes to the financials is consistent with the requirements of GASB Statement No. 72, *Fair Value Measurement and Application*.
27. Tax-exempt bonds issued have retained their tax-exempt status
28. The University has properly recorded, classified and disclosed net position in accordance with GASB Statement 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. Net position resulting from transactions with externally-imposed purpose restrictions have been recorded, classified and disclosed as restricted net position until the specific resources are used for the required purpose or for as long as the provider requires the resources to remain intact. Restricted net position has been appropriately classified as nonexpendable or expendable.
29. The University has one segment that meets the GASB reporting requirements; in that the segment has a specific identifiable revenue stream pledged in support of revenue bonds or other revenue-backed debt and has related expenses, gains, losses, assets and liabilities that can be identified. The condensed financial information for the Special Purpose Revenue Facilities as presented in the footnotes to the financial statements was prepared on a basis consistent with the University financial statements.

The Ohio State University Report to the Audit & Compliance Committee of the Board of Trustees

30. We assume responsibility for the findings of specialists. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not aware of any matters that have had an impact on the independence or objectivity of the specialists. We adequately considered qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records related to self-insurance reserves for medical malpractice.
31. We have presented, in either the statement of revenues, expenses, and other changes in net position or the notes to the financial statements, information about expenses (but not losses) reported by their functional classification, such as major classes of program services and supporting activities. Expenses that relate to more than one program or supporting activity, or to a combination of programs and supporting services, have been appropriately allocated among the appropriate functions. Administrative allocations to the functional categories were based on full cost allocations.
32. We acknowledge our responsibility for the presentation of the required supplementary information on GASB 68 pension liabilities that are mandatory for all cost-sharing employers. We believe such information, including its form and content, is fairly presented in accordance with GASB Statement No. 68, as amended. The methods of measurement or presentation have not changed from those used in the prior period. We have informed you about any significant assumptions or interpretations underlying the measurement or presentation of the information.
33. The University is exempt from taxes as an instrumentality of the State of Ohio under Internal Revenue Code S115 and Internal Revenue Service regulations. Any unrelated business income is taxable.
34. We have notified you of (i) any current or planned offerings of securities on a regulated market in a non-U.S. country or (ii) when we have provided or plan to provide audited financial statements to a non-U.S. regulator or government in connection with our access to its public capital markets, whether or not we include or refer to your report or include reference to your Firm.

To the best of our knowledge and belief, except as disclosed in Note 22, no events have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

Geoffrey S. Chatas
Senior Vice President and Chief Financial Officer

Kristine G. Devine
Vice-President of Financial Operations and Deputy Chief
Financial Officer

Lisa A. Plaga
Interim Controller

Thomas F. Ewing
Director of Financial Reporting

Summary of Uncorrected Financial Statement Misstatements

The following adjustments were either (a) identified in the current year and not recorded in the financial statements (unadjusted misstatements), or (b) identified in the current year but were related to the prior years and corrected in the current year financial statements (out of period adjustments). Management has determined them to be qualitatively and quantitatively immaterial, both individually and in the aggregate:

Primary Institution:

Unadjusted misstatements – FY 17:

- 1) A current period adjustment was identified related to the medical malpractice liability accrual. The difference between management's estimate and the top end of the range (point estimate + 10%) is \$9.1 million. The adjustment results in a decrease in liability and expense. This adjustment is recurring in nature based on the University's consistently conservative approach to recording this estimate.
- 2) A current period adjustment was identified related to the cut off in Net patient service revenue of \$4.6 million, which related to services provided before 6/30/2017, but not recorded until fiscal 2018. The adjustment results in an increase in accounts receivable and revenue. This is a recurring adjustment and as such refer to the rollover section for the rollover impact.
- 3) An *estimated* current period adjustment was identified related to credit balances in patient accounts receivable of \$14.7 million, that represent net patient accounts receivable balances that have been adjusted in excess of the amount of cash collected and earned by the Health System. These adjustments represent overstatements of contractual and bad debt expense at 6/30/2017 that are not reversed until fiscal 2018 upon investigation of the claim. The adjustment results in a decrease to the liability (as credits within accounts receivable were reclassified) and an increase to net patient service revenue, through a reduction of contractual and bad debt expense. This is a recurring adjustment and as such refer to the rollover section for the rollover impact.

The total effect on the primary institution's relevant metrics are as follows:

- Total Revenues (\$19,353) / 0.30%
- Total Expenses (\$9,119) / -0.15%
- Total End of Year Net Position (\$28,472) / 0.52%

Out of Period Adjustments – FY 17:

- 1) An out of period adjustment was identified related to the cut off in Net patient service revenue of \$6.5 million, which related to services provided before 6/30/2016, but not recorded until fiscal 2017. As the patient revenue recorded in the current year related to services provided in fiscal year 2016, there is an overstatement of revenue and receivables in the current year.
- 2) An estimated out of period adjustment was identified related to credit balances in patient accounts receivable of \$11.7 million, that represent net patient accounts receivable balances that have been adjusted in excess of the amount of cash collected and earned by the Health System. These adjustments represent overstatements of contractual and bad debt expense as of 6/30/2016 and are not reversed until fiscal 2017 upon investigation of the claim. The adjustment for the reversal of credit balances results in a decrease to credit balance liability and increase in net patient service revenue, through a reduction of contractual/bad debt expense. As the reversal of these excess adjustments on patient accounts recorded in the current year relate to balances as of 6/30/2016, there is an overstatement of net patient revenue in the current year.

The Ohio State University Report to the Audit & Compliance Committee of the Board of Trustees

The total effect on the primary institution's relevant metrics are as follows:

- Total Revenues \$18,220 / -0.28%
- Total Expenses \$ - / 0.00%

Roll over impact of misstatement – FY 17

In addition to evaluating the uncorrected misstatements that relate to the current year and those that relate to the prior year on an individual basis, the net rollover impact of the errors have been evaluated as follows:

- 1) The net roll over impact of the net patient revenue cut-off (charge-lag) adjustments on the current year financial statements is \$1.9 million (net overstatement in current year).
- 2) The net roll over impact of credit balances on the current year financial statements is estimated at \$3 million (net understatement in current year).

The total effect on the primary institution's relevant metrics are as follows:

- Total Revenues (\$1,133) / -0.02%
- Total Expenses (\$9,119) / -0.15%
- Total End of Year Net Position (\$10,252) / 0.19%

Discretely Presented Component Units:

Unadjusted misstatements – FY 17: None noted

Out of Period Adjustment – FY 17:

- 1) One out of period adjustment was identified related to Discretely Presented Component Units (specifically Campus Partners). This was deemed immaterial in relation to both current and prior year financial statements and disclosures.

Overstatement of current period revenue (reflected within net operating expenses) / understatement of opening net position (\$1.2M in FY17 that should have been reflected in FY16)

The total effect on the discretely presented component unit's relevant metrics are as follows:

- Total Revenues \$ - / 0.00%
- Total Expenses \$1,159 / 0.21%

Significant deficiency in internal control related to the Discretely Presented Component Units

Oversight and Monitoring of Key System Implementation

Observation: Transportation Research Center, Inc., (TRC), a component of The Ohio State University, experienced a number of significant changes over the course of the past year throughout many facets of the organization. Namely, TRC implemented a new Enterprise Resource Planning (ERP) system in the last quarter of fiscal 2017; experienced significant management turnover at both the executive level and within its accounting/finance function; and embarked on significant strategic initiatives, including new business opportunities and sizable contract negotiations, which have required the time and attention of executive management.

The challenges management faced with its ERP system conversion coupled with the nearly simultaneous turnover of most of its accounting/finance group resulted in a number of accounting adjustments and delays in the preparation of the financial statements. Examples include timely generation of accurate invoices; difficulty completing a timely month-end general ledger 'close' process and related account reconciliations; and difficulty extracting data from the system to generate supporting schedules used to substantiate account balances and prepared financial statements and disclosures.

Implication: TRC's business operations and relationships with customers could be negatively impacted by an inability to timely generate accurate invoices. In addition, management is ultimately responsible for the preparation and fair presentation in the financial statements of financial position, respective changes in net position, and cash flows in conformity with generally accepted accounting principles, including the appropriate selection and application of accounting policies. Both of the above depend upon the completeness and accuracy of data within the ERP, as well as an accounting/finance team who can perform timely account reconciliations and rigorous analysis and review of period end financial results.

Recommendation: In the near-term we recommend management focus on implementing controls to ensure the completeness and accuracy of financial data coming from the ERP. In addition, management should proactively look to fill the Controller and other accounting/finance positions currently open within TRC. Going forward, TRC should adhere to University's project management framework, or similarly robust standards, when implementing new systems.

Management Response: TRC is working with a third-party consultant to analyze the current state of the system and implement the needed functionality. The University's Office of Business and Finance will monitor the effectiveness of the system implementation corrections and internal control implementation to ensure the completeness and accuracy of financial data. TRC's senior leadership team, in coordination with TRC's Board of Directors, is evaluating the finance department. In addition, TRC's board of directors is managing the executive search for a permanent Chief Financial Officer, who will in turn hire a Controller.





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Compliance and Integrity Program



Audit and Compliance Committee

November 2, 2017

OFFICE OF LEGAL AFFAIRS
CHRISTOPHER CULLEY

OFFICE OF UNIVERSITY COMPLIANCE AND INTEGRITY
GATES GARRITY-ROKOUS

Clery Act: Annual Safety Reporting

Ensure campus safety, to include annual reporting of campus crimes

Regulatory requirements

- Collect and classify crime reports and statistics from law enforcement and Campus Security Authorities (CSAs)
- Publish Annual Security Report (ASR) and distribute to campus community by October 1 each year
- Issue timely crime warnings (Public Safety Notices) and emergency alerts (BuckeyeAlerts)
- Publish and maintain a Daily Crime Log and Fire Log
 - **Note:** The Department of Education provides extensive guidance interpreting these requirements

Process improvements for Calendar Year 2016 report

- Implemented content expert sign-off process, with an expectation for careful review and approval of policies, procedures, and resources that units own or coordinate
- Documented in-person training of CSAs
- Initiated partnership with Student Life to support Drug Free Schools and Communities Act compliance
- Improved collection of data for control of non-campus property
- Improving documentation of Timely Warning analysis for crimes that present a serious or continuing threat

Next steps

- Review and revitalize our CSA identification, training, and reporting processes
- Work with Enterprise Project to maximize the ability to automate controls
- Streamline controls surrounding CSA reporting process to improve data collection and Timely Warning
- Focus on Clery compliance programs and needed resourcing at regional campuses

Clery Act: Enforcement Actions

Impetus for reviews

- Department of Education audits may be triggered by numerous factors, including individual or patterns of complaints about safety or transparency, or media attention to a specific incident

Financial penalties

- Maximum fine amounts increased in 2017 from \$35,000 to nearly \$55,000 per violation
- Under this penalty structure, Penn State's \$2.4 million fine would be nearly \$5 million today

Trends in findings of non-compliance

- Department of Education has published 10 Program Review Reports in 2017 (year to date)
- Common findings of non-compliance this year include:
 - Inaccurate or incomplete daily crime and/or fire logs
 - Failure to publish and/or distribute the Annual Security Report
 - Inadequate or incomplete institutional policies
 - Erroneous crime statistics
 - For omitted crimes – higher fines levied for omission of more serious crimes
 - Failure to meet Drug Free Schools and Campuses Act (DFSCA) requirements
- Findings regarding errors in crime statistics are frequently noted
 - Increasing interest in whether the institution's process to gather and categorize statistics is adequate
- Fines in 2017 range from \$30,000-\$210,000. The largest institution involved in the ten reported cases was a university with 12,000 students; largest fine was levied against institution with less than 1000 students

Clery Act: OSU 2016 Crime Statistics

Annual Security Report (ASR)

- Posted on Public Safety website on 9/29/2017
- Covered by Columbus Dispatch, 10TV, ABC6, NBC4 and the Lantern
- Hate Crimes and Aggravated Assault increased substantially, in large part due to the Watts Hall incident
- Substantial increase in reports of rape
 - Continuing to see effect on reporting as a result of BuckeyesACT, which increases awareness, and the University's messaging that "Report=Support"
 - 77% of students in campus survey were somewhat or very knowledgeable about where to make a report of sexual assault or sexual misconduct, an increase of 30% over the past two years
 - Footnote in ASR clarifies that 24 of the 61 rapes were counted because the University could not rule out that they occurred off campus
- As expected, there was an increase in nearly every category of campus crime, consistent with the 30% increase in students housed on campus

Crime Reported*	Year	Campus	Non-Campus	Public Property
Aggravated Assault	2016	16	1	5
	2015	7	1	1
Arson	2016	2	0	0
	2015	3	0	0
Burglary	2016	19	3	0
	2015	14	12	0
Motor Vehicle Theft	2016	12	6	3
	2015	3	5	5
Robbery	2016	7	2	7
	2015	5	0	13
Rape	2016	61	5	0
	2015	25	5	0
Fondling	2016	22	2	0
	2015	13	1	0
Domestic Violence	2016	10	2	0
	2015	4	4	0
Dating Violence	2016	18	2	0
	2015	19	1	2
Stalking	2016	42	1	0
	2015	15	0	0
Alcohol Law Arrests	2016	103	1	17
	2015	119	0	6
Drug Law Arrests	2016	31	6	7
	2015	46	2	1
Alcohol Law Referrals	2016	1931	1	2
	2015	1614	7	0
Drug Law Referrals	2016	259	1	0
	2015	235	0	2
Hate crimes	2016	28	3	1
	2015	4	0	0

*Table omits the following crimes due to 0 reports in 2016: murder and non-negligent manslaughter, manslaughter by negligence, incest, statutory rape, and Ohio Weapon's Law violations.

Title IX: OCR Resolution Agreement

Overview and Status

Activity	Steps	Status		
		2014-15	2015-16	2016-17
Title IX Coordinator	✓ Published detailed statement outlining the roles and responsibilities of Ohio State's Title IX Coordinator (11/15/14)	Complete	Complete	Complete
Document Maintenance	✓ Created a coordinated document management process for all Title IX complaints (12/15/14)	Complete	Complete	Complete
Policies	✓ Revised Notice of Nondiscrimination and post online as appropriate (10/15/14)			
	✓ Revised "Reporting Sexual Assault" link on Campus Police website (10/15/14)			
	✓ Reviewed and revised all sexual harassment policies for consistency (10/15/14)			
	✓ Sexual Misconduct policy taken from interim to final status (effective 8/23/16 per President's Cabinet). Revised the Code of Student Conduct consistent with the revised Sexual Misconduct policy. BOT approved 4/8/16	Complete	On Track	On Track
Training	✓ Submitted evidence of policy communications in nineteenth progress report (10/15/16)			
	✓ Submitted annual information on complaints during academic year to OCR (6/10/16)			
	✓ Submitted annual information on complaints during academic year to OCR (6/15/17)			
	✓ Reviewed Student Wellness Center programming to ensure consistency with Resolution Agreement standards (12/15/14)			
Climate Assessment and Response	✓ Developed Title IX Coordinator and Investigator training (12/15/14)	Complete	Complete	Complete
	✓ Identified Title IX training module for employees (12/15/14)			
	✓ Reviewed and revised orientation program and materials for incoming students (12/15/14)			
	✓ Verified annual Title IX training conducted during previous calendar year (6/10/16)			
Student-Focused Remedies	✓ Added OHR representative to Sexual Violence Consultation Team (1/15/15)			
	✓ Established campus working group on Title IX and climate survey (9/30/14)			
	✓ Reviewed last 2 years of sexual harassment complaints (12/15/14)			
	✓ Developed recommended actions as appropriate based on review (12/15/14)			
Marching Band Investigation	✓ Developed and conducted annual climate survey (3/23-4/22/16)	Complete	On Track	On Track
	✓ Developed and conducted annual climate survey (2/5-3/10/17)			
	✓ Analyze survey results to identify need for additional actions and training as appropriate (annual)			
	✓ Reviewed last 3 years of sexual harassment complaints for prompt and equitable investigation (1/15/15)			
Student-Focused Remedies	✓ Take appropriate action to address identified problems (within 30 days of OCR approval)	Complete	Complete	N/A
	✓ Developed timetable for corrective actions (11/1/14)			
	✓ Submit quarterly progress report to OCR (beginning 10/15/14)			
	✓			



AUDIT AND COMPLIANCE COMMITTEE							Current Status
A. Strategic Risk Mitigation Effectiveness							
1. Education	(risks related to decrease in academic standing; harm in ability to attract faculty/students)	↔	↔	↔	↔	↔	↑
2. Scholarship	(challenges to ability to perform significant academic or scientific research)	↓	↓	↓	↓	↓	↔
3. Information Technology	(inability to store, develop, transmit, or protect data)	↔	↔	↔	↔	↔	↔
4. Student Life	(inability to maintain an environment conducive to student life)	↔	↔	↔	↔	↔	↔
5. Athletics	(risk of disruption to Athletics operations, including significant NCAA violation)	↔	↔	↔	↔	↔	↔
6. Medical	(significant reduction in performance of the health system and related colleges)	↑	↑	↑	↑	↑	↔
7. Financial	(inability to reach capital, revenue, or cost containment objectives)	↔	↔	↔	↔	↔	↔
8. Physical Environment	(loss of infrastructure; major event impacting ongoing operations, including campus safety)	↔	↔	↔	↔	↔	↔
9. Government, Community and Affiliates	(failure to monitor and develop government, community, or affiliate relationships)	↓	↓	↓	↓	↓	↑
10. Talent and Culture	(failure to attract, develop, or retain talent)	↔	↔	↔	↔	↔	↔
11. Advancement	(events impacting OSU brand, alumni relationships, or Advancement objectives)	↓	↓	↓	↓	↓	↔
12. Compliance	(failure to meet regulatory, legal, or policy requirements not captured in above categories)	↔	↔	↔	↔	↔	↑
B. Public Records ²							2017-18 ¹
1. Number of records requests closed		576	769	842	958	182	
2. Average days to fill all records requests		14	21	15	16	12	
C. Internal Investigations (rated 4 or 5)							
1. Number of investigations opened in the fiscal year		17	20	17	17	5	
2. Number of investigations closed in the fiscal year		16	16	19	15	5	
3. Percent of closed investigations with findings		56%	31%	52%	27%	20%	
D. Regulatory Actions ³ (rated 4 or 5)							
1. Number of current regulatory actions		7	10	12	13		
E. Internal Audit Findings ⁴							
1. Percent of resolved fiscal year findings cleared at second follow-up		13%	15%	15%	—	—	
2. Percent of resolved fiscal year findings cleared at third follow-up or later		1%	1%	1%	—	—	

COMMENTS & FOOTNOTES

¹Includes data from 7/1/17 through 10/1/17²Processed by Public Records Office only³Includes audits, fines, probations, sanctions, warnings, or other similar actions⁴Data for a fiscal year is not complete until all follow ups are closed. Data should be not be viewed as representative until one year after the FY close.

Mitigation Effectiveness Rating

Meets or Exceeds Goal

Caution

Below Goal – Action Needed

Trend

↑ Environment/Performance Improving

↔ No Significant Change/On Track

↓ Environment/Performance Worsening

The Ohio State University
Board of Trustees

November 3, 2017

THURSDAY, NOVEMBER 2, 2017
ACADEMIC AFFAIRS AND STUDENT LIFE COMMITTEE MEETING

Clark C. Kellogg
Cheryl L. Krueger
Janet B. Reid
Timothy P. Smucker
Erin P. Hoeflinger
Abigail S. Wexner
Hiroyuki Fujita
Alan A. Stockmeister
H. Jordan Moseley
James D. Klingbeil
Richard K. Herrmann
Alex Shumate (*ex officio*)

Location: Recreation and Physical Activity Center (RPAC)
Meeting Rooms 1-2, B255/B257

Time: 3:00-4:45pm

ITEMS FOR DISCUSSION

- | | |
|--|-------------|
| 1. <i>A Life in Motion: Advancing Student Success and Learning - Dr. Adams-Gaston, Dr. Stenta</i> | 3:00-3:20pm |
| 2. <i>Student Success: Understanding the Data and Our Path Forward - Dr. McPheron, Mr. Granger, Ms. Hume</i> | 3:20-3:50pm |
| 3. <i>Digital Flagship Swift Coding - Dr. McPheron, Mr. Tressler</i> | 3:50-4:05pm |

ITEMS FOR ACTION

- | | |
|--|-------------|
| 4. Faculty Personnel Actions - Dr. McPheron | 4:05-4:20pm |
| 5. Amendments to the <i>Rules of the University Faculty</i> - Dr. McPheron | |
| 6. Establishment of a Bachelor of Science in Biomedical Science Degree Program - Dr. McPheron | |
| 7. Approval to Change the Name of the Department of Plastic Surgery to the Department of Plastic and Reconstructive Surgery - Dr. McPheron | |

Executive Session

4:20-4:45pm



A LIFE IN MOTION:

ADVANCING STUDENT SUCCESS AND LEARNING



Javaune Adams-Gaston, PhD
Senior Vice President for Student Life

Don Stenta, PhD
Director of Student Life Recreational Sports and Interim Senior
Director of Student Life's Student Wellness Center



UNIVERSITY PRIORITY: TEACHING AND LEARNING

The first pillar of Ohio State's new Strategic Plan is Teaching and Learning, two significant components of our students' extraordinary experiences at the university. At the core of the Office of Student Life is the belief that teaching and learning occur in traditional classroom settings and co-curricular experiences alike. Students' health and wellness learning is no exception, and it is our intent to facilitate opportunities to help students grow in these areas.

Ohio State was one of the first universities to establish a dedicated department focused on student recreation more than one hundred years ago. Since that time we have emerged as an international leader in advancing student success, learning and leadership through supporting students in living a life in motion. The research and the results are clear: when students engage in recreational activities on campus, they learn and develop as leaders.





OUR APPROACH: LEADERSHIP DEVELOPMENT

Dr. Don Stenta is the co-author of *Student Leadership Development Through Recreation and Athletics*. The book assists schools in applying leadership development theories to recreational environments for students to thrive and develop through co-curricular experiences, taking high impact practices identified by the Multi-Institutional Study of Leadership (MSL) and applying theory into practice.





ACADEMIC BENEFITS: OFF THE COURT AND INTO THE CLASSROOM

Analyses at multiple institutions of higher education suggest a positive association between student use of recreational facilities and Grade Point Averages (GPAs). Although this cannot be considered causal, the connection is important to study further.

For example, it was found that Ohio State students who visit Rec Sports facilities more frequently have higher GPAs, on average, than students who visit less frequently. Students who visit facilities 30 or more times a semester have average GPAs of 3.32, compared to students who visit 1-4 times a semester who have average GPAs of 3.24 (data from 2013-2014 academic year). This difference is statistically significant.





COHORT MODEL

Dunn Sport and Wellness Scholars

The J. Michael Dunn Sport and Wellness Scholars (SWS) Program is a residential scholars cohort designed to help students better understand the career opportunities available in sport and wellness fields. Through a guided year-long living and learning experience, Dunn Scholars engage in leadership activities that promote self-confidence and professional development while advancing education and understanding of their roles as future professionals.

Participant Outcomes:

90% report they have grown their communication skills based on their experiences in the program (Participant Survey, 2015).

Students experience statistically significant growth over the course of their participation in their reported ability to utilize leadership concepts in their daily life on campus (3.98 vs. 4.20; Participant Survey, 2015).

96% of Dunn Scholars agree or strongly agree that they strive to live their "life in motion" (Participant Focus Groups, 2017).

Participants developed a sense of community with fellow Dunn Scholars, which contributed to their ability to gain self-awareness of their leadership capacities and build relationships (Participant Focus Groups, 2017).



GROUP FITNESS

Student Life's Recreational Sports offers more than 100 Group Fitness classes each semester. Students who participate in group fitness experience health benefits, create lifelong, healthy habits and build community.

Since the spring of 2012, group fitness classes have been available as a complimentary benefit of students' recreational membership. This change made group fitness classes more accessible for students, as evidenced by the 76% of students attending classes who were new participants.





POLITICS AND POLICY OF SPORT INTERNATIONAL EDUCATION ABROAD EXPERIENCE

In December 2017, Dr. Don Stenta led 18 students in an Education Abroad experience to Berlin and Cologne, Germany as a part of the Dunn Sport and Wellness Scholars program. The group studied the concept of sports as a tool for politics and policy.

Students visited meaningful sites, such as the Berlin Wall and the Olympic Stadium, engaged in discussion relating Germany's history to present politics and policy and had the opportunity to immerse themselves in German culture.

“Throughout [the trip] I found it surreal to visit historical and famous sites in person, and I will cherish those memories forever. More than that, though, I will cherish the conversations and experiences that I had with people on the train, at a restaurant or at the hotel eating breakfast. There is no better way to learn about the culture of a place than to meet people who live there, and I was fortunate to be able to do that.”

- Nicole Walt, Dunn Scholar, Trip Participant



THE OHIO STATE UNIVERSITY

Autumn 2017 Enrollment Plan Update

Board of Trustees
Academic Affairs and
Student Life Committee

Vern Granger
Interim Vice President
Strategic Enrollment Planning



Applications and enrollment

	Autumn 2007	Autumn 2012	Autumn 2016	Autumn 2017
Total applications, Columbus	22,281	28,675	49,388	52,427
New freshmen, Columbus	6,110	7,186	7,885	7,136
New transfers, Columbus	2,585	2,390	2,375	2,634
New freshmen, Regionals	2,660	2,457	2,488	2,553
Total university enrollment	60,347	63,058	66,046	66,444



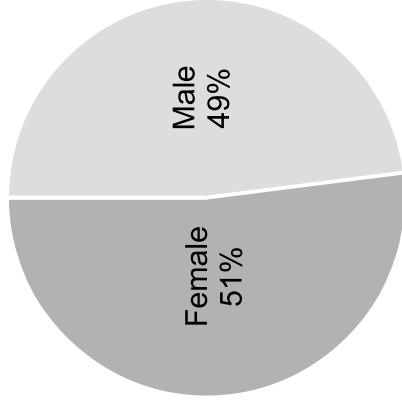
Columbus freshman profile

	Autumn 2007	Autumn 2012	Autumn 2016	Autumn 2017
Average ACT	27.0	28.1	29.1	29.2
Average SAT	1220	1246	1271	1340*
Top 10 percent	53%	54%	63%	65%
Top 25 percent	89%	89%	95%	95%
Nonresident	17%	25%	33%	30%
Minority students	16%	17%	18%	22%

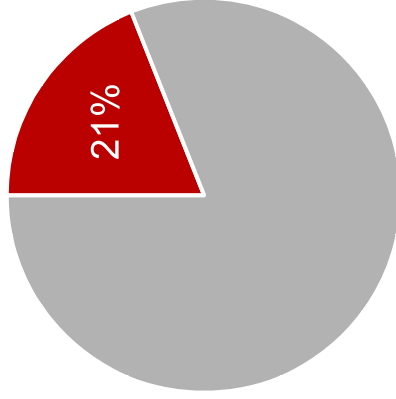
*SAT recalibrated beginning 2017; past data not comparable

Other class features

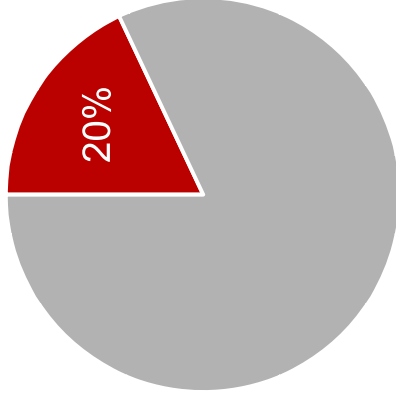
Gender breakdown



Domestic first generation



Central Ohio represented



Countries represented	21
States represented	44 + D.C., Puerto Rico
Ohio counties represented	87



Retention and graduation rates

	Autumn 2007	Autumn 2012	Autumn 2016	Autumn 2017
First-year retention rate	92%	92%	94%	94%
Four-year graduation rate	46%	61%	59%	62%
Six-year graduation rate	71%	82%	84%	83%



THE OHIO STATE UNIVERSITY

Questions?





APPOINTMENT

Meet Elizabeth V. Hume



Elizabeth V. Hume, PhD
Vice Provost for Undergraduate
Studies and Dean of
Undergraduate Education.

Dr. Hume served as head of the School of Language, Social and Political Sciences, dean international of the College of Arts and professor of linguistics at the University of Canterbury in Christchurch, New Zealand.

Previously, from 2006-2011 Dr. Hume served as chair of the Department of Linguistics at Ohio State



STUDENT SUCCESS

Understanding the Data: Key terms

New Freshmen

The cohort of new 1st year degree-seeking undergraduate students who entered in autumn semester or the preceding summer semester.

1 YR Retention Rate (1YRR)

One year later... the percentage of new freshmen who continued pursuing their degree.

4 YR Graduation Rate (4YGR)

Four years later... the percentage of new freshmen who completed their degree.

6 YR Graduation Rate (6YGR)

Six years later... the percentage of new freshmen who completed their degree.

Note: these are standard definitions used by the US Department of Education



STUDENT SUCCESS

Current Data: Snapshot of numbers

CATEGORY	COLUMBUS CAMPUS	REGIONAL CAMPUSES	WOOSTER /ATI*
New Freshmen	7202	2504	New Freshman (AU17 cohort) 286
1-yr. Retention Rate*	94%	68%	1-yr RR (AU16 cohort) 73%
4-yr. Graduation Rate**	62%	19%	2-yr GR (AU15 cohort) 22%
6-yr. Graduation Rate***	83%	39%	3-yr GR (AU14 cohort) 41%

*Students from AU16 cohort

**Students from AU13 cohort

*** Students from AU11 cohort

*Note: the graduation rates refer to associate degree attainment not baccalaureate



STUDENT SUCCESS

Current Data: How did we arrive here?



- First Year Experience and STEP
- High impact practice: honors, service learning, UG research, study abroad
- Faculty committed to student success
- Establish new undergraduate majors such as “data analytics”
- Course redesign
- Attention to “learning” spaces
- Co-curricular efforts
- Successful efforts at measuring student learning outcomes
- Creation of a Standing Committee for Student Success and Retention
- University Institute for Teaching and Learning
- Membership in national initiatives
 - University Innovation Alliance
 - American Talent Initiative



Cory Tressler

Director Learning Programs



Office of
**Distance Education
and eLearning**

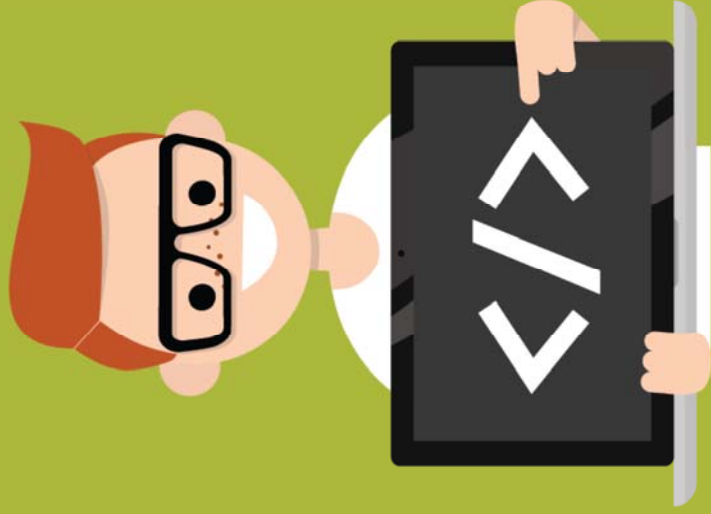
What is Swift Coding?



Swift is a general-purpose programming language that includes features that make code easier to read and write.

Swift is used to create software applications (apps) within the Apple ecosystem including iOS, macOS, watchOS and tvOS.

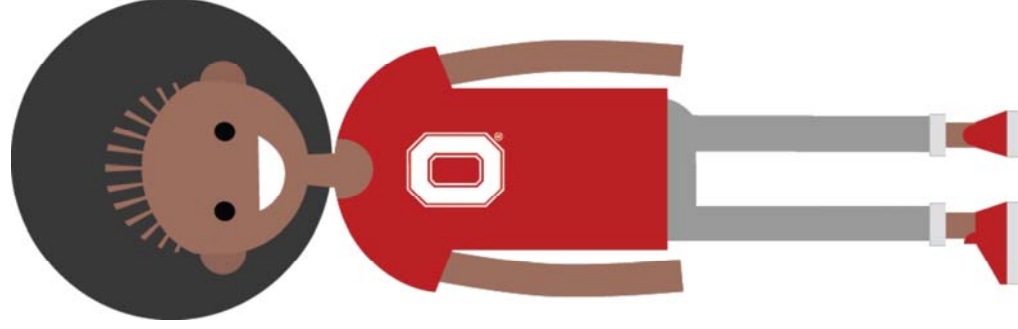
Why Swift Coding?



Swift provides those with an app or technology idea an accessible on-ramp to coding.

Swift is one of the fastest growing programming languages.

How will Swift Coding be provided?



Apple has developed Swift Playgrounds and a set of iBooks to use with students of various skill levels to learn coding from the foundational basics to the complete development cycle of an app.

Ohio State will work with Apple to take their existing resources and develop course modules that will be available to all Ohio State students, faculty and staff.

Swift Playgrounds

0/3
 0/4

Challenge: Collect exactly three gems and toggle open four switches.

To collect the right number of gems and toggle open the right number of switches in this challenge, you'll need two separate variables. As your character handles the gems and switches, you'll increment the right **variable** so you stop at the right time.

Start by **declaring** one variable for the number of gems, and another for the number of switches. Use the guidelines below to name your variables.

Naming a variable

Use camelCase: Start with a lowercase letter on the first word, and capitalize each new word.

Use a descriptive name: Give the variable a name that tells you what it stores, like `numberOfGems`.

Increment each variable by 1 when you collect a gem or toggle a switch. Use one of the comparison operators below to create a condition in an `if` statement or `while` loop to tell your character when to stop.

More comparison operators

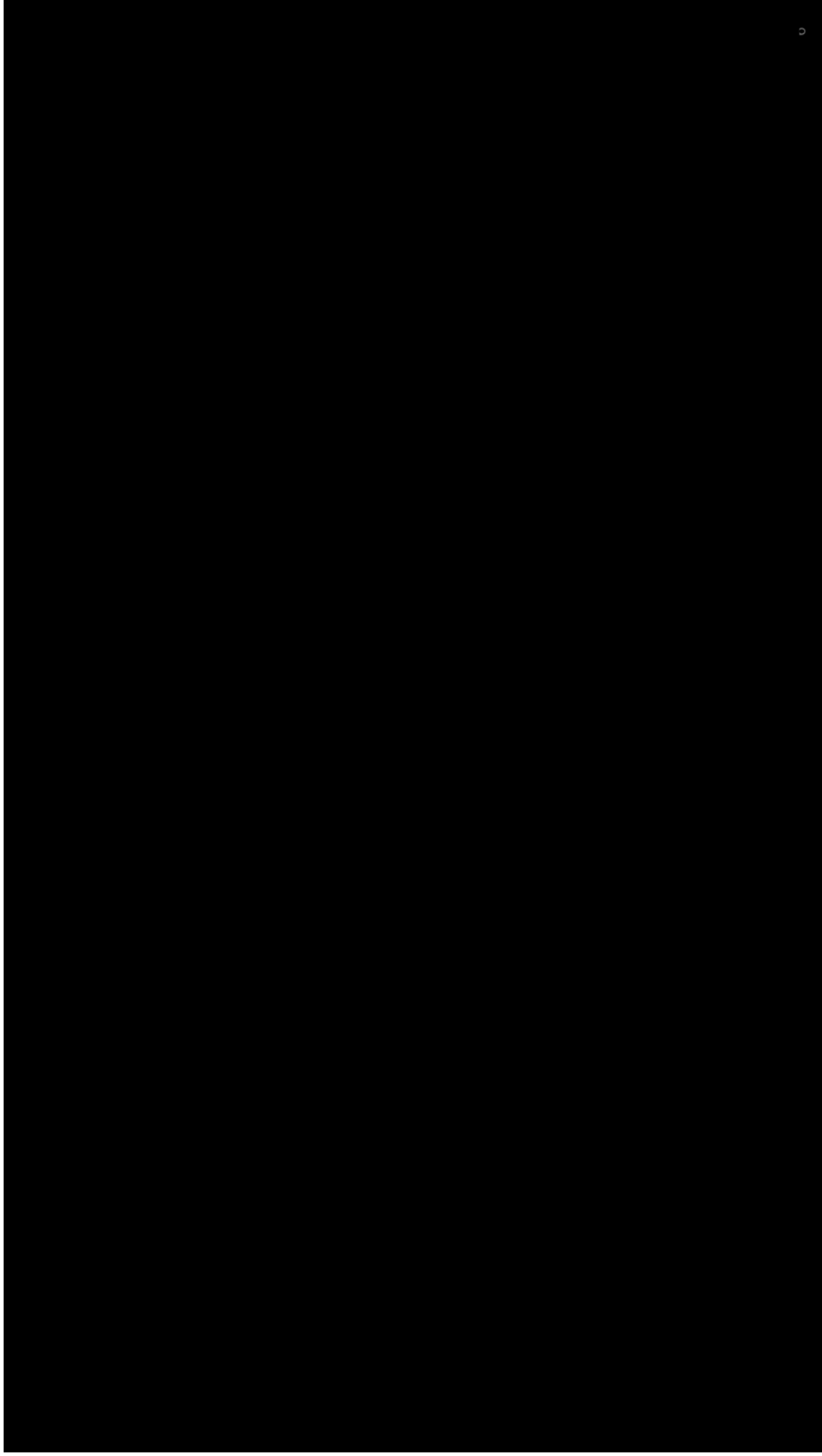
Less than operator: `(a < b)` returns true if a is less than b.

Greater than operator: `(a > b)` returns true if a is greater than b.

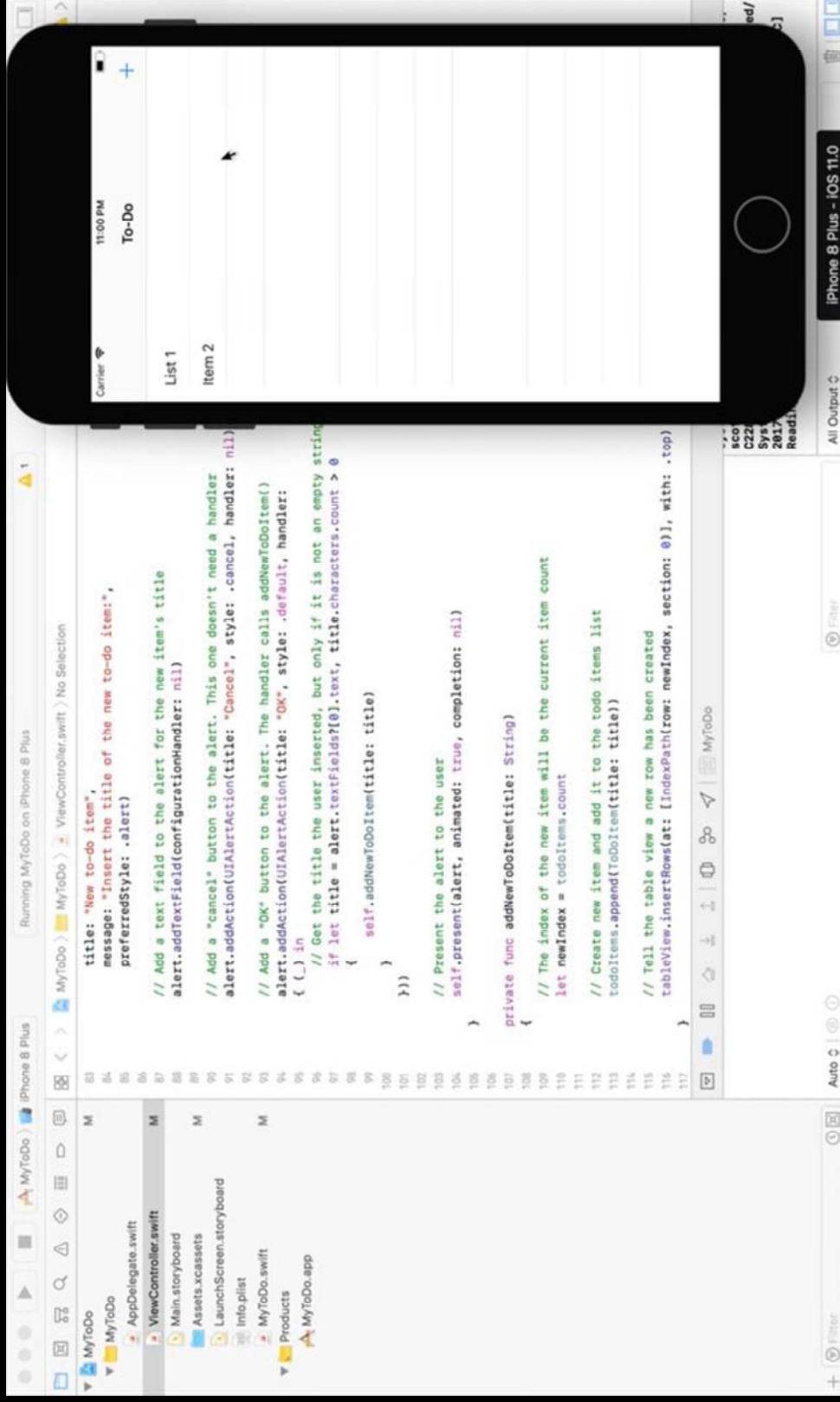
Equal to operator: `(a == b)` returns true if a equals b.

Not equal to operator: `(a != b)` returns true if a is not equal to b.

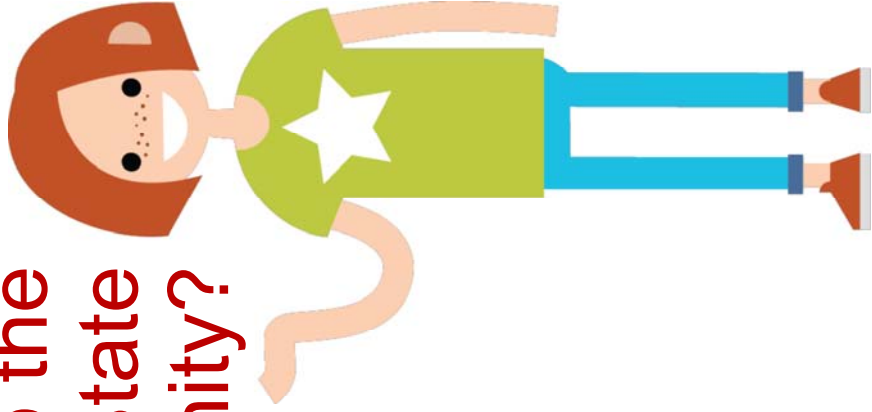
Tap to enter code



Swift in Xcode



How will Swift Coding be provided to the Ohio State community?



Ohio State will develop courses focusing on Swift Coding within a credentialing and certification framework.

These courses will utilize online delivery options to allow flexibility for those interested.

The new Digital Flagship Design Lab will serve as a physical location to support this coding curriculum.

When will Swift coding be available to the Ohio State community?



Preliminary Swift coding workshops have been provided to students, faculty and staff.

Throughout FY18 Ohio State will work with Apple to provide more workshops and to develop their curriculum into a structured course environment.

Preliminary on-demand online resources will be available in Spring 2018.

Thank You!

Cory Tressler tressler.8@osu.edu
Digital Flagship digitalflagship@osu.edu

Office of Distance Education and eLearning
152 Mount Hall
(614) 292-8860
odee.osu.edu



Office of Distance Education and eLearning

The Ohio State University
Board of Trustees

November 3, 2017

FACULTY PERSONNEL ACTIONS

BE IT RESOLVED, That the Board of Trustees hereby approves the faculty personnel actions as recorded in the personnel budget records of the university since the August 25, 2017, meeting of the board, including the following appointments, appointments/reappointments of chairpersons, faculty professional leaves, and emeritus titles:

Appointments

Name:	*ANITA AFZALI
Title:	Assistant Professor-Clinical (The Abercrombie and Fitch Chair in Inflammatory Bowl Disease)
College:	Medicine
Term:	August 1, 2017 through July 31, 2022
Name:	BHAVIK R. BAKSHI
Title:	Professor (Richard M. Morrow Chair in Polymer Engineering)
College:	Engineering
Term:	September 1, 2016 through June 30, 2021
Name:	WILLIAM E. CARSON III
Title:	Professor (The John B. and Jane T. McCoy Chair in Cancer Research)
Unit:	Comprehensive Cancer Center - The Arthur G. James Cancer Hospital and Richard J. Solove Research Institute
Term:	July 1, 2017 through June 30, 2021
Name:	STEVEN K. CLINTON
Title:	Professor (The Robert A. and Martha O. Schoenlaub Cancer Research Chair)
Unit:	Comprehensive Cancer Center - The Arthur G. James Cancer Hospital and Richard J. Solove Research Institute
Term:	July 1, 2017 through June 30, 2021
Name:	STEVEN M. DEVINE
Title:	Professor (The Bertha Bouroncle M.D. and Andrew Pereny Chair of Medicine)
Unit:	Comprehensive Cancer Center - The Arthur G. James Cancer Hospital and Richard J. Solove Research Institute
Term:	July 1, 2017 through June 30, 2021
Name:	*ELIZABETH V. HUME
Title:	Vice Provost, Undergraduate Studies Dean, Undergraduate Education
Office:	Academic Affairs
Term:	October 1, 2017 through June 30, 2022
Name:	BRAD H. ROVIN
Title:	Professor (The Dr. Lee Hebert Endowed Professorship in Nephrology)
College:	Medicine
Effective:	July 1, 2014 through June 30, 2018

*New Hire

The Ohio State University
Board of Trustees

November 3, 2017

FACULTY PERSONNEL ACTIONS (cont'd)

Reappointments

Name: CATALIN BUHIMISCHI
Title: Professor (The Frederick P. Zuspan, MD Chair in Obstetrics and Gynecology)
College: Medicine
Term: December 1, 2017 through November 30, 2021

Name: DAVID COHN
Title: Professor (Stuart M. Sloan - Larry J. Copeland MD Chair in Gynecologic Oncology Initiated by a Grateful Patient)
Unit: Comprehensive Cancer Center - The Arthur G. James Cancer Hospital and Richard J. Solove Research Institute
Term: January 1, 2018 through December 31, 2022

Name: WENDY L. FRANKEL
Title: Professor (The Ralph W. and Helen Kurtz Chair in Pathology)
College: Medicine
Term: July 1, 2017 through June 30, 2021

Name: ANDREW H. GLASSMAN
Title: Professor-Clinical (Frank J. Kloenne Chair in Orthopedic Surgery)
College: Medicine
Term: July 1, 2017 through June 30, 2021

Name: RONALD L. HARTER
Title: Professor (The Jay J. Jacoby MD, PhD Chair in Anesthesiology)
College: Medicine
Title: Chair
Department: Anesthesiology
Term: July 1, 2017 through June 30, 2021

Name: M. SCOTT HERNESS
Title: Interim Vice Provost, Graduate Studies
Dean, Graduate School
Office: Academic Affairs/Graduate School
Term: September 1, 2017 through December 31, 2017

Name: WAEL N. JARJOUR
Title: Professor-Clinical (The Martha Morehouse Chair in Arthritis and Immunology Research)
College: Medicine
Term: July 1, 2017 through June 30, 2021

The Ohio State University
Board of Trustees

November 3, 2017

FACULTY PERSONNEL ACTIONS (cont'd)

Reappointments (cont'd)

Name: SUSAN L. KOLETAR
Title: Professor-Clinical (Frank E. and Mary W. Pomerene Professorship in the Prevention and Treatment of Infectious Diseases)
College: Medicine
Term: July 1, 2017 through June 30, 2021

Name: PETER J. MOHLER
Title: Professor (William D. and Jacquelyn L. Wells Chair at the Dorothy M. Davis Heart and Lung Research Institute)
Unit: Heart and Vascular Center
Term: July 1, 2017 through June 30, 2022
Title: Vice Dean, Research
College: Medicine
Title: Chair
Department: Physiology and Cell Biology
Term: July 1, 2017 through June 30, 2021

Name: RANDY J. NELSON
Title: Professor (The Doctor John D. and E. Olive Brumbaugh Chair in Brain Research and Teaching)
Unit: Brain and Spine Hospital
Term: August 1, 2017 through July 31, 2021

Name: MARK D. PARTRIDGE
Title: Professor (The C. William Swank Chair in Rural Urban Policy)
College: Food, Agricultural, and Environmental Sciences
Term: July 1, 2017 through June 30, 2022

Name: SUBHA V. RAMAN
Title: Professor (The Joseph M. Ryan, M.D. Chair in Cardiovascular Medicine)
Unit: Heart and Vascular Center
Term: July 1, 2016 through June 30, 2020

Name: MATTHEW D. RINGEL
Title: Professor (The Ralph W. Kurtz Chair in Hormonology)
College: Medicine
Term: July 1, 2017 through June 30, 2021

Name: CYNTHIA J. ROBERTS
Title: Professor (The Martha G. and Milton Staub Chair for Research in Ophthalmology)
College: Medicine
Term: July 1, 2016 through June 30, 2020

The Ohio State University
Board of Trustees

November 3, 2017

FACULTY PERSONNEL ACTIONS (cont'd)

Reappointments (cont'd)

Name:	ORLANDO P. SIMONETTI
Title:	Professor (The John W. Wolfe Professorship in Cardiovascular Research)
College:	Medicine
Term:	October 1, 2017 through September 30, 2021
Name:	MICHAEL F. TWEEDLE
Title:	Professor (The Stefanie Spielman Chair in Cancer Imaging)
Unit:	Comprehensive Cancer Center - The Arthur G. James Cancer Hospital and Richard J. Solove Research Institute
Term:	July 1, 2017 through June 30, 2021
Name:	VICKI WY SOCKI
Title:	Professor and Ohio Eminent Scholar in Macromolecular Structure and Function
College:	Arts and Sciences
Term:	July 1, 2017 through May 31, 2022

The Ohio State University
Board of Trustees

November 3, 2017

Appointments/Reappointment of Chairpersons

JUAN D. ALFONZO, Director, Center for RNA Biology, effective October 1, 2017 through September 30, 2021

*JOHN C. FOLTZ, Chair, Department of Animal Sciences, effective October 9, 2017 through September 30, 2021

CHRISTOPHER F. HIGHLEY, Director, Center for Medieval and Renaissance Studies (CMRS), effective September 1, 2017 through May 31, 2018

ALLISON A. MACKAY, Chair, Department of Civil, Environmental and Geodetic Engineering, effective September 1, 2017 through May 31, 2021

MICHAEL J. MERCIL, Interim Chair, Department of Art effective September 1, 2017 through May 31, 2018

MICHAEL J. OGLESBEE, Director, Infectious Diseases Institute, effective September 1, 2017 through August 31, 2021

JAMES ROCCO, Interim Chair, Department of Otolaryngology - Head and Neck Surgery, effective October 1, 2017 through September 30, 2018

DAVID J. STALEY, Director, Humanities Institute, effective August 15, 2017 through May 15, 2018

*M. SUSIE WHITTINGTON, Director, Second-year Transformational Experience Program (STEP), effective October 1, 2017 through June 30, 2020

*New Hire

Faculty Professional Leaves

LAUREEN H. SMITH, Associate Professor, College of Nursing, effective Spring Semester 2018 and Summer Semester 2018

QINGHUA SUN, Professor, College of Public Health, effective Autumn Semester 2018

Faculty Professional Leaves - Cancellation

RUCHIKA S. PRAKASH, Associate Professor, Department of Psychology, effective Autumn Semester 2017

Emeritus Titles

HOJJAT ADELI, Department of Civil, Environmental and Geodetic Engineering with the title Professor Emeritus, effective October 1, 2017

MICHAEL L. BLUMENFELD, Department of Obstetrics and Gynecology with the title Professor-Clinical Emeritus, effective October 1, 2017

E. CHRISTOPHER ELLISON, Department of Surgery with the title Robert M. Zollinger Professor Emeritus, effective October 1, 2017

The Ohio State University
Board of Trustees

November 3, 2017

JOHN C. FELLINGHAM, Department of Accounting and Management Information Systems with the title Professor Emeritus effective January 1, 2018

RICHARD D. KASS, Department of Physics with the title Professor Emeritus, effective January 1, 2018

DAVID S. KRAYBILL, Department of Agricultural, Environmental, and Development Economics with the title Professor Emeritus, effective October 1, 2017

LINDA C. MARTIN, Department of Animal Sciences with the title Professor Emeritus, effective October 30, 2017

DAVID G. RIEDE, Department of English with the title Professor Emeritus, effective June 1, 2018

LAWRENCE A. TOMASSINI, Department of Accounting and Management Information Systems with the title Professor Emeritus effective January 1, 2018

YUAN F. ZHENG, Department of Electrical and Computer Engineering with the title Professor Emeritus, effective September 1, 2017

COLLEGE OF MEDICINE

PROMOTION TO PROFESSOR

Buford, John, School of Health and Rehabilitation Sciences, effective June 8, 2017

The Ohio State University
Board of Trustees

November 3, 2017

AMENDMENTS TO THE RULES OF THE UNIVERSITY FACULTY

Synopsis: Approval of the following amendments to the *Rules of the University Faculty*, is proposed.

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

WHEREAS the proposed changes to rule 3335-7-02, rule 3335-7-08, and to rule 3335-7-36 in the *Rules of the University Faculty* were approved by the University Senate on September 7, 2017:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves that the attached amendments to the *Rules of the University Faculty* be adopted as recommended by the University Senate.

The Ohio State University
Board of Trustees

November 3, 2017

AMENDMENTS TO THE RULES OF THE UNIVERSITY FACULTY

BACKGROUND

3335-7-02 Titles.

If individual colleges, schools, and departments with clinical faculty wish to provide clinical faculty with faculty-rank titles, then whatever title is used must be distinct from tenure-track titles (see paragraph (A) of rule 3335-5-19 of the Administrative Code). Examples-Titles include, ~~but are not limited to,~~ professor of clinical (name of college, school, or department), ~~associate or~~ professor of professional practice, ~~and assistant professor of practice (name of college, school, or department).~~ Exceptions to these titles must be approved by the provost or his/her designee.

3335-7-08 Annual review, reappointment/nonreappointment, and promotion review procedures.

The procedures for reviewing clinical faculty annually and for reappointment/ nonreappointment and promotion shall be set forth in the relevant college, school or department appointments, promotion, and tenure document and shall be consistent with review procedures established for tenure-track faculty, including those set forth in rules 3335-6-03 and 3335-6-04 of the Administrative Code with the following exceptions:

- (A) The college dean's decision shall be final with respect to reappointment and nonreappointment, ~~and with respect to denial of promotion; and~~ Decisions with respect to promotion shall be forwarded to the executive vice president and provost, who shall review the decision consistent with the review procedures established for tenure-track faculty including those set forth in rule 3335-6-04. Any decision of the executive vice president and provost shall be final.
- (B) no changes

3335-7-36 Annual review, reappointment/nonreappointment, and promotion review procedures.

The procedures for reviewing research faculty annually and for reappointment/nonreappointment and promotion shall be set forth in the relevant, tenure-track faculty approved, college, school or department appointments, promotion and tenure document and shall be consistent with review procedures established for tenure-track faculty including those set forth in rules 3335-6-03 and 3335-6-04 of the Administrative Code except that the college dean's decision shall be final with respect to reappointment and nonreappointment ~~and with respect to denial of promotion.~~ Decisions with respect to promotion shall be forwarded to the executive vice president and provost, who shall review the decision consistent with the review procedures established for tenure-track faculty including those set forth in rule 3335-6-04. Any decision of the executive vice president and provost shall be final.

The Ohio State University
Board of Trustees

November 3, 2017

**ESTABLISHMENT OF A BACHELOR OF
SCIENCE IN BIOMEDICAL SCIENCE DEGREE PROGRAM**

COLLEGE OF MEDICINE

Synopsis: Approval to establish a Bachelor of Science in Biomedical Science degree program in the College of Medicine, is proposed.

WHEREAS the undergraduate major in Biomedical Science was established in 2005 in the now-School of Health and Rehabilitation Sciences, in the College of Medicine, to prepare graduates for a post-baccalaureate entry into professional and graduate program and students earned the Bachelor of Science in Health and Rehabilitation Sciences degree; and

WHEREAS in June 2016, the College of Medicine established the Department of Biomedical Education and Anatomy, and proposes to transfer the major program from the school to this new department and in so doing establish a new degree title - Bachelor of Science in Biomedical Science; and

WHEREAS the major continues to comply with all institutional requirements for a degree program; and

WHEREAS the proposal was reviewed and approved by the Council on Academic Affairs at its meeting on August 3, 2017; and

WHEREAS the proposal was reviewed and received a vote of approval by the University Senate on August 29, 2017:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves the establishment of a Bachelor of Science in Biomedical Science degree program.

The Ohio State University
Board of Trustees

November 3, 2017

**APPROVAL TO CHANGE THE NAME OF THE DEPARTMENT OF PLASTIC
SURGERY TO THE DEPARTMENT OF PLASTIC AND RECONSTRUCTIVE SURGERY**

COLLEGE OF MEDICINE

Synopsis: Approval to change the name of the Department of Plastic Surgery to the Department of Plastic and Reconstructive Surgery, is proposed.

WHEREAS the name plastic and reconstructive surgery better reflects the department's mission

WHEREAS aesthetic surgery is an essential part of the clinical, educational, and research services of the department but its major focus is reconstructive surgery and

WHEREAS approximately half of academic departments in the U.S. have changed their name to this title and the preeminent journal for the specialty is Journal of Plastic and Reconstructive Surgery; and

WHEREAS the proposal has the support of the department's faculty, the College of Medicine Council, and the college administration and no changes to degree titles or course offerings are required; and

WHEREAS the proposal was reviewed and approved by the Council on Academic Affairs at its meeting on June 22, 2017 and by the University Senate on August 29, 2017:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves the proposal to change the name of the Department of Plastic Surgery to the Department of Plastic and Reconstructive Surgery.

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
Board of Trustees

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

The Ohio State University
Board of Trustees

November 3, 2017

- 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

The Ohio State University
Board of Trustees

November 3, 2017

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 2007 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%.

The Ohio State University
Board of Trustees

November 3, 2017

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

	As of August 2017	As of June 2017	Increase/Decrease	
			Dollars	%
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	4,456,031	3,184,950	1,271,081	39.9%
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	10,595,367	10,183,600	411,767	4.0%
Total Assets	15,051,398	13,368,550	1,682,848	12.6%
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	\$ 16,079,526	\$ 14,396,678	\$ 1,682,848	11.7%
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	2,034,411	1,522,368	512,043	33.6%
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	7,750,303	6,692,944	1,057,359	15.8%
Total Liabilities	9,784,714	8,215,312	1,569,402	19.1%
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	469,693	471,298	(1,605)	-0.3%
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	5,825,119	5,710,068	115,051	2.0%
Total Liabilities, Deferred Inflows, and Net Position	\$ 16,079,526	\$ 14,396,678	\$ 1,682,848	11.7%

The Ohio State University
Board of Trustees

November 3, 2017

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 2017	August 2016	Increase/Decrease	
			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	843,198	785,585	57,613	7.3%
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	946,369	887,499	58,870	6.6%
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)	200,112	203,654	(3,542)	-1.7%
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	18,110	17,843	267	1.5%
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	\$ 5,825,119	\$ 5,268,311		

The Ohio State University
Board of Trustees

November 3, 2017

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

	August 2017	August 2016	Incr/(Decr) to Cash Dollars	%
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.

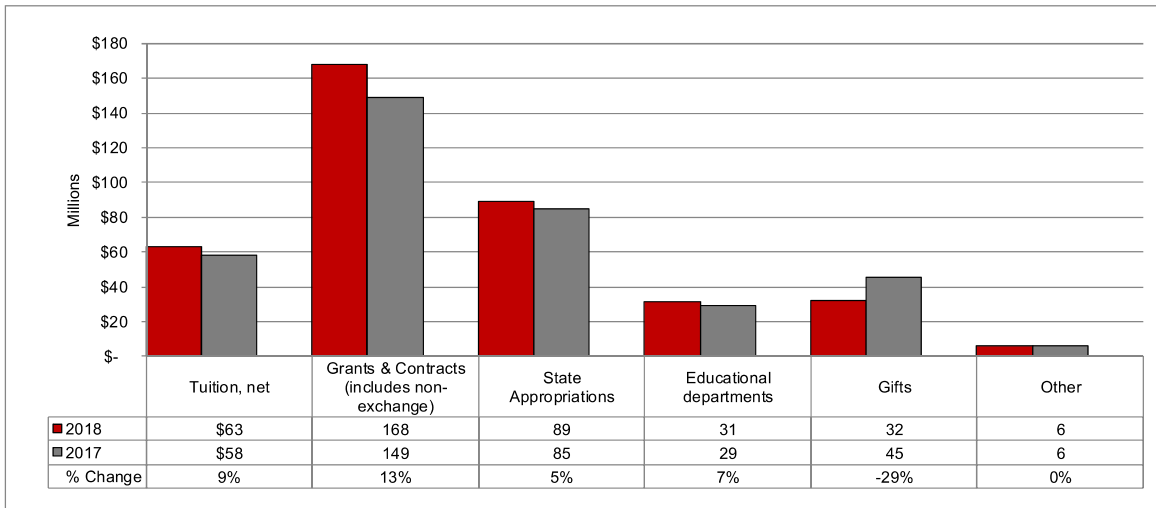
The Ohio State University
Board of Trustees

November 3, 2017

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 2007 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.

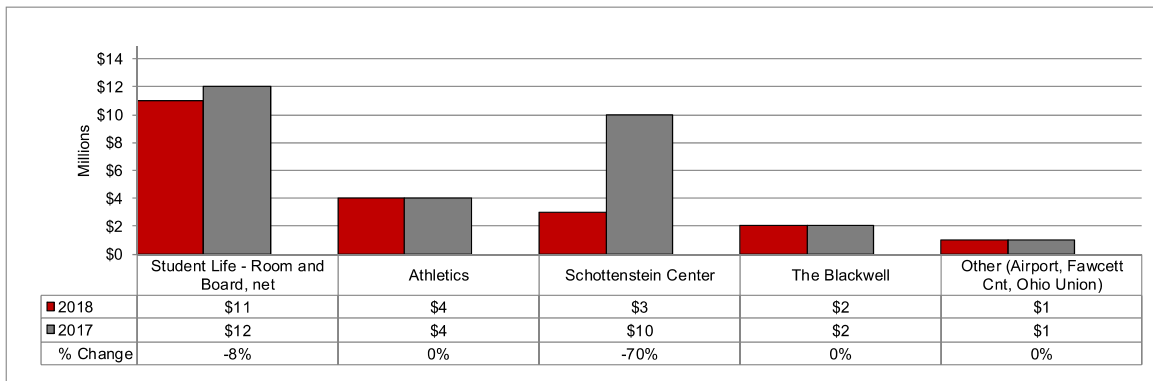
Auxiliary

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:

The Ohio State University
Board of Trustees

November 3, 2017

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

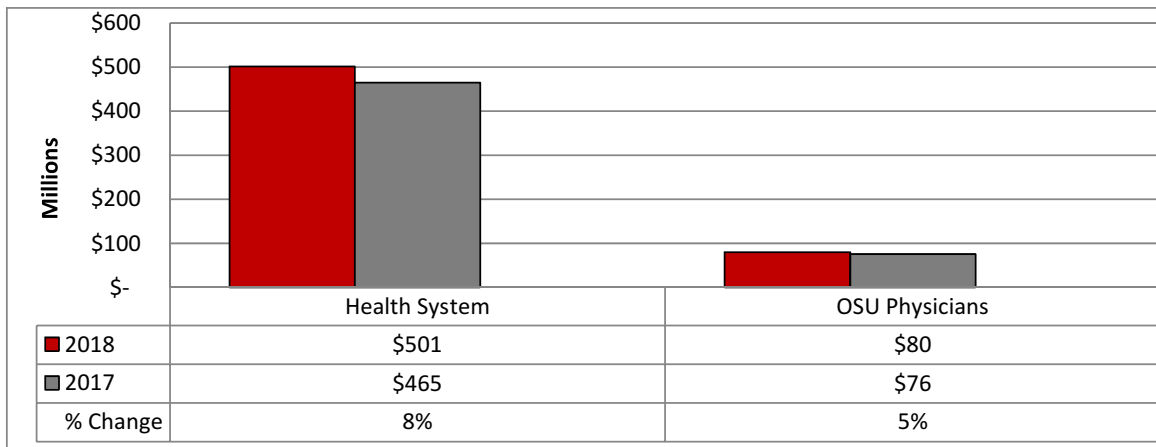


Schottenstein Center revenues decreased \$7 million due primarily to the International Champions Cup (ICC) soccer game held at Ohio Stadium in July 2016 of fiscal year 2017.

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

The Ohio State University
Board of Trustees

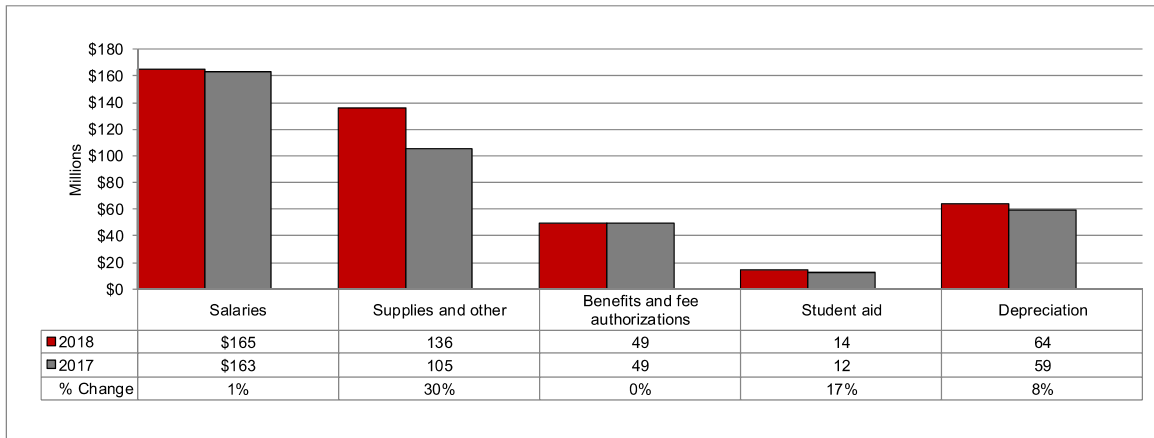
November 3, 2017

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

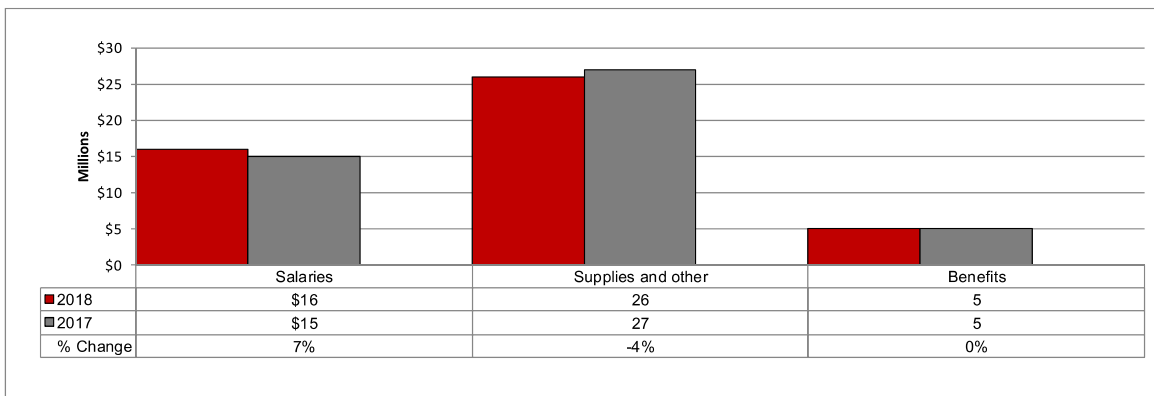


Salaries and benefits were relatively flat in the first two months of fiscal year 2018 over the comparable period in fiscal year. Supplies and other expenses increased \$27 million primarily due to the comprehensive energy management and Workday enterprise projects. Student aid increased due to planned 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



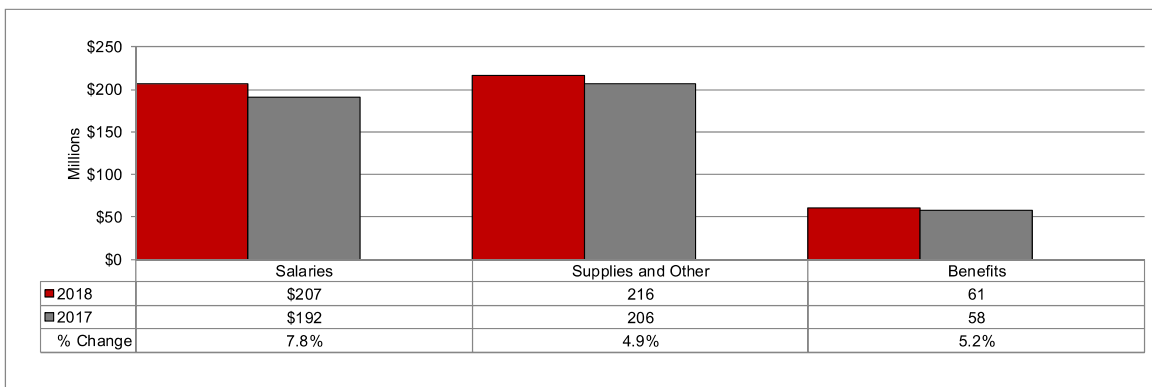
The Ohio State University
Board of Trustees

November 3, 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

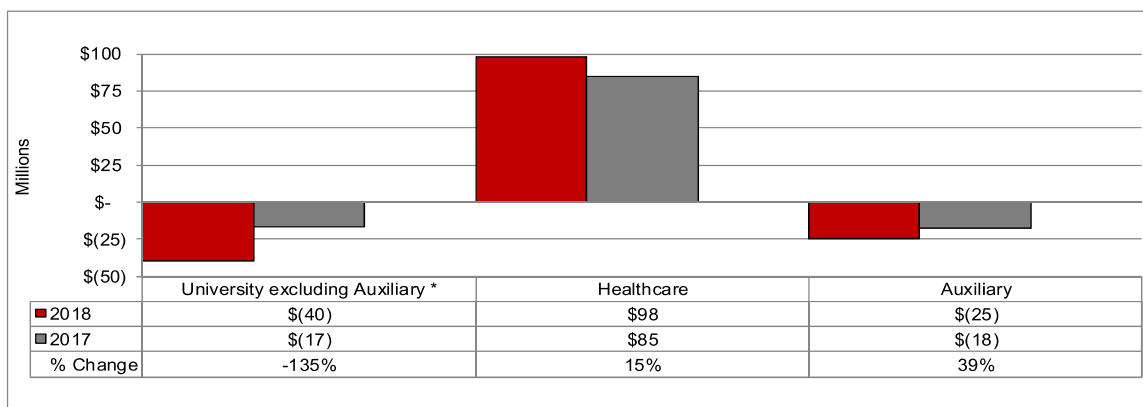


Salaries increased \$15 million in the first two months of fiscal year 2018, or 7.8% over the comparable period in fiscal year 2017 due to increases in staffing levels. Supplies and other expenses increased \$10 million, or 4.9%, primarily due to increases in operating costs from increases in patient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



The Ohio State University
Board of Trustees

November 3, 2017

* 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:

	2018	2017
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	(12,384)	(12,614)
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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Board of Trustees

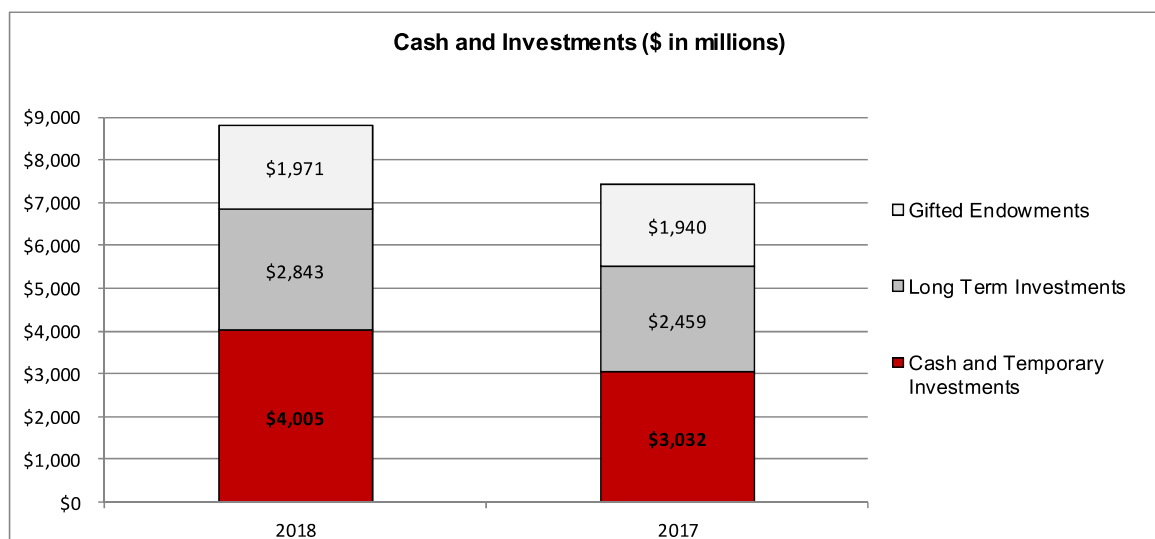
November 3, 2017

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.

The Ohio State University
Board of Trustees

November 3, 2017

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%

The Ohio State University
Board of Trustees

November 3, 2017

**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 Actual Vs. Budget Headcounts				Fiscal Years 2017 & 2018 Headcount Comparison			
	Actual	Budget	Change	% Chg	FY 2018	FY 2017	Change	% Chg
Residency Status								
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 Actual Vs. Budget Headcounts				Fiscal Years 2017 & 2018 Headcount Comparison			
	Actual	Budget	Change	% Chg	FY 2018	FY 2017	Change	% Chg
Residency Status								
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 Actual Vs. Budget Headcounts				Fiscal Years 2017 & 2018 Headcount Comparison			
	Actual	Budget	Change	% Chg	FY 2018	FY 2017	Change	% Chg
Campus								
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

The Ohio State University
Board of Trustees

November 3, 2017

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.

The Ohio State University
Board of Trustees

November 3, 2017

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.

The Ohio State University
Board of Trustees

November 3, 2017

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

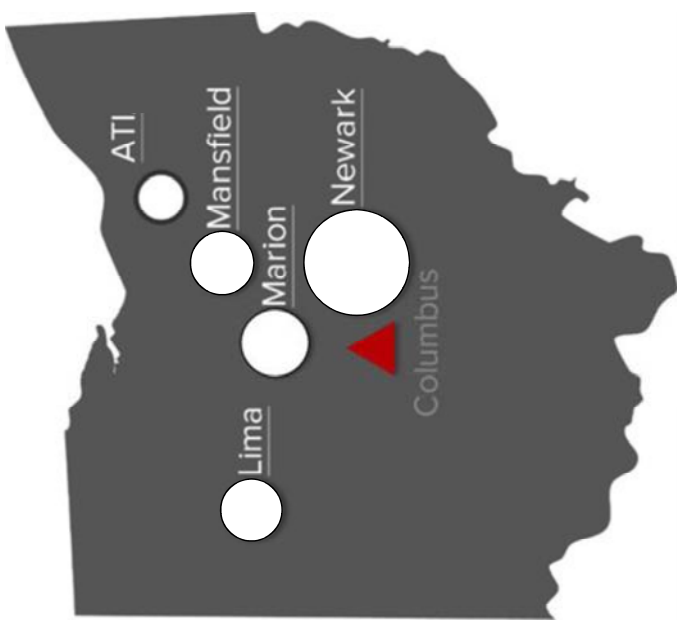
Regional Campus Update

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	

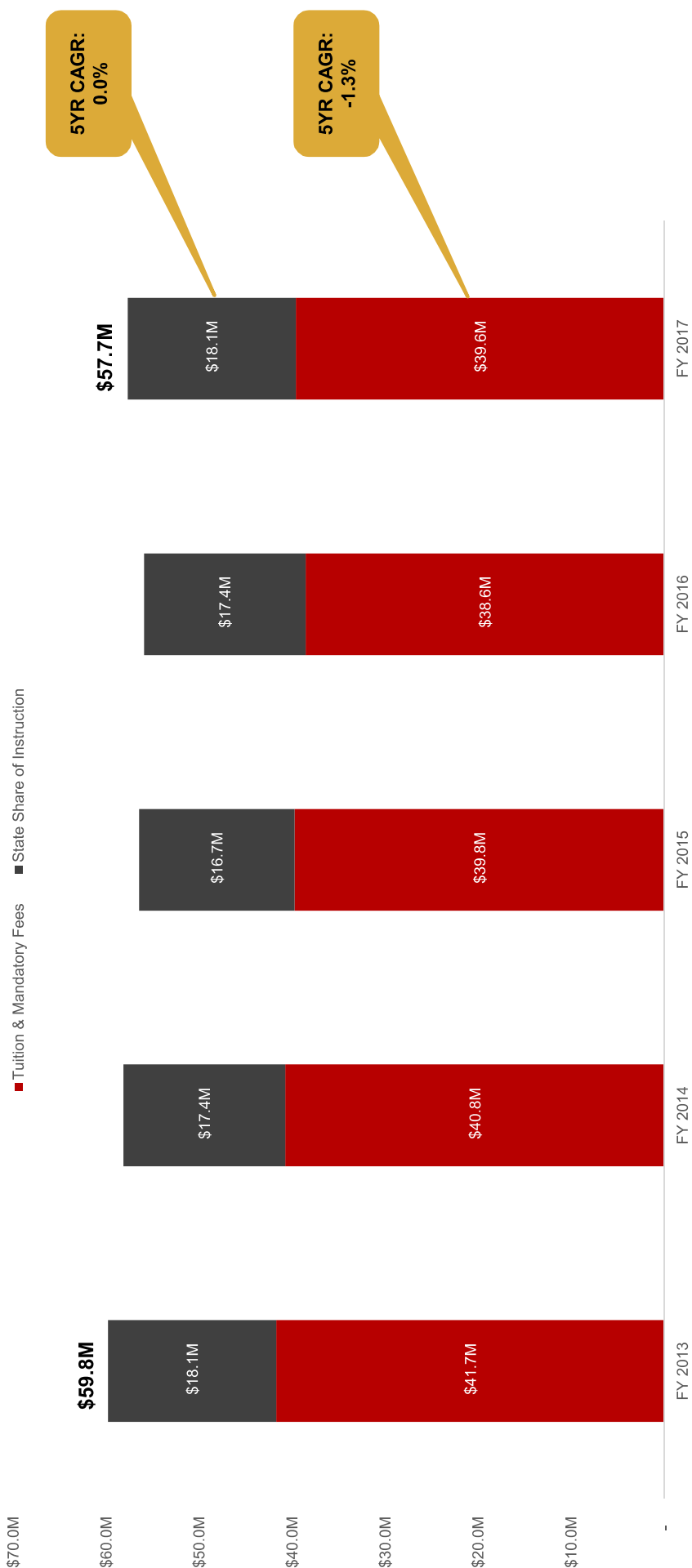
ATI*	N/A	✓	✓ (478 / 0)	✗	722	
Columbus Campus					59,482	
Total OSU					66,046	

*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%

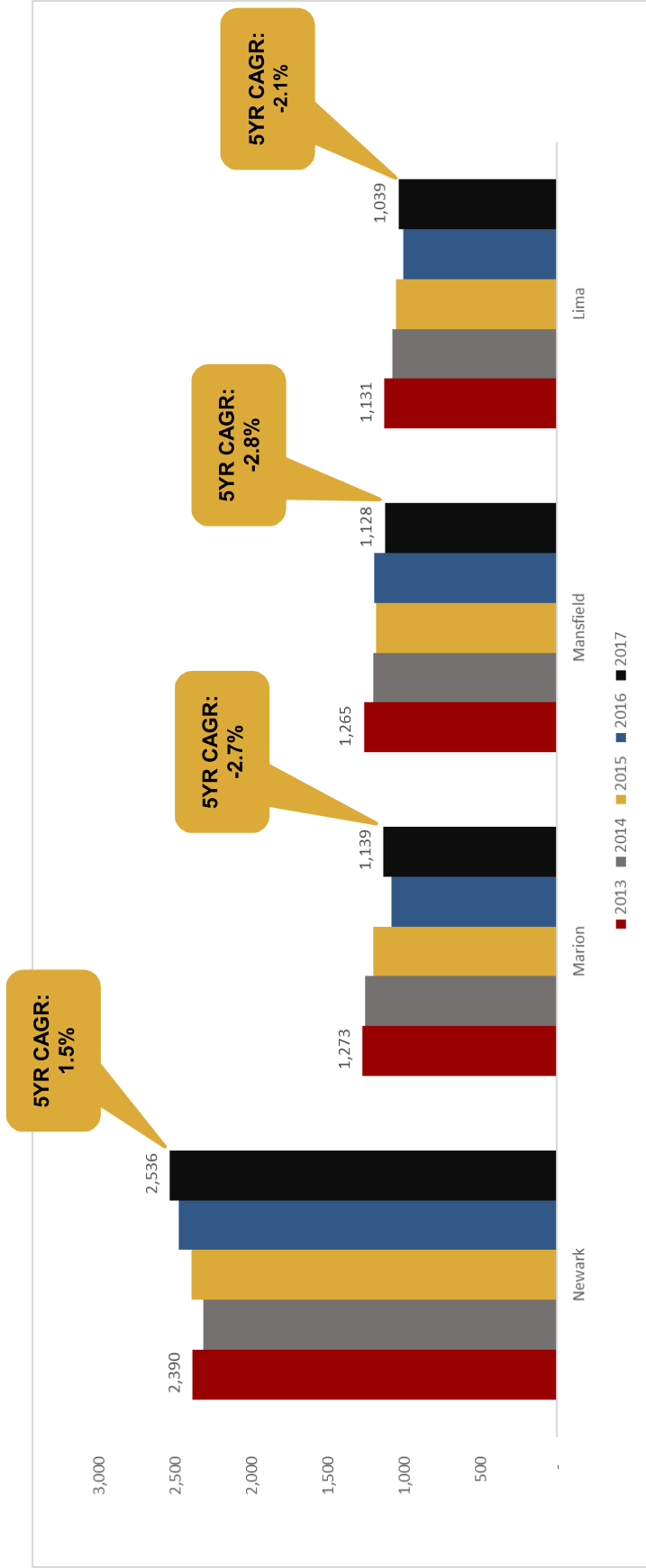


*Excluding ATI



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	% Change
Instructional Fee	6,912	7,325	413	6.00%
General Fee	228	228	-	-
Regional campus guarantee	\$7,140	\$7,553*	\$413	5.80%

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

Columbus campus - Ohio State Tuition Guarantee for class entering FY18 (resident, most common room and board)				
	Current (FY17)	Guarantee (FY18)	Change	% Change
Instructional Fee	9,168	9,718	550	6.00%
General Fee	372	372	-	-
Student Activity	75	80	5	6.00%
Recreation	246	246	-	-
COTA	27	27	-	-
Ohio Union	149	149	-	-
		\$10,591	\$513	5.0%

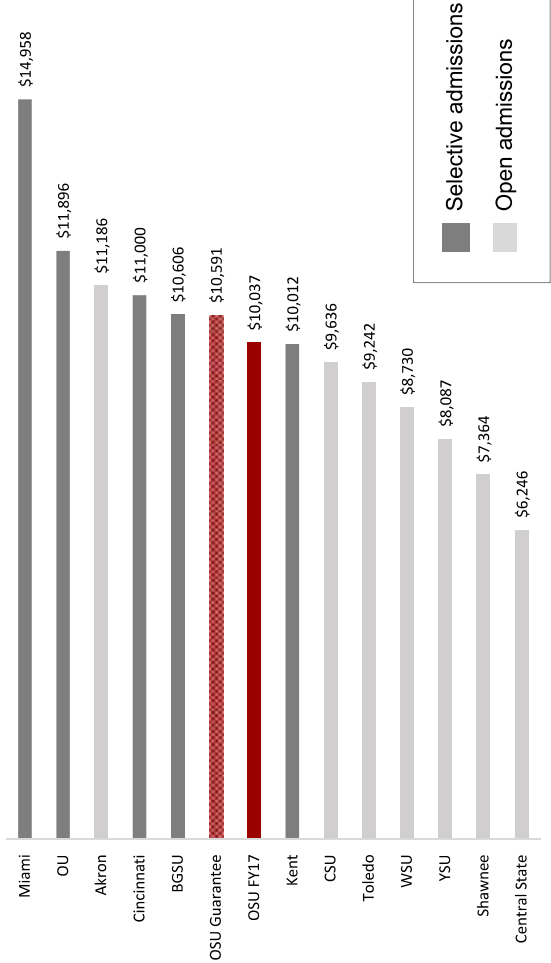
*Room and board rates would also be included in the regional campus and ATI guarantee for student selecting those options



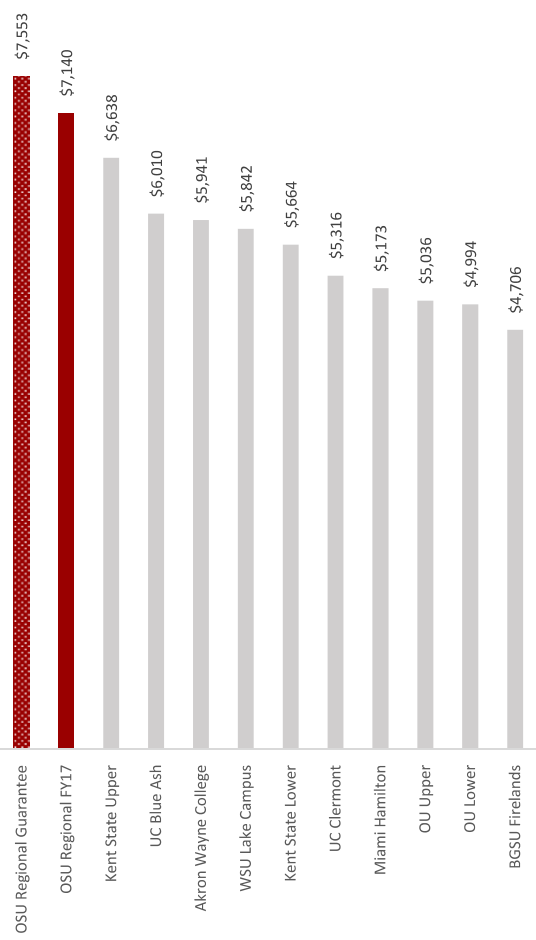
Cost of Attendance Comparisons

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

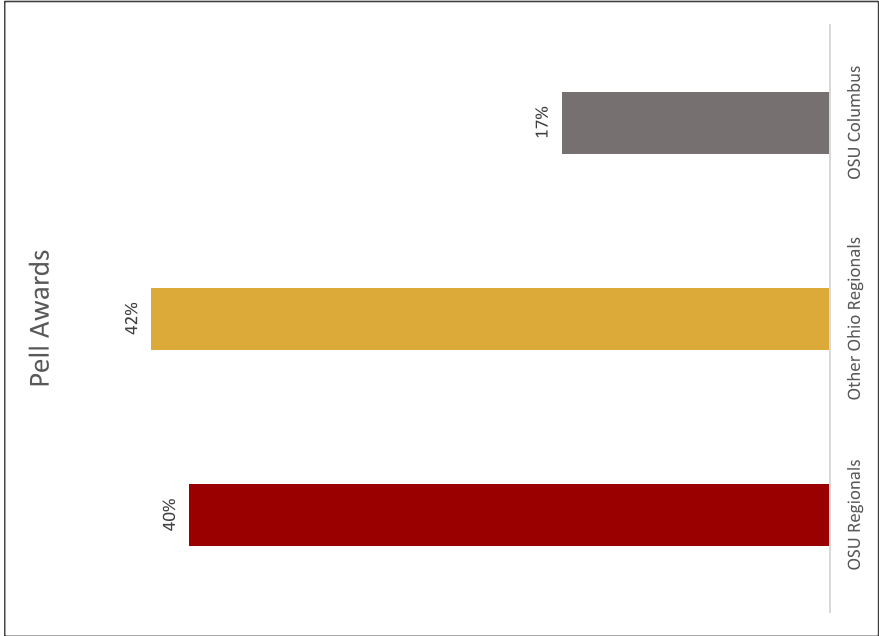
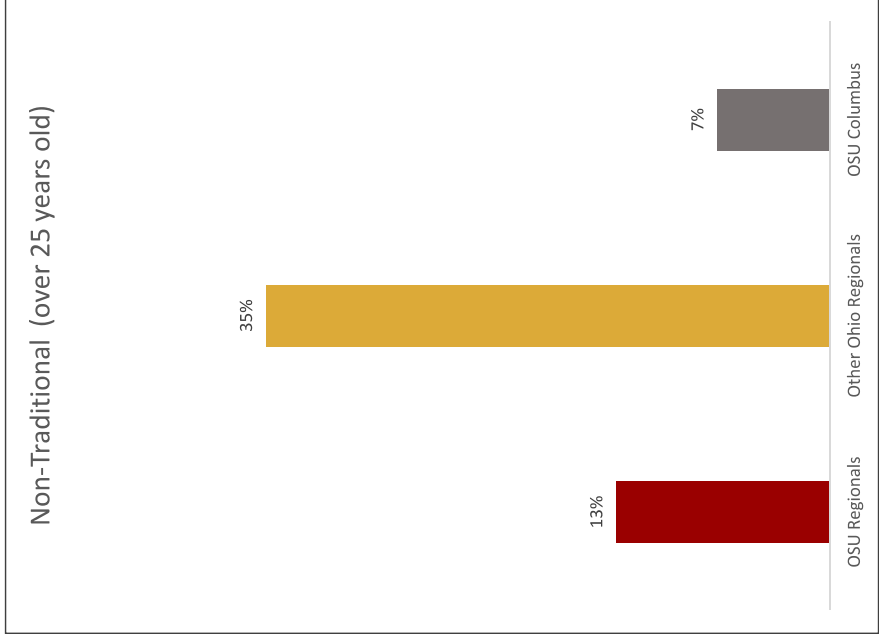
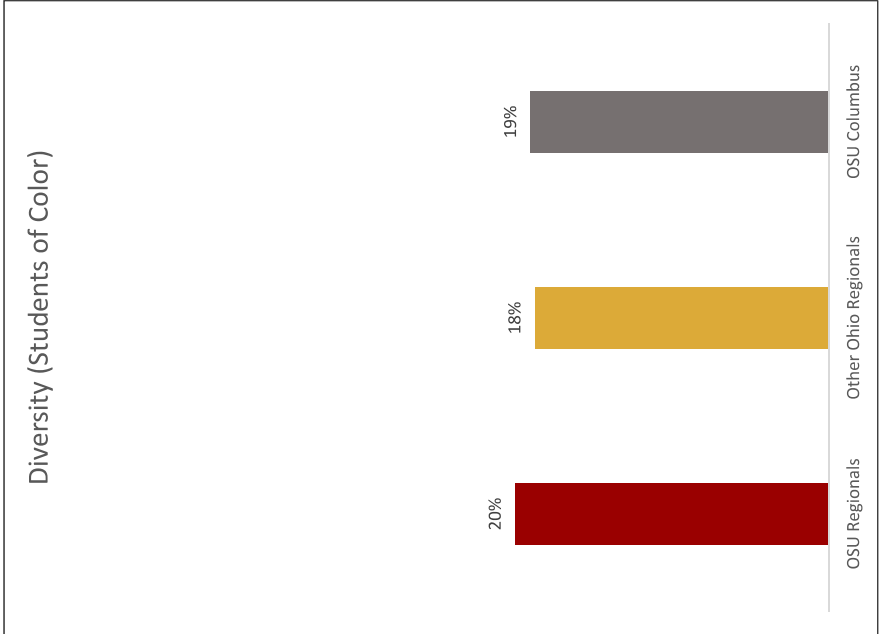


*Assumes 1 year at regional and 3 years on main campus



Student Profile

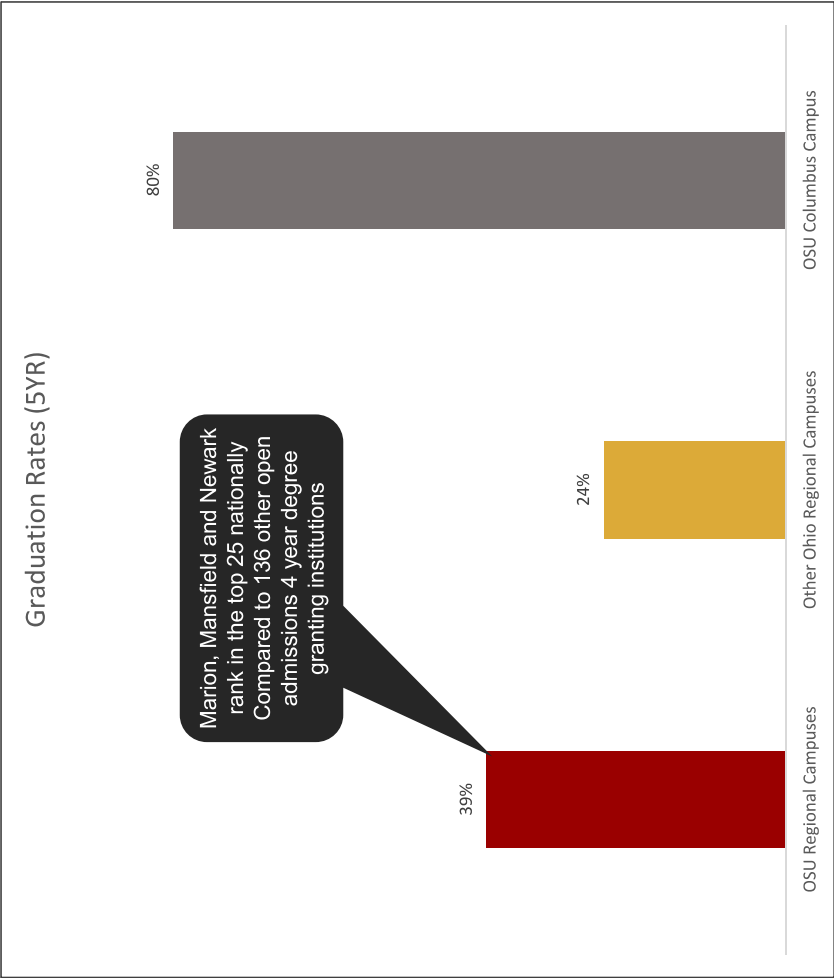
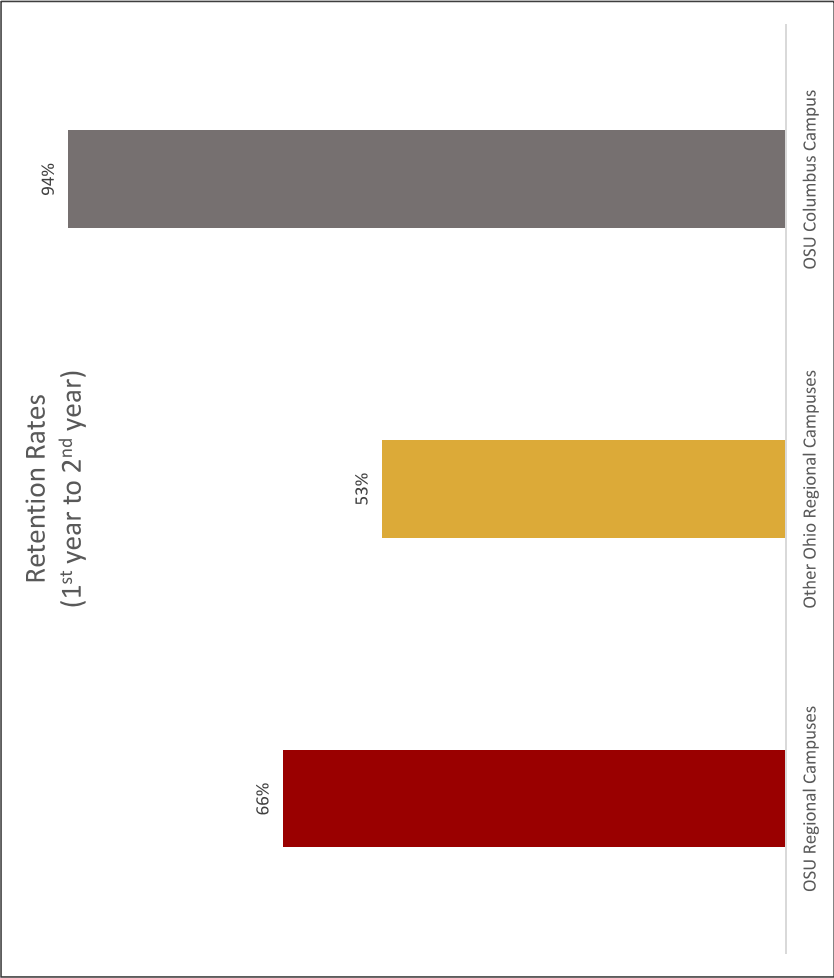
Regional campuses serve a more diverse, non-traditional and Pell eligible student population than Columbus





Student Success

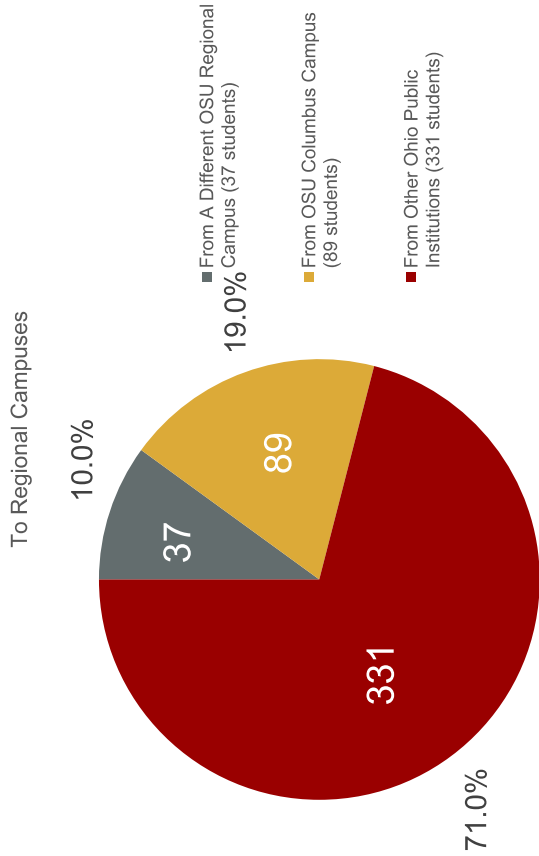
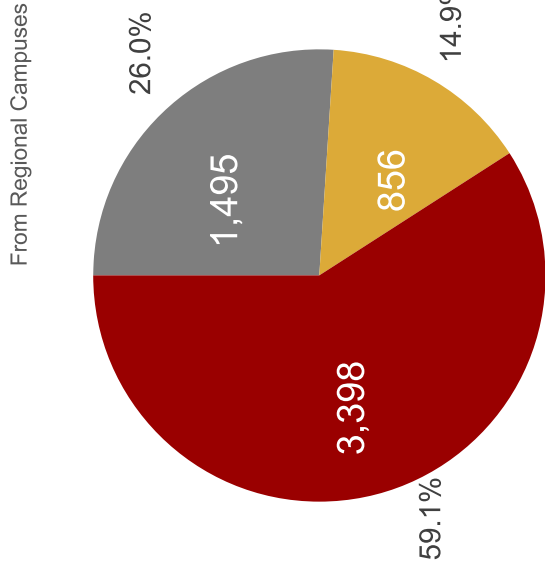
OSU regional campuses have better retention and graduation rates than the average Ohio Regional but still lag behind the Columbus campus





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

Enrollment	1,273	1,259	1,204	1,085	1,139
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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
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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

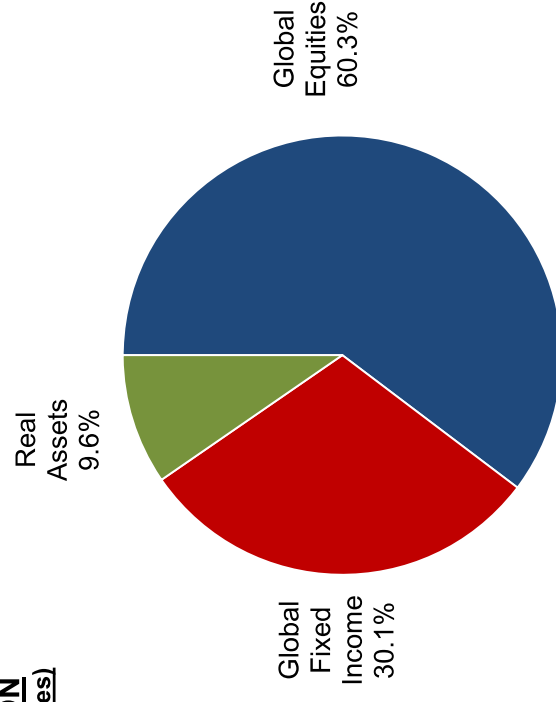
PERFORMANCE

	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)

Global Equities	60.3%	Global Fixed Income	30.1%
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%		

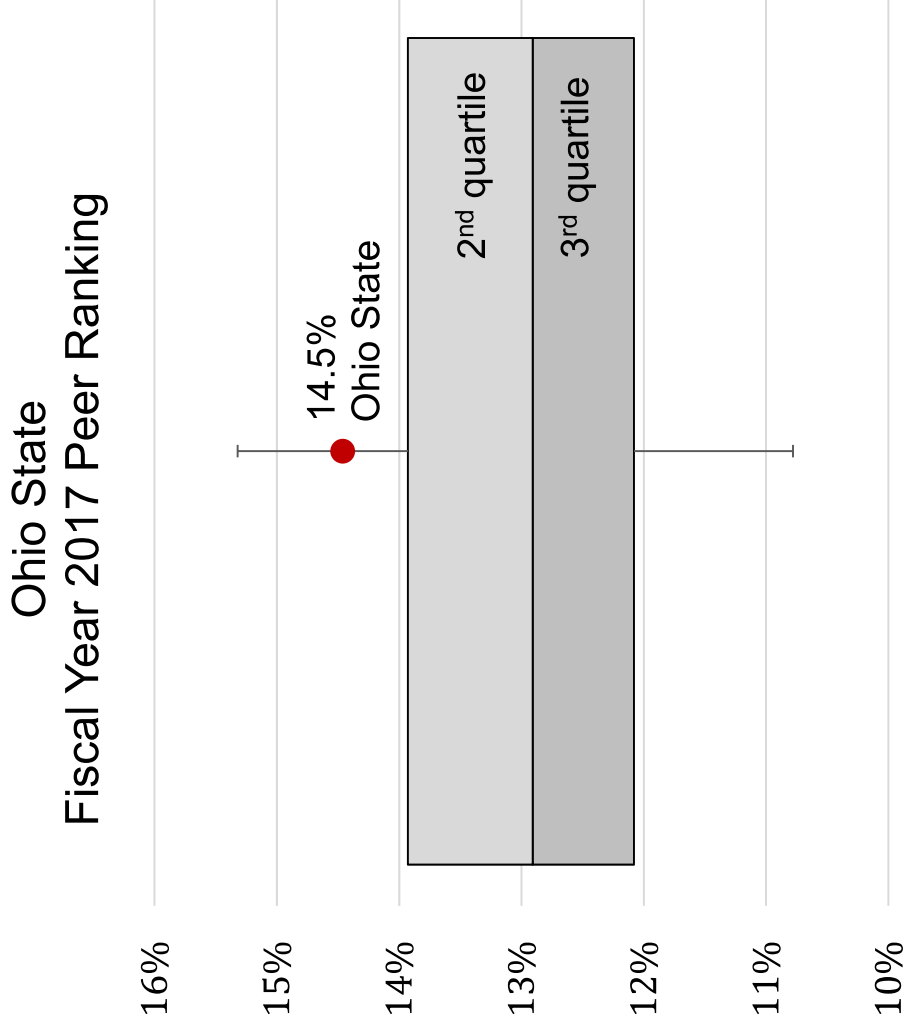




Peer comparison

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

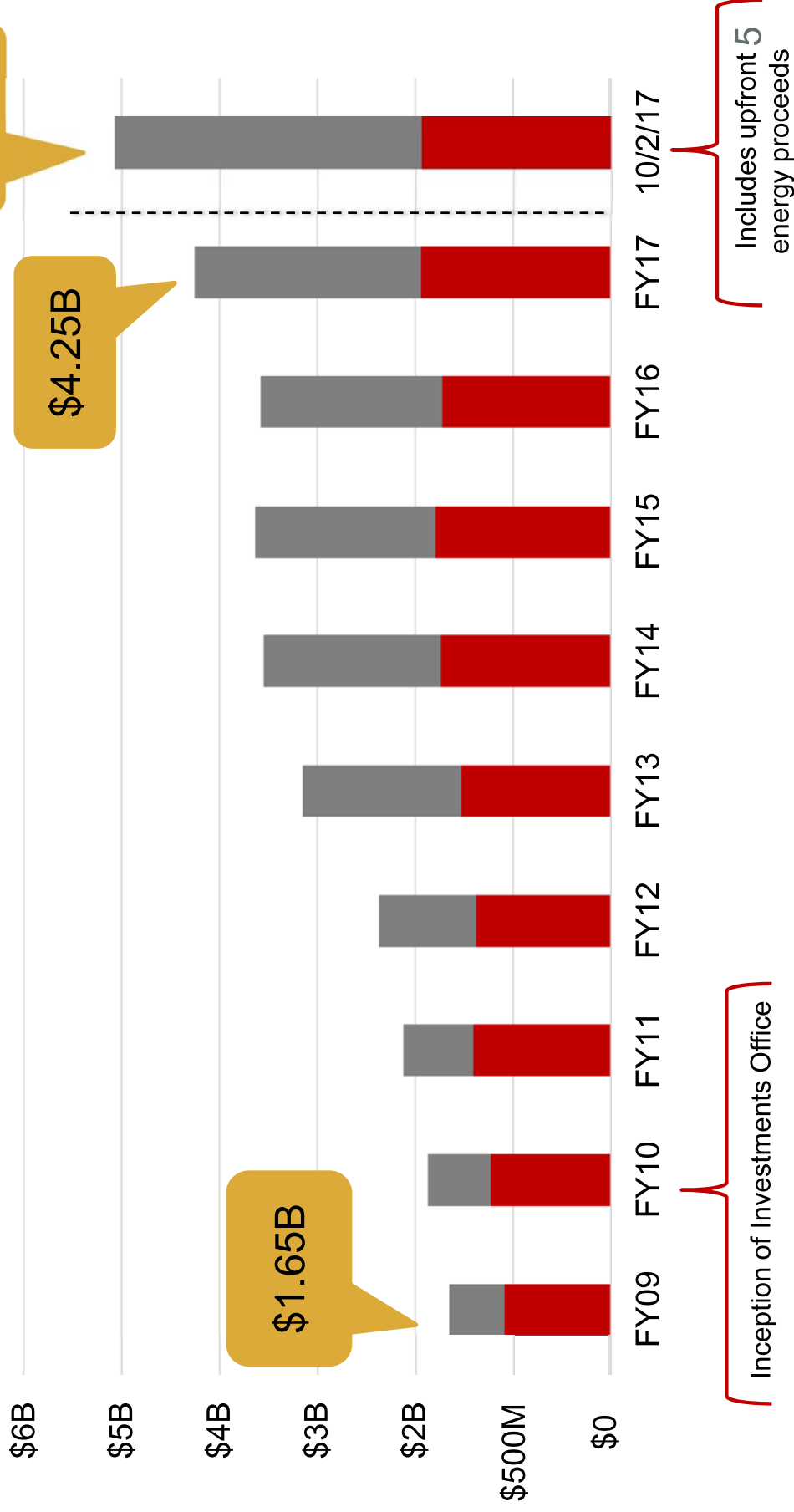




FY18: Energy funds have been invested

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

3

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
general contractor
EMHT, Inc.
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



On Time



On Budget

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

osu.edu

November 3, 2017

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 Carey, 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.

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.
<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.
<p>If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.</p> <p>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.</p> <p>In FY17, several endowments were created from proceeds of our recent NIKE agreement that directly benefit students:</p> <ul style="list-style-type: none">• 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. <p>Affinity programs provide support for:</p> <ul style="list-style-type: none">• More than 160 internships or jobs per year• The Scarlet and Gray financial literacy program• Classroom improvements to enhance distance learning <p>The university continues to explore ways to support students, faculty and staff with affinity partnerships.</p>

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.</p> <p>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.</p> <p>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.

<p>Has the college/university reviewed its organizational structure? If yes, please provide an overview of the process used and the key outcomes.</p> <p>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.</p> <p>See below for updated information about other ongoing initiatives.</p>
<p>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.</p>
<p>If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>

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.

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, please provide the rationale.
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.

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.

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.
Please provide details on the results of the assessment below or on additional pages:
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. 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.
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

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.

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.
<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.
<p>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!"</p> <p>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).</p> <p>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.</p>

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.

<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. 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.</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>

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.

<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.</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>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.</p>

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.

<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 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.</p> <p>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.</p> <p>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.</p>

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.

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.
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.
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 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.

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.

Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes.
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.
If applicable, please provide additional details. In particular, how many students does the college/university estimate the competency-based education programs will serve?
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.
If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.

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.

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 continually evaluates offerings at its four regional campuses (Lima, Marion, Mansfield, Newark) to ensure they meet the needs of students. 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.
Course and Program Sharing: What courses/programs are currently being shared with other colleges and universities? 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 .

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.

	➤ Estimated savings to university: \$155,800
Approach and process to sharing services with the co-located campus.	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.

Ohio State campus: Mansfield Co-located Campus: North Central State College (Mansfield) Estimated total cost savings from shared services: \$1.44 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 (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)	Cost sharing is managed generally by a formula based on assigned square feet for each co-located institution. ➤ Estimated savings to university: \$793,900
Academic Support Services (includes library and internship programming)	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. ➤ Estimated savings to university: \$128,850
Campus Security and Public Safety (includes public safety administration, traffic management, and police and emergency responses)	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. ➤ Estimated savings to university: \$159,100
Student Life and Campus Events (includes student engagement, recreation and intramural sports, and athletics)	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. ➤ Estimated savings to university: \$58,800

Administrative Services (includes Office of Advancement and shared marketing “agency”)	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
Auxiliary Services (includes childcare center, cafeteria and vending services, shared copying and printing services, and campus bookstore and gift shop)	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
Approach and process to sharing services with the co-located campus.	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.

Ohio State campus: Marion Co-located Campus: Marion Technical College Estimated total cost savings from shared services: \$1.29 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, custodial services, campus planning and real estate, project management, and traffic management and campus signage)	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
Academic Support Services (includes libraries)	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

Campus Security and Public Safety (includes public safety administration via a memorandum of understanding)	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
Student Life and Campus Events Office (includes student activities, recreation, and intramural sports; and sports and athletics)	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
Auxiliary Services (includes vending services, campus bookstore and gift shop, campus farmland, service charge, and receiving and mail services)	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
Technology Services (includes work and telecomm, servers and security, and general IT support)	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
Approach and process to sharing services with the co-located campus.	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.

Ohio State campus: Newark	
Co-located Campus: Central Ohio Technical College	
Estimated total cost savings from shared services: \$1.28 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.
Public Service (includes conference services)	Cost sharing for conference services is shared on a 50/50 basis. ➤ Estimated savings to university: \$1,470
Academic Support Services (includes career services and library services)	Cost sharing for both these services is done on a full time equivalent (FTE) method of calculation. ➤ Estimated savings to university: \$134,400

Student Support Services (includes enrollment management, financial aid, student life administration, student organizations/clubs/events, intramural sports, and multi-cultural affairs, student success skills, center for student success, testing center, and disability services)	Cost sharing for these services is done on a headcount method of calculation. ➤ Estimated savings to university: \$72,799
Institutional Support (includes executive office, office of development, business and finance office, performing arts, and welcome center is done on a 50/50 method of calculation. Cost sharing for human resources, purchasing, bursar, technology services, marketing and public relations, staff development committee, services center, telecommunications, and telephone services is done on a full time equivalent (FTE) method of calculation. ➤ Estimated savings to university: \$157,318	Cost sharing for executive office, office of development, business and finance office, accounting, performing arts, and welcome center is done on a 50/50 method of calculation. Cost sharing for human resources, purchasing, bursar, technology services, marketing and public relations, staff development committee, services center, telecommunications, and telephone services is done on a full time equivalent (FTE) method of calculation. ➤ Estimated savings to university: \$157,318
Physical Facilities Operations (includes facility operations, grounds, building maintenance, custodial, public safety administration, and utilities)	Cost sharing for all of these services is done on a full time equivalent (FTE) method of calculation. ➤ Estimated savings to university: \$655,067
General Overhead (includes capital equipment)	Cost sharing is done on a full time equivalent (FTE) method of calculation. ➤ Estimated savings to university: \$262,500
Approach and process to sharing services with the co-located campus.	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.

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.

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. 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). 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. 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.

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.
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>
Student success services, particularly with regard to completion and time to degree	Total not available	<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>
Investments in tools related to affordability and efficiency	Total not available	<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>
Improvements to high-demand/high-value student programs	Total not available	<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>
Investments in faculty and teaching	\$448,000	<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>
Total of calculated savings	\$27.9 million	

Appendix 1: Summary of Ohio State strategic plan

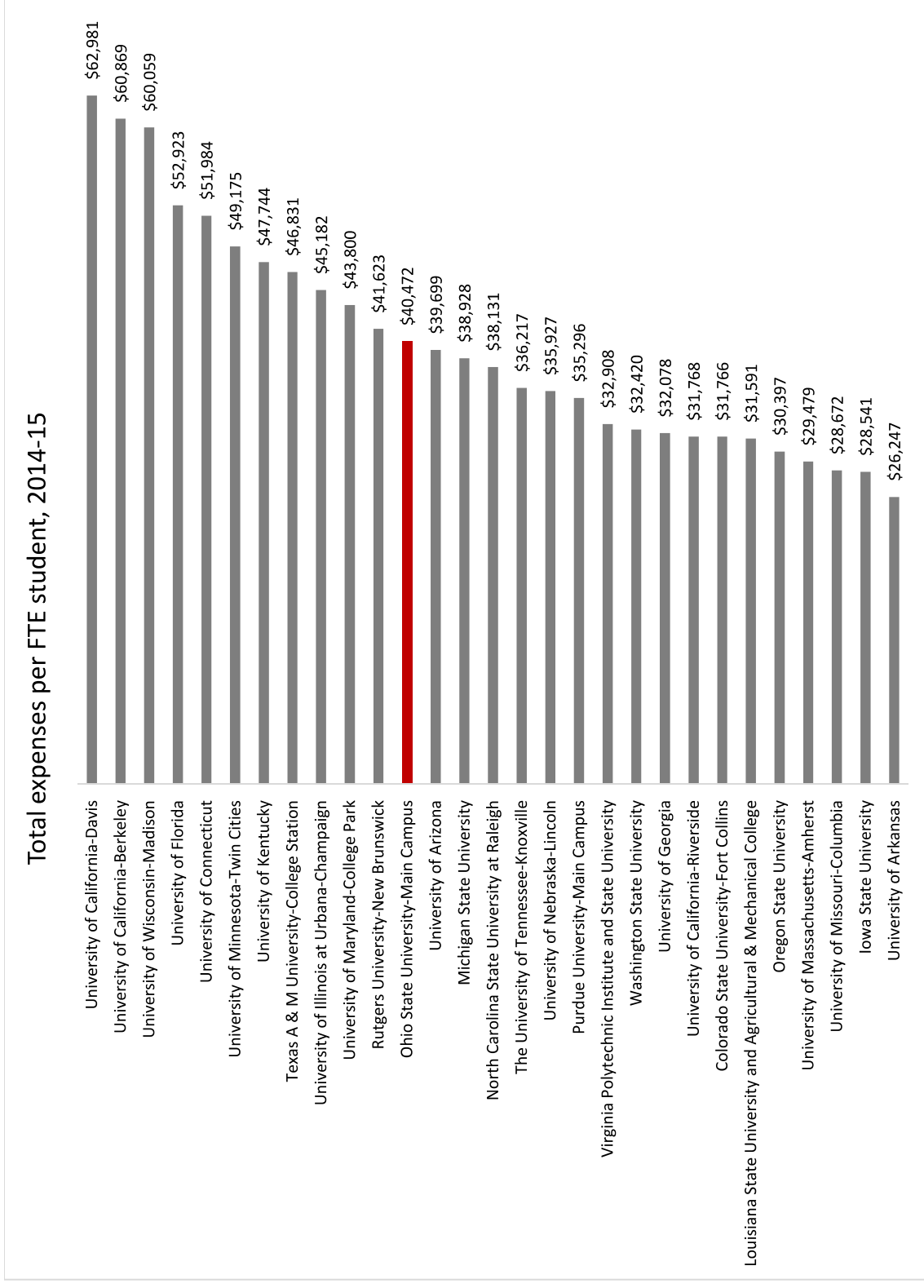


To make the next bold leap in Ohio State's land-grant history of excellence and impact, we aspire to be a leading national flagship public research university.

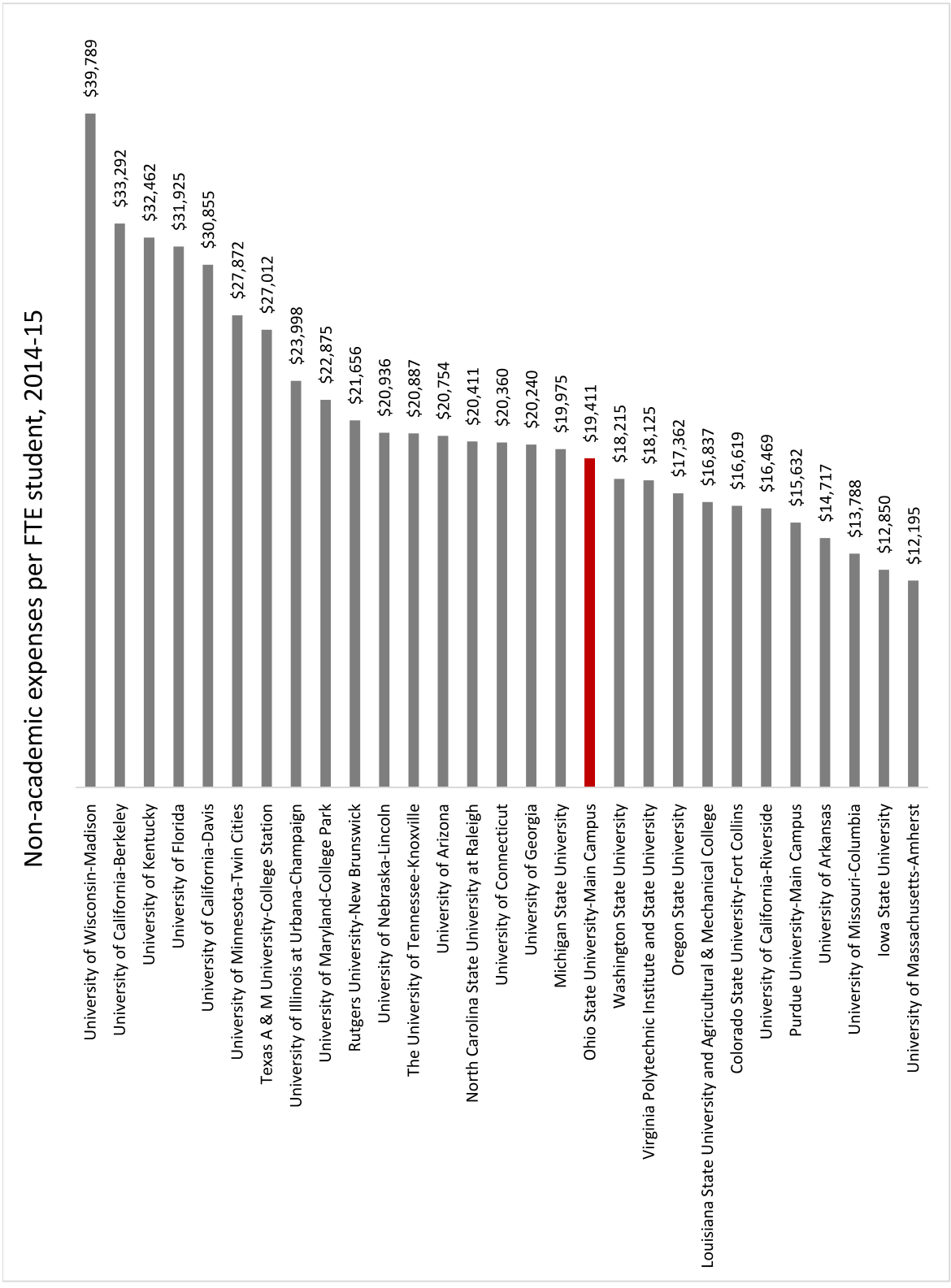


To learn more about the strategic plan, visit: go.osu.edu/strategicplan

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
	Associate of Applied Arts/Early Childhood Development and Education			
Columbus State Community College		>	Bachelor of Science in Education/Child and Youth Studies	2+2
	Associate of Applied Science/Hospitality Management-Nutrition and Dietetics			
Columbus State Community College		>	Bachelor of Science in Nutrition/Didactic Program in Dietetics	2+2
	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 Teacher Education	2+2
	Associate of Arts	>	Bachelor of Science in Education/Technical Education and Training-Family and Consumer Sciences Education	2+2
Columbus State Community College		>	Bachelor of Science in Education/Technical Education and Training-Business Education	
	Associate of Arts	>	Licensure	2+2
Columbus State Community College		>	Bachelor of Science in Agriculture/Agriscience Education	2+2
	Associate of Science	>	Bachelor of Science in Agriculture/Agricultural Education	
Columbus State Community College		>	Bachelor of Science in Agriculture/Agriscience and Applied Economics	2+2
	Associate of Science	>	Bachelor of Science in Agriculture/Community Leadership-Leadership	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 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
Efficiency Savings	3A	Campus contracts	Require employees to use existing contracts for purchasing goods and services.	\$ 2,040,000	\$ -	TBD	\$ 2,940,000	\$ 5,000,000	\$ 10,000,000
	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.	\$ 26,750,000	\$ 30,000,000	\$ 30,000,000	\$ 50,000,000	\$ 53,242,000	\$ 190,000,000
	5C	Organizational structure	Review organizational structure in line with best practices to identify opportunities to streamline and reduce costs.						
			Subtotal Efficiency Savings:	\$ 28,790,000	\$ 30,000,000	\$ 30,000,000	\$ 52,980,000	\$ 58,242,000	\$ 200,000,000
Budget Narrative/Explanation of New Resource Generation \$S (attach additional sheets if necessary)									
New Resource Generation	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
	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
			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									
				\$ 60,350,000	\$ 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 CHANGES 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

The Ohio State University
Board of Trustees

November 3, 2017

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.

The Ohio State University
Board of Trustees

November 3, 2017

**FRIDAY, NOVEMBER 3, 2017
GOVERNANCE COMMITTEE MEETING**

Janet B. Reid
Timothy P. Smucker
Erin P. Hoeflinger
Hiroyuki Fujita
Lydia A. Lancaster
Alan VanderMolen
Alex Shumate (*ex officio*)

Location: Longaberger Alumni House
Mount Leadership Room

Time: 8:30-9:45am

ITEMS FOR DISCUSSION

- | | |
|--|-------------|
| 1. <i>Student Trustee Selection Process (verbal) - Dr. Lancaster</i> | 8:30-8:40am |
| 2. <i>Trustee Development (verbal) - Dr. Reid, Dr. Trower</i> | 8:40-8:55am |

ITEMS FOR ACTION

- | | |
|---|-------------|
| 3. Appointment of a Charter Trustee - Mr. Shumate | 8:55-9:00am |
| 4. Amendments to the <i>Bylaws of The Ohio State University Wexner Medical Center Board</i> - Mr. Shumate | 9:00-9:05am |
| 5. Ratification of the Appointment of Chair of the Wexner Medical Center Board - Mr. Shumate | 9:05-9:10am |
| 6. Ratification of Committee Appointments - Mr. Shumate | 9:10-9:15am |
| Executive Session | 9:15-9:45am |

The Ohio State University
Board of Trustees

November 3, 2017

APPOINTMENT OF A CHARTER TRUSTEE

Synopsis: Approval of the appointment of Janet Porter as a Charter Trustee to the Board of Trustees, is proposed.

WHEREAS the Board of Trustees established the position of Charter Trustee at its meeting on February 6, 2009, acknowledging that the establishment of such a position had the potential of further strengthening the governance capacity of the Board; and

WHEREAS the Ohio State University is one of the premier public land-grant institutions in the country and, in execution of its mission, embraces education on a state, national, and global scale; and

WHEREAS the complex and multi-faceted nature of the University - in its mission, its character, its constituencies, and its financing calls for extraordinary leadership at the highest levels; and

WHEREAS the governance of the University would be well served by Charter Trustees whose attributes include but are not limited to diverse cultural, geographic, business, professional, public service and civic backgrounds; and

WHEREAS the Board added a number of guidelines, including the following:

Charter Trustees shall be non-Ohio residents and shall be chosen on the basis of the following attributes: Ohio State alumna/alumnus or friend of the University; success in his or her chosen field or profession; state, national, or international prominence; ability to advocate for higher education; expertise in areas deemed critical to the University; and willingness and ability to offer counsel; and

WHEREAS Janet Porter of Hilton Head, South Carolina, is a distinguished alumnus of The Ohio State University, and has a record of extraordinary service to the University through her volunteerism and dedication to the Ohio State University Alumni Association Board of Directors; by a career of significant accomplishment as a strategy, operational and leadership consultant to academic medical centers, specialty hospitals, physician practices, pharmaceutical companies, and national associations; and by her expertise in areas critical to the mission of the University and to the work of the Board of Trustees proven to be an exemplary embodiment of all of those qualities deemed most desirable in a Charter Trustee:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees of The Ohio State University, hereby approve the appointment of Janet Porter as a Charter Trustee to serve a three-year term commencing November 3, 2017.

The Ohio State University
Board of Trustees

November 3, 2017

**AMENDMENTS TO THE BYLAWS OF THE OHIO STATE UNIVERSITY
WEXNER MEDICAL CENTER BOARD**

Synopsis: Approval of the attached amendments to the *Bylaws of the Ohio State University Wexner Medical Center Board*, is proposed.

WHEREAS the University Board of Trustees approved the creation of The Ohio State University Wexner Medical Center Board at its August 2013 meeting; and

WHEREAS pursuant 3335-1-09 (C) of the Administrative Code the rules and regulations for the university may be adopted, amended, or repealed by a majority vote of the Board of Trustees at any regular meeting of the Board:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves the attached amendment to the *Bylaws of the Ohio State University Wexner Medical Center Board*.

The Ohio State University
Board of Trustees

November 3, 2017

Chapter 3335-93.01 The Ohio state university Wexner medical center board

(A) - (B) no change

(C) The university Wexner medical center board shall also include the following ex-officio nonvoting members:

(1) The dean of the college of medicine;

(2) The ~~chief executive officer~~president of the university faculty group practice;

(3) The chief executive officer of the Ohio state university health system; and

(4) The chief executive officer(s) or executive director(s) of all university Wexner medical center hospitals;

(5) The chief administrative officer of the Ohio state university health system;

(6) The chief clinical officer of the Ohio state university Wexner medical center; and

~~(4)~~(7) The chief financial officer of the Ohio state university Wexner medical center.

(D) no change

Chapter 3335-95 Officers of the board

3335-95-02 Chair.

The chair shall be selected among the voting members of the university Wexner medical center board and shall be appointed by the chair of the university board of trustees, in consultation with the university president, and ratified by the university board of trustees. The chair shall be appointed for a ~~two~~one-year term, ~~renewable for an additional term~~, and have specific skills and qualifications including, but not limited to, prior experience leading a board and demonstrated experience in business management. The chair of the university Wexner medical center board shall preside at all meetings of the board.

The Ohio State University
Board of Trustees

November 3, 2017

**RATIFICATION OF THE APPOINTMENT OF CHAIR
OF THE WEXNER MEDICAL CENTER BOARD**

Synopsis: Ratification of the appointment of Chair of The Ohio State University Wexner Medical Center Board, is proposed.

WHEREAS The Ohio State University Wexner Medical Center Board is the governing body responsible to the Ohio State University Board of Trustees for the operation, oversight, and coordination of the Wexner Medical Center; and

WHEREAS pursuant to the Wexner Medical Center Board bylaws, the officers of the University Wexner Medical Center Board shall consist of a chair and such officers as the board may deem advisable; and

WHEREAS the Chair of the Wexner Medical Center Board shall be selected among the voting members of the University Wexner Medical Center Board and shall be appointed by the chair of the university board of trustees, in consultation with the university president, and ratified by the board of trustees; and

WHEREAS the chair shall be appointed for a one-year term and have specific skills and qualifications including, but not limited to, prior experience leading a board and demonstrated experience in business management; and

WHEREAS Leslie H. Wexner has significant experience in business management and leading governing boards, and has served as Chair of the University Wexner Medical Center Board since 2013; and

WHEREAS in consultation with the university president, the Chair of the University Board of Trustees has appointed Leslie H. Wexner to a third term as Chair of the University Wexner Center Board:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby ratifies the appointment of Leslie H. Wexner to a third term as Chair of the University Wexner Medical Center Board, effective November 6, 2017 and expiring on May 13, 2019.

The Ohio State University
Board of Trustees

November 3, 2017

RATIFICATION OF COMMITTEE APPOINTMENTS 2017-2018

BE IT RESOLVED, That the Board of Trustees hereby approves that the ratification of committee appointments for 2017-2018 are as follows:

Academic Affairs and Student Life Committee:

Clark C. Kellogg, Chair
Cheryl L. Krueger, Vice Chair
Janet B. Reid
Timothy P. Smucker
Erin P. Hoeflinger
Abigail S. Wexner
Hiroyuki Fujita
Alan A. Stockmeister
H. Jordan Moseley
James D. Klingbeil
Richard K. Herrmann (faculty member)
Alex Shumate (ex officio)

Finance Committee:

Michael J. Gasser, Chair
Brent R. Porteus, Vice Chair
W. G. "Jerry" Jurgensen
Jeffrey Wadsworth
Alexander R. Fischer
JOHN W. ZEIGER
Lydia A. Lancaster
Alan VanderMolen
Alex Shumate (ex officio)

Advancement Committee:

Erin P. Hoeflinger, Chair
Alan VanderMolen, Vice Chair
Clark C. Kellogg
Cheryl L. Krueger
Brent R. Porteus
Alexander R. Fischer
Abigail S. Wexner
Alan A. Stockmeister
Lydia A. Lancaster
Nancy J. Kramer
Craig S. Bahner
Barbara J. Tootle (Alumni Assn member)
Georganne M. Shockley (Alumni Assn member)
James F. Dietz (Foundation Board member)
Gifford Weary (Foundation Board member)
Alex Shumate (ex officio)

Audit and Compliance Committee:

Timothy P. Smucker, Chair
W. G. "Jerry" Jurgensen, Vice Chair
Michael J. Gasser
Jeffrey Wadsworth
Hiroyuki Fujita
JOHN W. ZEIGER
H. Jordan Moseley
James D. Klingbeil
Lawrence A. Hilsheimer
Amy Chronis
Craig S. Morford
Alex Shumate (ex officio)

Governance Committee:

Janet B. Reid, Chair
Timothy P. Smucker, Vice Chair
Erin P. Hoeflinger
Hiroyuki Fujita
Lydia A. Lancaster
Alan VanderMolen
Alex Shumate (ex officio)

Talent and Compensation:

W. G. "Jerry" Jurgensen, Chair
Janet B. Reid, Vice Chair
Michael J. Gasser
Erin P. Hoeflinger
Hiroyuki Fujita
JOHN W. ZEIGER
Lydia A. Lancaster
Alex Shumate (ex officio)

Master Planning and Facilities:

Alexander R. Fischer, Chair
James D. Klingbeil, Vice Chair
Brent R. Porteus
Alan A. Stockmeister
H. Jordan Moseley
Robert H. Schottenstein
Alex Shumate (ex officio)

AGENDA SUMMARY

FRIDAY, NOVEMBER 3, 2017

LONGABERGER ALUMNI HOUSE
2200 OLENTANGY RIVER ROAD

8:30-9:45am **Governance Committee Meeting** (Mount Leadership Room)

10:00am **Board Meeting Reconvenes** (Sanders Grand Lounge)

Student Recognition Awards - Mr. Moseley

- Kirk Forte - College of Veterinary Medicine

Transformational Experiences that Advance Student Success - Dr. Adams-Gaston

President's Report

Committee Reports

Consent Agenda

1. Resolutions in Memoriam
2. Appointment of a Charter Trustee
3. Amendments to the *Bylaws of The Ohio State University Wexner Medical Center Board*
4. Ratification of the Appointment of Chair of the Wexner Medical Center Board
5. Ratification of Committee Appointments 2017-2018
6. Personnel Actions
7. Presidential Review and Compensation
8. Approval of Presidential Goals
9. Faculty Personnel Actions
10. Amendments to the Rules of the University Faculty
11. Establishment of a Bachelor of Science in Biomedical Science Degree Program
12. Approval to Change the Name of the Department of Plastic Surgery to the Department of Plastic and Reconstructive Surgery
13. University Foundation Report
14. Naming of the Evan Turner Hallway
15. Naming of Spaces in the Pre-Clinic
16. Naming of Internal Spaces: William T. and Jane C. McConnell Residence Hall
17. Naming of CTL Engineering Lab
18. Authorizations Regarding Professional Services
19. Approval for Fiscal Year 2018 Utility System Capital Improvement Projects
20. Acceptance of Gift of Unimproved Real Property: 352 West Dodridge Street
21. Acceptance of Gift of Improved Real Property and Approval of Sale of Improved Real Property
22. Approval to Submit Audited Consolidated Financial Statements (Draft) to the Auditor of State
23. Approval of 2017 Progress Report on Ohio Task Force on Affordability and Efficiency Recommendations
24. Approval for One-Time Transfer of Principal from Long-Term Operating Fund to Enterprise Project Fund
25. Approval of Discounted Rates for Summer Term Tuition and Mandatory Fees
26. Authorization for Approval of Athletic Prices and Fees
27. Appointment to the Self-Insurance Board
28. Purchase of Real Property
29. Approval of Multiyear Debt Issuance Program Endowment Fund

The Ohio State University
Board of Trustees

November 3, 2017

RESOLUTIONS IN MEMORIAM

Synopsis: Approval of Resolutions in Memoriam, is proposed.

BE IT RESOLVED, That the Board of Trustees approves the following Resolutions in Memoriam and that the president be requested to convey copies to the families of the deceased.

James J. 'Jim' Buffer Jr.

The Board of Trustees of The Ohio State University expresses its sorrow regarding the death on October 12, 2017, of James John "Jim" Buffer Jr., Professor Emeritus of Technology Education in the College of Education and Human Ecology.

Professor Buffer served on the faculty from 1967 until he retired in 1989. He and his colleagues focused on broadening the field's perspective of industrial technology, which he said Ohio State welcomed. A key project contributing to that broader perspective was his work on the Industrial Arts Curriculum Project (IACP), funded by \$2 million from the government, industry and business, labor unions and more, showing widespread support.

Dr. Buffer developed several interdisciplinary graduate degree programs while at Ohio State. One was vocational rehabilitation counseling. Another was an interdisciplinary program in neuroscience that engaged faculty in medicine, engineering and education. He co-directed the program's Brain Development Research Laboratory in the College of Medicine, a pioneering initiative to understand how we learn.

As associate dean of the college's Office of Research Services, Dr. Buffer brought prestige to Ohio State by providing advanced training and development services to the private sector. He worked with major manufacturing corporations, institutions of higher education, and banking, financial and sales operations throughout the U.S., China, Hong Kong, Taiwan and Indonesia.

As he enhanced these organizations' capacity and knowledge, he expanded opportunities for graduate students. These future leaders gained expertise as Dr. Buffer involved them in outreach and research endeavors that included international travel. Banks and corporations recognized his excellence by inviting him to sit on their boards and universities around the globe asked him to speak on a breadth of topics.

Dr. Buffer also served the field generously. He was president of both the Council for Technology Teacher Education and the National Council for Industrial and Technology Teacher Education. He was a distinguished member of the American Association of Colleges for Teacher Education, and he was a member of three international honorary societies in education, as well as a co-trustee of Epsilon Pi Tau, Alpha Chapter, at Ohio State. Thanks to Professor Buffer and other faculty, his program at Ohio State was and still is ranked number one nationwide.

On behalf of the university community, the Board of Trustees expresses to the family of Professor James John "Jim" Buffer, Jr. its deepest sympathy and sense of understanding of their loss. It is directed that this resolution be inscribed upon the minutes of the Board of Trustees and that a copy be tendered to his family as an expression of the board's heartfelt sympathy.

The Ohio State University
Board of Trustees

November 3, 2017

RESOLUTIONS IN MEMORIAM (cont'd)

Vicente Cantarino Calabuig

The Board of Trustees of The Ohio State University expresses its sorrow upon the death on August 7, 2017, of Vicente Cantarino Calabuig, Professor Emeritus of Iberian Studies in the Department of Spanish and Portuguese in the College of Arts and Sciences.

Professor Cantarino was a man of immense erudition whose interests in Medieval Spain led him to study medieval philosophy, theology, and Arabic thought; and to travel extensively in Europe and the Middle East. Having grown up in Valencia during the Spanish Civil War, he graduated from the Instituto 'Luis Vives,' before moving to Rome where he graduated with honors from Pontifical Gregorian University in 1948 having obtained master's degrees in both philosophy and theology. In 1952, Dr. Cantarino moved to Munich, Germany as a Lektor at the university and in 1957, he obtained his Doctorate of Philosophy from Ludwig Maximilian University of Munich.

Prior to coming to Ohio State, Dr. Cantarino taught Arabic and Spanish at the University of North Carolina for a few years, before serving as a professor of Spanish and Near Eastern Studies at Indiana University (Bloomington); and later at The University of Texas in Austin, where he taught and inspired students for 17 years. In 1985 he moved to Columbus to continue his distinguished career at Ohio State until his retirement.

During his career, Dr. Cantarino published many books and articles related to Hispano-Arabic studies, linguistics, philosophy, and Spanish civilization and culture, including *Civilización y cultura de España* (first edition 1981) - a widely-used introduction to the richness of Spanish civilization and culture that was unique in the field for its multimedia supplemental coverage. He dedicated every Friday to update the open access visual material of his textbook's webpage (civycultura.osu.edu) with the immense archive he kept at his home.

Professor Cantarino loved teaching, mentoring, writing, and sharing his perspectives about Spain, its culture, and its influence all over the world. As a faculty member in the Department of Romance Languages (and then Spanish and Portuguese) at OSU, he taught courses on Spanish civilization (where he piloted new materials for *Civilización y cultura de España*), as well as Medieval literature. His participation was crucial in the creation of the Department of Spanish and Portuguese. He was very active in the consolidation of the Medieval Studies Field until his retirement. His colleagues and former advisees remember him as an accomplished scholar and as a warm, welcoming, and kind man. He was always available to those who wanted to stop by and chat. His self-deprecating humor made him greatly beloved.

On behalf of the university community, the Board of Trustees expresses to the family of Professor Vicente Cantarino Calabuig its deepest sympathy and sense of understanding of their loss. It is directed that this resolution be inscribed upon the minutes of the Board of Trustees and that copy be tendered to his family as an expression of the board's heartfelt sympathy.

The Ohio State University
Board of Trustees

November 3, 2017

RESOLUTIONS IN MEMORIAM (cont'd)

G. Micheal Riley

The Board of Trustees of The Ohio State University expresses its sorrow upon the death on August 6, 2017, of G. Micheal Riley, Professor Emeritus of the Department of History and former Dean of the College of Humanities.

Dean Riley held a bachelor's degree from Arizona State University and received his master's and PhD degrees from the University of New Mexico. He spent his early career teaching history at Colorado State University and Marquette University. In 1972, Dean Riley joined the University of Wisconsin-Milwaukee in both scholarly and administrative roles, first as an associate professor and Director of the Center for Latin America, and later as the Acting Chairman for the Department of Linguistics. He came to The Ohio State University in 1983 as the Dean of the College of Humanities, a position he held for 10 years. Dean Riley remained at Ohio State as a Professor in the Department of History, specializing in Mexico and Latin America, until his retirement in 2002.

As an historian, Dean Riley is known for his monograph *Fernando Cortés and the Marquesado in Morelos, 1522-1547*, an examination of Cortés's vast holdings in central and southern Mexico, which were key to colonial Mexico's development in the aftermath of the Spanish conquest. In addition, he is the author of numerous articles and book reviews focusing on colonial Mexico.

On behalf of the university community, the Board of Trustees expresses to the family of Professor G. Micheal Riley its deepest sympathy and sense of understanding of their loss. It is directed that this resolution be inscribed upon the minutes of the Board of Trustees and that a copy be tendered to his family as an expression of the board's heartfelt sympathy.

The Ohio State University
Board of Trustees

November 3, 2017

APPOINTMENT OF A CHARTER TRUSTEE

Synopsis: Approval of the appointment of Janet Porter as a Charter Trustee to the Board of Trustees, is proposed.

WHEREAS the Board of Trustees established the position of Charter Trustee at its meeting on February 6, 2009, acknowledging that the establishment of such a position had the potential of further strengthening the governance capacity of the Board; and

WHEREAS the Ohio State University is one of the premier public land-grant institutions in the country and, in execution of its mission, embraces education on a state, national, and global scale; and

WHEREAS the complex and multi-faceted nature of the University - in its mission, its character, its constituencies, and its financing calls for extraordinary leadership at the highest levels; and

WHEREAS the governance of the University would be well served by Charter Trustees whose attributes include but are not limited to diverse cultural, geographic, business, professional, public service and civic backgrounds; and

WHEREAS the Board added a number of guidelines, including the following:

Charter Trustees shall be non-Ohio residents and shall be chosen on the basis of the following attributes: Ohio State alumna/alumnus or friend of the University; success in his or her chosen field or profession; state, national, or international prominence; ability to advocate for higher education; expertise in areas deemed critical to the University; and willingness and ability to offer counsel; and

WHEREAS Janet Porter of Hilton Head, South Carolina, is a distinguished alumnus of The Ohio State University, and has a record of extraordinary service to the University through her volunteerism and dedication to the Ohio State University Alumni Association Board of Directors; by a career of significant accomplishment as a strategy, operational and leadership consultant to academic medical centers, specialty hospitals, physician practices, pharmaceutical companies, and national associations; and by her expertise in areas critical to the mission of the University and to the work of the Board of Trustees proven to be an exemplary embodiment of all of those qualities deemed most desirable in a Charter Trustee:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees of The Ohio State University, hereby approve the appointment of Janet Porter as a Charter Trustee to serve a three-year term commencing November 3, 2017.

The Ohio State University
Board of Trustees

November 3, 2017

**AMENDMENTS TO THE *BYLAWS OF THE OHIO STATE UNIVERSITY*
*WEXNER MEDICAL CENTER BOARD***

Synopsis: Approval of the attached amendments to the *Bylaws of the Ohio State University Wexner Medical Center Board*, is proposed.

WHEREAS the University Board of Trustees approved the creation of The Ohio State University Wexner Medical Center Board at its August 2013 meeting; and

WHEREAS pursuant 3335-1-09 (C) of the Administrative Code the rules and regulations for the university may be adopted, amended, or repealed by a majority vote of the Board of Trustees at any regular meeting of the Board:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves the attached amendment to the *Bylaws of the Ohio State University Wexner Medical Center Board*.

The Ohio State University
Board of Trustees

November 3, 2017

**RATIFICATION OF THE APPOINTMENT OF CHAIR
OF THE WEXNER MEDICAL CENTER BOARD**

Synopsis: Ratification of the appointment of Chair of The Ohio State University Wexner Medical Center Board, is proposed.

WHEREAS The Ohio State University Wexner Medical Center Board is the governing body responsible to the Ohio State University Board of Trustees for the operation, oversight, and coordination of the Wexner Medical Center; and

WHEREAS pursuant to the Wexner Medical Center Board bylaws, the officers of the University Wexner Medical Center Board shall consist of a chair and such officers as the board may deem advisable; and

WHEREAS the Chair of the Wexner Medical Center Board shall be selected among the voting members of the University Wexner Medical Center Board and shall be appointed by the chair of the university board of trustees, in consultation with the university president, and ratified by the board of trustees; and

WHEREAS the chair shall be appointed for a one-year term and have specific skills and qualifications including, but not limited to, prior experience leading a board and demonstrated experience in business management; and

WHEREAS Leslie H. Wexner has significant experience in business management and leading governing boards, and has served as Chair of the University Wexner Medical Center Board since 2013; and

WHEREAS in consultation with the university president, the Chair of the University Board of Trustees has appointed Leslie H. Wexner to a third term as Chair of the University Wexner Center Board:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby ratifies the appointment of Leslie H. Wexner to a third term as Chair of the University Wexner Medical Center Board, effective November 6, 2017 and expiring on May 13, 2019.

RATIFICATION OF COMMITTEE APPOINTMENTS 2017-2018

BE IT RESOLVED, That the Board of Trustees hereby approves that the ratification of committee appointments for 2017-2018 are as follows:

Academic Affairs and Student Life Committee:

Clark C. Kellogg, Chair
Cheryl L. Krueger, Vice Chair
Janet B. Reid
Timothy P. Smucker
Erin P. Hoeflinger
Abigail S. Wexner
Hiroyuki Fujita
Alan A. Stockmeister
H. Jordan Moseley
James D. Klingbeil
Richard K. Herrmann (faculty member)
Alex Shumate (ex officio)

Finance Committee:

Michael J. Gasser, Chair
Brent R. Porteus, Vice Chair
W. G. "Jerry" Jurgensen
Jeffrey Wadsworth
Alexander R. Fischer
JOHN W. ZEIGER
Lydia A. Lancaster
Alan VanderMolen
Alex Shumate (ex officio)

Advancement Committee:

Erin P. Hoeflinger, Chair
Alan VanderMolen, Vice Chair
Clark C. Kellogg
Cheryl L. Krueger
Brent R. Porteus
Alexander R. Fischer
Abigail S. Wexner
Alan A. Stockmeister
Lydia A. Lancaster
Nancy J. Kramer
Craig S. Bahner
Barbara J. Tootle (Alumni Assn member)
Georganne M. Shockey (Alumni Assn member)
James F. Dietz (Foundation Board member)
Gifford Weary (Foundation Board member)
Alex Shumate (ex officio)

Audit and Compliance Committee:

Timothy P. Smucker, Chair
W. G. "Jerry" Jurgensen, Vice Chair
Michael J. Gasser
Jeffrey Wadsworth
Hiroyuki Fujita
JOHN W. ZEIGER
H. Jordan Moseley
James D. Klingbeil
Lawrence A. Hilsheimer
Amy Chronis
Craig S. Morford
Alex Shumate (ex officio)

Governance Committee:

Janet B. Reid, Chair
Timothy P. Smucker, Vice Chair
Erin P. Hoeflinger
Hiroyuki Fujita
Lydia A. Lancaster
Alan VanderMolen
Alex Shumate (ex officio)

Talent and Compensation:

W. G. "Jerry" Jurgensen, Chair
Janet B. Reid, Vice Chair
Michael J. Gasser
Erin P. Hoeflinger
Hiroyuki Fujita
JOHN W. ZEIGER
Lydia A. Lancaster
Alex Shumate (ex officio)

Master Planning and Facilities:

Alexander R. Fischer, Chair
James D. Klingbeil, Vice Chair
Brent R. Porteus
Alan A. Stockmeister
H. Jordan Moseley
Robert H. Schottenstein
Alex Shumate (ex officio)

The Ohio State University
Board of Trustees

November 3, 2017

PERSONNEL ACTIONS

BE IT RESOLVED, That the Board of Trustees hereby approves the personnel actions as recorded in the personnel budget records of the university since the August 25, 2017, meeting of the board, including the following reappointments:

Reappointments

Name: E. GATES GARRITY-ROKOUS
Title: Vice President, Chief Compliance Officer
Office: Legal Affairs
Term: September 25, 2017

Name: CAROLINE C. WHITACRE
Title: Senior Vice President
Office: Research
Term: September 1, 2017 through December 31, 2017

The Ohio State University
Board of Trustees

November 3, 2017

PRESIDENTIAL REVIEW AND COMPENSATION

Synopsis: Approval of changes to the president's base compensation and the issuance of a performance award to the president, is proposed.

WHEREAS it is best practice across higher education for a governing board to conduct an annual performance review of the university president; and

WHEREAS under the terms of President Drake's letter of offer, the president shall be entitled to annual increases in his base salary as determined by the Board of Trustees; and

WHEREAS under the terms of President Drake's letter of offer, the president shall be eligible for an annual performance award of up to 25% of his base salary for achieving mutually agreed-upon performance targets and goals; and

WHEREAS pursuant to its charter, the Talent and Compensation Committee has reviewed the performance of the president for fiscal year 2017 and believes that President Drake has demonstrated excellent progress and achievement with regard to the performance goals set forth by the president and the Board of Trustees last year; and

WHEREAS the Procedure for Setting and Reviewing Compensation for University Executives authorizes the chair of the Talent and Compensation Committee to review and approve the total compensation of the president, subject to ratification by the committee and the Board of Trustees; and

WHEREAS the Talent and Compensation Committee has reviewed and recommends for approval the compensation changes set forth below:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves a base salary increase for the president of \$16,646, which amounts to 2% of his base salary; and

BE IT FURTHER RESOLVED, That the Board of Trustees hereby approves a performance award for the president of \$208,080, which amounts to 25% of his base salary.

The Ohio State University
Board of Trustees

November 3, 2017

APPROVAL OF PRESIDENTIAL GOALS

Synopsis: Approval of the attached presidential goals, is proposed.

WHEREAS under the terms of President Drake's letter of offer, each fiscal year, the president and the Board of Trustees will set forth the president's goals and objectives; and

WHEREAS in order to establish these goals and objectives, the president is submitting the attached for review and approval by the Board of Trustees; and

WHEREAS once approved by the Board of Trustees, the attached goals and objectives will serve to evaluate the president during this review period:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves the attached goals and objectives to align with the university's strategic plan and the following five pillars of focus: teaching and learning; access, affordability and excellence; research and creative expression; academic healthcare; and operational excellence and resource stewardship, and to move the university forward as a leading flagship public research university in the 21st century.

The Ohio State University
Board of Trustees

November 3, 2017

FACULTY PERSONNEL ACTIONS

BE IT RESOLVED, That the Board of Trustees hereby approves the faculty personnel actions as recorded in the personnel budget records of the university since the August 25, 2017, meeting of the board, including the following appointments, appointments/reappointments of chairpersons, faculty professional leaves, and emeritus titles:

Appointments

Name: *ANITA AFZALI
Title: Assistant Professor-Clinical (The Abercrombie and Fitch Chair in Inflammatory Bowl Disease)
College: Medicine
Term: August 1, 2017 through July 31, 2022

Name: BHAVIK R. BAKSHI
Title: Professor (Richard M. Morrow Chair in Polymer Engineering)
College: Engineering
Term: September 1, 2016 through June 30, 2021

Name: WILLIAM E. CARSON III
Title: Professor (The John B. and Jane T. McCoy Chair in Cancer Research)
Unit: Comprehensive Cancer Center - The Arthur G. James Cancer Hospital and Richard J. Solove Research Institute
Term: July 1, 2017 through June 30, 2021

Name: STEVEN K. CLINTON
Title: Professor (The Robert A. and Martha O. Schoenlaub Cancer Research Chair)
Unit: Comprehensive Cancer Center - The Arthur G. James Cancer Hospital and Richard J. Solove Research Institute
Term: July 1, 2017 through June 30, 2021

Name: STEVEN M. DEVINE
Title: Professor (The Bertha Bouroncle M.D. and Andrew Pereny Chair of Medicine)
Unit: Comprehensive Cancer Center - The Arthur G. James Cancer Hospital and Richard J. Solove Research Institute
Term: July 1, 2017 through June 30, 2021

Name: *ELIZABETH V. HUME
Title: Vice Provost, Undergraduate Studies
Dean, Undergraduate Education
Office: Academic Affairs
Term: October 1, 2017 through June 30, 2022

Name: BRAD H. ROVIN
Title: Professor (The Dr. Lee Hebert Endowed Professorship in Nephrology)
College: Medicine
Effective: July 1, 2014 through June 30, 2018

*New Hire

FACULTY PERSONNEL ACTIONS (cont'd)Reappointments

Name: CATALIN BUHIMISCHI
 Title: Professor (The Frederick P. Zuspan, MD Chair in Obstetrics and Gynecology)
 College: Medicine
 Term: December 1, 2017 through November 30, 2021

Name: DAVID COHN
 Title: Professor (Stuart M. Sloan - Larry J. Copeland MD Chair in Gynecologic Oncology Initiated by a Grateful Patient)
 Unit: Comprehensive Cancer Center - The Arthur G. James Cancer Hospital and Richard J. Solove Research Institute
 Term: January 1, 2018 through December 31, 2022

Name: WENDY L. FRANKEL
 Title: Professor (The Ralph W. and Helen Kurtz Chair in Pathology)
 College: Medicine
 Term: July 1, 2017 through June 30, 2021

Name: ANDREW H. GLASSMAN
 Title: Professor-Clinical (Frank J. Kloenne Chair in Orthopedic Surgery)
 College: Medicine
 Term: July 1, 2017 through June 30, 2021

Name: RONALD L. HARTER
 Title: Professor (The Jay J. Jacoby MD, PhD Chair in Anesthesiology)
 College: Medicine
 Title: Chair
 Department: Anesthesiology
 Term: July 1, 2017 through June 30, 2021

Name: M. SCOTT HERNESS
 Title: Interim Vice Provost, Graduate Studies
 Dean, Graduate School
 Office: Academic Affairs/Graduate School
 Term: September 1, 2017 through December 31, 2017

Name: WAEL N. JARJOUR
 Title: Professor-Clinical (The Martha Morehouse Chair in Arthritis and Immunology Research)
 College: Medicine
 Term: July 1, 2017 through June 30, 2021

The Ohio State University
Board of Trustees

November 3, 2017

FACULTY PERSONNEL ACTIONS (cont'd)

Reappointments (cont'd)

Name: SUSAN L. KOLETAR
Title: Professor-Clinical (Frank E. and Mary W. Pomerene Professorship in the Prevention and Treatment of Infectious Diseases)
College: Medicine
Term: July 1, 2017 through June 30, 2021

Name: PETER J. MOHLER
Title: Professor (William D. and Jacquelyn L. Wells Chair at the Dorothy M. Davis Heart and Lung Research Institute)
Unit: Heart and Vascular Center
Term: July 1, 2017 through June 30, 2022
Title: Vice Dean, Research
College: Medicine
Title: Chair
Department: Physiology and Cell Biology
Term: July 1, 2017 through June 30, 2021

Name: RANDY J. NELSON
Title: Professor (The Doctor John D. and E. Olive Brumbaugh Chair in Brain Research and Teaching)
Unit: Brain and Spine Hospital
Term: August 1, 2017 through July 31, 2021

Name: MARK D. PARTRIDGE
Title: Professor (The C. William Swank Chair in Rural Urban Policy)
College: Food, Agricultural, and Environmental Sciences
Term: July 1, 2017 through June 30, 2022

Name: SUBHA V. RAMAN
Title: Professor (The Joseph M. Ryan, M.D. Chair in Cardiovascular Medicine)
Unit: Heart and Vascular Center
Term: July 1, 2016 through June 30, 2020

Name: MATTHEW D. RINGEL
Title: Professor (The Ralph W. Kurtz Chair in Hormonology)
College: Medicine
Term: July 1, 2017 through June 30, 2021

Name: CYNTHIA J. ROBERTS
Title: Professor (The Martha G. and Milton Staub Chair for Research in Ophthalmology)
College: Medicine
Term: July 1, 2016 through June 30, 2020

The Ohio State University
Board of Trustees

November 3, 2017

FACULTY PERSONNEL ACTIONS (cont'd)

Reappointments (cont'd)

Name: ORLANDO P. SIMONETTI
Title: Professor (The John W. Wolfe Professorship in Cardiovascular Research)
College: Medicine
Term: October 1, 2017 through September 30, 2021

Name: MICHAEL F. TWEEDLE
Title: Professor (The Stefanie Spielman Chair in Cancer Imaging)
Unit: Comprehensive Cancer Center - The Arthur G. James Cancer Hospital and Richard J. Solove Research Institute
Term: July 1, 2017 through June 30, 2021

Name: VICKI WY SOCKI
Title: Professor and Ohio Eminent Scholar in Macromolecular Structure and Function
College: Arts and Sciences
Term: July 1, 2017 through May 31, 2022

The Ohio State University
Board of Trustees

November 3, 2017

AMENDMENTS TO THE RULES OF THE UNIVERSITY FACULTY

Synopsis: Approval of the following amendments to the *Rules of the University Faculty*, is proposed.

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

WHEREAS the proposed changes to rule 3335-7-02, rule 3335-7-08, and to rule 3335-7-36 in the *Rules of the University Faculty* were approved by the University Senate on September 7, 2017:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves that the attached amendments to the *Rules of the University Faculty* be adopted as recommended by the University Senate.

The Ohio State University
Board of Trustees

November 3, 2017

**ESTABLISHMENT OF A BACHELOR OF
SCIENCE IN BIOMEDICAL SCIENCE DEGREE PROGRAM**

COLLEGE OF MEDICINE

Synopsis: Approval to establish a Bachelor of Science in Biomedical Science degree program in the College of Medicine, is proposed.

WHEREAS the undergraduate major in Biomedical Science was established in 2005 in the now-School of Health and Rehabilitation Sciences, in the College of Medicine, to prepare graduates for a post-baccalaureate entry into professional and graduate program and students earned the Bachelor of Science in Health and Rehabilitation Sciences degree; and

WHEREAS in June 2016, the College of Medicine established the Department of Biomedical Education and Anatomy, and proposes to transfer the major program from the school to this new department and in so doing establish a new degree title - Bachelor of Science in Biomedical Science; and

WHEREAS the major continues to comply with all institutional requirements for a degree program; and

WHEREAS the proposal was reviewed and approved by the Council on Academic Affairs at its meeting on August 3, 2017; and

WHEREAS the proposal was reviewed and received a vote of approval by the University Senate on August 29, 2017:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves the establishment of a Bachelor of Science in Biomedical Science degree program.

The Ohio State University
Board of Trustees

November 3, 2017

**APPROVAL TO CHANGE THE NAME OF THE DEPARTMENT OF PLASTIC
SURGERY TO THE DEPARTMENT OF PLASTIC AND RECONSTRUCTIVE SURGERY**

COLLEGE OF MEDICINE

Synopsis: Approval to change the name of the Department of Plastic Surgery to the Department of Plastic and Reconstructive Surgery, is proposed.

WHEREAS the name plastic and reconstructive surgery better reflects the department's mission

WHEREAS aesthetic surgery is an essential part of the clinical, educational, and research services of the department but its major focus is reconstructive surgery and

WHEREAS approximately half of academic departments in the U.S. have changed their name to this title and the preeminent journal for the specialty is Journal of Plastic and Reconstructive Surgery; and

WHEREAS the proposal has the support of the department's faculty, the College of Medicine Council, and the college administration and no changes to degree titles or course offerings are required; and

WHEREAS the proposal was reviewed and approved by the Council on Academic Affairs at its meeting on June 22, 2017 and by the University Senate on August 29, 2017:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves the proposal to change the name of the Department of Plastic Surgery to the Department of Plastic and Reconstructive Surgery.

The Ohio State University
Board of Trustees

November 3, 2017

UNIVERSITY FOUNDATION REPORT

Synopsis: Approval of the University Foundation Report as of September 30, 2017, is proposed.

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

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

WHEREAS this report includes the establishment one (1) endowed chair: the Ronald L. Whisler MD Chair in Rheumatology and Immunology; one (1) endowed professorship: The Ohio State University Nephrology Endowed Professorship for Kidney Research; three (3) designated professorships: the Berry Designated Professorship, the Fisher College of Business Designated Professorship, the Fisher College of Business Designated Professorship; one (1) professorship fund: the Emerging Surgical Scholar Research Professorship Fund; one (1) endowed scholarship from a loyal donor family: the McCoy Family Athletic Scholars Program; one (1) endowed program support fund from emertis dean and his wife: the W.K. Kellogg Foundation and Bobby Moser Food Security and Sustainability Learning Community; and sixteen (16) additional named endowed funds; and the revision of four (4) named endowed funds:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves The Ohio State University Foundation Report as of September 30, 2017.

The Ohio State University
Board of Trustees

November 3, 2017

NAMING OF THE EVAN TURNER HALLWAY

IN THE JEROME SCHOTTENSTEIN CENTER

Synopsis: Approval for naming of the basketball practice facility hallway in the Jerome Schottenstein Center, located at 555 Borror Drive on the Columbus campus as the Evan Turner Hallway, is proposed.

WHEREAS the basketball practice facility, located within the Athletics District on the Columbus campus, provides the men's and women's basketball programs with a state-of-the-art practice facility, offices and other spaces for student-athletes; and

WHEREAS the basketball practice facility allows the Ohio State men's and women's basketball teams to excel in education, recruiting, and training; and

WHEREAS through generous philanthropy, Evan Turner has made a lasting impact at The Ohio State University by creating opportunities for outstanding student-athletes to hone their talents; and

WHEREAS Evan Turner has provided significant contributions to the Department of Athletics to support the men's basketball program:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves in accordance with paragraph (F) of rule 3335-1-08 of the Administrative Code, that the basketball practice facility hallway be named the Evan Turner Hallway.

The Ohio State University
Board of Trustees

November 3, 2017

NAMING OF SPACES IN THE PRE-CLINIC

IN FRY HALL, COLLEGE OF OPTOMETRY

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

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

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

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

- Class of 1992: Honoring Dr. Christopher O'Brien
- Edward Crum OD, MBA, SPE

NOW THEREFORE

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

- Room 203, the Edward Crum OD, MBA, SPE Injections Room
- Room 217, the Dr. Christopher O'Brien Pre-Clinic Examination Room, supported by the Class of 1992

The Ohio State University
Board of Trustees

November 3, 2017

NAMING OF INTERNAL SPACES

IN THE WILLIAM T. AND JANE C. MCCONNELL RESIDENCE HALL

Synopsis: Approval for the naming of internal spaces in the William T. and Jane C. McConnell Residence Hall, located at 929 Sharon Valley Road, on The Ohio State University at Newark campus, is proposed.

WHEREAS the newly constructed McConnell Residence Hall is an example of the dedication and generosity of The Ohio State University at Newark community; and

WHEREAS the residence hall provides living and learning spaces for 120 students, enhances access and diversity on the Newark campus, and helps create the extraordinary student experience; and

WHEREAS the donors listed below have provided significant contributions to the building funds used to construct the new residence hall:

- Dr. Donald G. and Patsy P. Jones
- J. Gilbert & Louella H. Reese, The Gilbert Reese Family Foundation, and Dr. John H. & Sarah R. Wallace
- Lowell S. and Barbara G. Anstine
- David A. and Carole B. Brooks
- The Englefield Foundation
- Geraldine D. Marston

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves in accordance with paragraph (F) of rule 3335-1-08 of the Administrative Code, that internal spaces in the McConnell Residence Hall at The Ohio State University at Newark shall be named the following:

- The Dr. Donald G. and Patsy P. Jones Event Center
- The Reese-Wallace Grand Lounge
- The Lowell S. and Barbara G. Anstine Study Lounge
- The David A. and Carole B. Brooks Study Lounge
- The Bill and Janet Englefield Study Lounge
- The Geraldine Marston Study Lounge

The Ohio State University
Board of Trustees

November 3, 2017

NAMING OF CTL ENGINEERING LAB

IN HITCHCOCK HALL, COLLEGE OF ENGINEERING

Synopsis: Approval for the naming of the Geotechnical Lab (room 050) in Hitchcock Hall at 2070 Neil Avenue, as the CTL Engineering Lab, is proposed.

WHEREAS Hitchcock Hall is the home of the Department of Civil, Environmental and Geodetic Engineering (CEGE); and

WHEREAS CEGE enrolls over 950 students from 18 different countries who aim to balance environmental health with growing societal needs for natural resources, sustainable infrastructure, and services; and

WHEREAS CTL Engineering and its president, C.K. Satyapriya, have generously provided funds to support the renovation of the Geotechnical Lab space in Hitchcock Hall:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves in accordance with paragraph (F) of rule 3335-1-08 of the Administrative Code, that the Geotechnical Lab (room 050) in Hitchcock Hall shall be named the CTL Engineering Lab.

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.

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
Steam Capacity Upgrades to enable Postle Hall Expansion - Design Only
Postle Hall - Utility System Infrastructure
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

ACCEPTANCE OF GIFT OF UNIMPROVED REAL PROPERTY

**.5+/- ACRES OF UNIMPROVED LAND
FRANKLIN COUNTY, OHIO**

Synopsis: Authorization to accept the gift of approximately .5 acres of unimproved real property in Franklin County, Ohio, is proposed.

WHEREAS Olentangy Village Associates V LLC desires to donate approximately .5 acres of land adjacent to the Wilma H. Schiermeier Olentangy River Wetland Research Park at 352 West Dodridge Street, Columbus, Ohio; and

WHEREAS pending satisfactory completion of all real estate due diligence, the appropriate university offices believe that acceptance of this gift will be in the best interest of the university; and

WHEREAS acquisition of this property would increase the riparian protection along the east riverbank as well as provide increased control for wetland research projects.

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves that pending satisfactory evaluation of all real estate due diligence through the standard university process, this property be accepted as a gift to The Ohio State University from Olentangy Village Associates V LLC and that the president and/or senior vice president for administration and planning be authorized to acquire title to this property in the name of the state of Ohio for the use and benefit of The Ohio State University, upon such terms and conditions deemed to be in the best interest of the university.

The Ohio State University
Board of Trustees

November 3, 2017

**ACCEPTANCE OF GIFT OF IMPROVED REAL PROPERTY
AND APPROVAL OF SALE OF IMPROVED REAL PROPERTY**

**2011 REDLEAF DRIVE
LOUISVILLE, JEFFERSON COUNTY, KENTUCKY**

Synopsis: Authorization to accept the gift of approximately .26 acres of improved real property located at 2011 Redleaf Drive in Louisville, Kentucky and to negotiate the sale of property under terms and conditions acceptable to the university, is proposed.

WHEREAS the gift is vested in the name of The Kevin M. Rabe Living Trust and upon the death of Mr. Rabe was bequeathed to the College of Food, Agricultural, and Environmental Sciences of The Ohio State University Sequest Arboretum for support and upkeep of its Garden of Roses; and

WHEREAS pending satisfactory completion of all real estate due diligence, the appropriate university offices believe that acceptance of this gift and immediate sale is in the best interest of the university:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves that pending satisfactory evaluation of all real estate due diligence through the standard university process, this property be accepted as a gift to The Ohio State University from The Kevin M. Rabe Living Trust and that the president and/or senior vice president for business and finance be authorized to acquire title to this property in the name of The Board of Trustees of The Ohio State University, upon such terms and conditions deemed to be in the best interest of the university; and

BE IT FURTHER RESOLVED, that the president and/or senior vice president for business and finance be authorized to sell the property upon such terms and conditions deemed to be in the best interest of the university.

The Ohio State University
Board of Trustees

November 3, 2017

**APPROVAL TO SUBMIT AUDITED CONSOLIDATED
FINANCIAL STATEMENTS (DRAFT) TO THE AUDITOR OF STATE**

Synopsis: Approval to submit the draft audited consolidated financial statements to the Auditor of State, is proposed.

WHEREAS The Ohio State University annually seeks an independent audit of the consolidated financial statements as a matter of strong financial oversight; and

WHEREAS the Auditor of State is required under Ohio law to audit each public office; and

WHEREAS the university is a public office and is required under Ohio law to file a financial report with the Auditor of State for each fiscal year; and

WHEREAS the university operates on a fiscal year ended June 30 of each year; and

WHEREAS the university has produced consolidated financial statements for the 2016 and 2017 fiscal years, in accordance with accounting principles, generally accepted in the United States; and

WHEREAS the university engages an outside auditing firm, currently PricewaterhouseCoopers LLC, to audit its consolidated financial statements; and

WHEREAS the university management and PricewaterhouseCoopers have produced a final draft of the audited consolidated financial statements for the 2016 and 2017 fiscal years; and

WHEREAS the Auditor of State may accept the audited consolidated financial statements in lieu of the audit required by Ohio law; and

WHEREAS the audited consolidated financial statements will not be final until approved by the Auditor of State:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby accepts the draft audited consolidated financial statements for the 2016 and 2017 fiscal years; and

BE IT FURTHER RESOLVED, That the Board of Trustees hereby approves the submission of these consolidated financial statements to the Auditor of State for review and approval.

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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.

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

**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 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

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.