



November 3, 2017, Board of Trustees meeting

The chairman, Mr. Shumate, called the meeting of the Board of Trustees to order on Thursday, November 2, 2017 at 11:50 a.m.

Present: Chairman Alex Shumate, Janet B. Reid, William G. Jurgensen, Jeffrey Wadsworth, Clark C. Kellogg, Timothy P. Smucker, Cheryl L. Krueger, Michael J. Gasser, Brent R. Porteus, Alex R. Fischer, Abigail S. Wexner, Hiroyuki Fujita, Alan A. Stockmeister, John W. Zeiger, Lydia A. Lancaster, H. Jordan Moseley, Alan VanderMolen, James D. Klingbeil and Janet Porter.

Mr. Shumate:

Good morning. I would like to convene the meeting of the Board of Trustees and ask the secretary to please note the attendance.

Dr. Thompson:

A quorum is present, Mr. Chairman.

Mr. Shumate:

So that we are able to conduct the business of this meeting in an orderly fashion, I would ask that any sound on cell phones and other devices be turned off at this time, and I would ask that all members of the audience observe rules of decorum proper to conducting the business at hand.

I hereby move that the board recess into executive session to consider business-sensitive trade secret and research matters required to be kept confidential by federal and state statutes, to consult with legal counsel regarding pending or imminent litigation, and to discuss personnel matters regarding the employment, appointment, compensation, discipline and dismissal of public officials. May I have a second?

Upon motion of Mr. Shumate, seconded by Dr. Wadsworth, the Board of Trustees adopted the foregoing motion by unanimous roll call vote, cast by trustees Mr. Shumate, Dr. Reid, Mr. Jurgensen, Dr. Wadsworth, Mr. Kellogg, Mr. Smucker, Ms. Krueger, Mr. Gasser, Mr. Porteus, Mr. Fischer, Mrs. Wexner, Dr. Fujita, Mr. Stockmeister, Mr. Zeiger, Dr. Lancaster, and Mr. Moseley. Mrs. Hoeflinger was absent.

Dr. Thompson:

Motion carries, Mr. Chairman.

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The chairman, Mr. Shumate, reconvened the meeting of the Board of Trustees to order on Friday, November 3, 2017, at 10:00 a.m.

Present: Chairman Alex Shumate, Janet B. Reid, William G. Jurgensen, Clark C. Kellogg, Timothy P. Smucker, Cheryl L. Krueger, Michael J. Gasser, Brent R. Porteus, Erin P. Hoeflinger, Alex R. Fischer, Abigail S. Wexner, Hiroyuki Fujita, Alan A. Stockmeister, John W. Zeiger, Lydia A. Lancaster, H. Jordan Moseley, Alan VanderMolen and James D. Klingbeil.

Mr. Shumate:

Everyone, good morning. I would like to convene the meeting of the Board of Trustees and ask the secretary to note the attendance.

Dr. Thompson:

A quorum is present, Mr. Chairman.

Mr. Shumate:

Thank you. So that we're able to conduct the business of this meeting in an orderly fashion, I would ask that any sound on cell phones and other devices be turned off at this time, and I would ask all members of the audience to observe rules of decorum proper to conducting the business at hand.

Before we begin, I'd like to extend a very warm welcome to our new charter trustee, a Buckeye twice over, Janet Porter. Janet, welcome to this first meeting as a trustee of the university, we welcome you.

The overarching theme of our meeting this week has been student success, a key aspect of our strategic plan as Ohio State strives to be the best university that it can be. Yesterday, we took a field trip, if you will, to the heart of campus where the wonderful team at the university's Recreation and Physical Activity Center hosted our committee meetings. We owe a great deal of thanks to Dr. J, who is somewhere in the audience, if you could stand?

We want to certainly thank you and the entire Student Life team for taking such good care of us yesterday. We certainly got our steps in as we walked through the enormous facility, a beautiful facility, and it was inspiring to see so many Buckeyes up and working out before 8 a.m., committed to health and wellness, which is a very important aspect of what the university is about.

At the end of the day, a group of students with ties to recreation at Ohio State hosted us for an energetic, engaging reception. Students truly are at the heart of what we do here, so it was a special theme this week. In keeping with that theme, we will start our session today with a presentation from one of our most impressive students.

Mr. Moseley, if you could introduce our Student Recognition Award recipient.

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### **STUDENT RECOGNITION AWARDS**

Mr. Moseley:

Thank you, Chairman Shumate. I would like to call Kirk Forte up to the table.

Kirk Forte started making his professional imprint at the Ohio State College of Veterinary Medicine before even being accepted into the program. He understood as an applicant that it was important to make connections within the professional community he was hoping to become a part of, and took the initiative to start making connections with local veterinary associations. Now, several years later, he serves as the college's liaison for the Columbus Academy of Veterinary Medicine, a position typically held by a faculty member and never before bestowed upon a student, which indicates Kirk's extraordinary level of professionalism and commitment to leadership.

Having graduated from Ohio State with his bachelor's degree in 2005, Kirk had years of professional experience before choosing to pursue his passion in veterinary medicine. He earned the position of dining room manager with the prestigious Cameron Mitchell Restaurants, a company highly respected for its level of training and service. In this role, he led staff and manager meetings, and was chosen to conduct restaurant openings in Columbus and Miami, Florida. This management experience has impressed upon his ability to lead his class with a level of composure and thoughtfulness not typical of student leaders. Formally, he serves in the role of class treasurer and was named a Stanton Foundation Extern, a highly selective and esteemed position in the college. As a dedicated husband and father, he is able to skillfully balance these roles with the difficult rigors of being a veterinary student and leader. Give it up for Kirk.

Kirk, if you have any words you would like to say.

Mr. Forte:

I wrote it down, just in case I got a little too nervous, but to President Drake, Mr. Shumate, the chairman of the board, members of the board, thank you very much for this exceptional honor. I must also thank my mother, Mary Wolf, who is here today with us, and my wife who wasn't able to make it, for their tireless support.

Earlier this week, I was on a walk through central campus to kind of reflect on what this week means to me and I happened to walk through the Knowlton School, which Mr. Moseley mentioned I graduated from in 2005. He failed to mention that I wasn't the most exceptional graduate of that school in 2005, and even now, many of my colleagues at the College of Veterinary Medicine are the types of students who typically receive these honors. They are involved in the leading edge work that Ohio State is most commonly known for and they're typically honors graduates, but I didn't graduate Summa Cum Laude or even Magna Cum Laude. In fact, as my mother will probably attest, my graduation day was more of a "thank the laude" kind of event. So, when I came back to Ohio State to talk to admissions about becoming a veterinarian, it didn't take a long look over my transcript for them to say, "Quite frankly, you have a lot of work in front of you." And, they weren't wrong, but they didn't say no. So, cleaning kennels and waiting tables, long nights studying, preparing my application, twice in fact, which only underscores the fact that I'm surprised to be here today in front of you. I was no shoe-in for an award like this, so, while I'm incredibly proud to accept the honor from you today, I also want to take the opportunity to tell you how grateful and proud I am to be a Buckeye in the first place. My years here have been formative ones, and I am so thankful to have had this laboratory to learn, to grow and to realize my own potential. So, thank you.

Mr. Moseley:

Kirk, if you and your guest want to come over here, we're going to get a picture with Chairman Shumate and Dr. Drake.

Mr. Shumate:

Again, congratulations Kirk. We thank you and we know you're going to have a very successful career. On behalf of the board, we wish you great success in your future endeavors. Let's give him another round of applause.

I will now call upon Dr. Javaune Adams-Gaston for the next item on the agenda. Dr. J please talk us through the transformational experiences that advance student success.

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### **STUDENT SUCCESS PRESENTATION**

Dr. Adams-Gaston:

Good morning and thank you so much for inviting me to join this celebration of student success at this month's board meeting. We've just had the pleasure of hearing about the accomplishment of a student whose story is nothing short of inspiring, and as I'm sure you've heard me say so many times, the experience that Ohio State offers in the classroom and outside of the classroom, those opportunities are just tremendous. The provost and I talk a lot about the experiences being 24/7, and the fact that they're 24/7 mean that they're transformational experiences and that makes them unique.

We have 1,300 student organizations on this campus, and that allows our students to have thousands of experiences, from student employment to opportunities to engage in leadership and professional development. And [that allows] for all of our students,

whether they are undergraduate, graduate, or professional students, to have the type of experience that allows them to both transform their development and to have extraordinary success. But why is this important? It's important because the learning that occurs throughout these experiences really gives them the opportunity to shape who they're going to be in the future. I talk to students all the time about who they want to be, and this is the opportunity at an institution as great as The Ohio State University, for them to harness who they want to be in the world and the changemaker they intend to be. Gallup tells us that students who engage are doing better and are more well in all facets of their career and their life, and it begins right here in the university.

So, accordingly, the more we can support and engage our students in a multitude of unique ways, we are truly able to help our students stretch in their learning from the classroom to real world experiences. We help them see the world differently. We help them see themselves differently. To that end, I'd like to introduce you to a few students and student groups that are on the cutting edge of technology, digital media and art.

Our first student I discovered at a pitch event hosted by the Keith B. Key Social Entrepreneurship Program. These are students who are learning to both pursue their social passion and to make a profit in order to maintain that passion; students who are given the opportunity to practice pitching to attract support for their cause. Of course, we all know that's not easy to do and they did a phenomenal job. I would like to give Yash the opportunity to share his pitch today.

Please welcome Yash Somani, a first-year student from Hilliard majoring in finance, and when I heard him pitch I had no idea he was a first-year student. I'm going to turn it over to Yash. Ohio Award is his pitch.

Mr. Somani:

Thank you very much, Dr. J, and thank you for this opportunity. I want to take a quick moment to thank the board for this amazing opportunity. Technology is one of the fastest-growing fields in the world right now and computer science is one of the most reputable degrees to have. However, high school students aren't being exposed to the principles of computer science and technology in high school, especially those [students] who are underrepresented in technology, including the African American, Hispanic and LGBTQ communities, and, of course, women. And so, the true depths of technology just remain a mystery for most high school students. But we believe that every student should have the possibility to learn about technology. Our mission is to equip students with tech knowledge and then give them a platform so they can apply that knowledge in a real-world setting. We plan to impact 300 students within our first year. And within the years to come, we strive to grow throughout the entire Columbus community. We are Ohio Award. What we will be doing in these next few weeks is we will be going to high schools to recruit students for our initiative. Once students join our initiative, they go through an online course in technology, and then they complete a capstone project to receive their Ohio Award certificate. But this is where we're different from all the other education platforms out there. Once students receive their certificate, they have the opportunity to do job shadowing and internships at big Fortune 500 companies. And so, with the help of Keith B. Key's Buckeye Social Entrepreneurship Program from the Office of Student Life, we know that all of the students in Columbus can have the chance to pursue their dreams in technology. So, if you believe that students should be able to learn technology, great. Please help us out with our initiative. We would love it. If not, well, then just sit back and watch us work. Thank you.

Dr. Adams-Gaston:

Thank you, Yash, we appreciate that. Our second student is from a student organization that I've really enjoyed getting to learn about over the past few weeks. Did you know that within the past few weeks, the Cleveland Cavaliers invested \$13 million to host a team in the League of Legends North American League Championship Series? I'm not

talking about a game that will be played on the basketball court. I'm talking about a highly competitive game that will be played on video, on a huge screen streamed online. This is an international phenomenon and our students are at the forefront. Here to talk with us about how her student organization, the eSports Initiative, is transforming her student experience, is Becca Danik. She is a computer science engineering major from Pittsburgh. And if you're not familiar with eSports, then you don't have young people living in your house. Becca, do you want to talk about eSports?

Ms. Danik:

Thank you, Dr. J. Good morning. My name is Becca Danik, and I am a third-year computer science engineering major from Pittsburgh, Pennsylvania. I first developed an interest in computer science when I was in high school. My friends at the time, who happened to be mostly male, suggested I look into taking programming classes after I had found so much enjoyment playing the video game called League of Legends with them. They often shared that I would probably be the only female, but it never bothered me. For me, it has always been about how much you enjoy the game. When I came to Ohio State, I knew I wanted to get involved in a video game club called eSports Initiative, a student organization that has existed for nearly 10 years that I had read about online while I was still in high school. eSports stands for electronic sports, a global community of social and competitive gaming. Some of the common games we play include Super Smash Brothers, Overwatch and League of Legends. These are some names you might be able to impress your grandchildren with at the next family gathering.

*(Laughter)*

Mr. Shumate:

So all board members have grandchildren, not children.

*(Laughter)*

Ms. Danik:

eSports is an amazing global community and it's becoming even more mainstream each year. To give you an idea of the scale of eSports, in 2016, the League of Legends World Championship Finals were held in the Staples Center in Los Angeles. It sold out completely in an hour. Video from the finals' Opening Ceremony is currently playing on the screen behind you. Arenas like Nationwide Arena and the Staples Center in Los Angeles sell out regularly for gaming competitions and sports franchises are starting to take note. Just last month, the Cleveland Cavaliers paid \$13 million to an eSports team. The popular video game Madden is a perfect fit for the NFL and, of course, I am excited the Pittsburgh Steelers are taking part. At the collegiate level, students can stand to win big from these tournaments by the order of hundreds of thousands of dollars in scholarships. Georgia State University, the University of California-Irvine and the University of Utah are leading the way and eSports at Ohio State hopes to join these ranks soon. I have grown so much as a leader throughout my time with the eSports Initiative and I serve as the president, the first woman to ever hold that position.

eSports has helped me get involved and make friends at Ohio State. It has helped provide me the opportunity to learn how to relate to people who may be different from me and motivate others through planning, delegation and problem solving. Thank you so much for having me here with you today and it is a pleasure to share with you how eSports is taking the Buckeye Nation and the world by storm.

Dr. Adams-Gaston:

Last but not least, we would be remiss if we did not recognize the many ways in which Ohio State students are immersed in the arts. Of our 1,300 student organizations, 149

are characterized as creative and performing arts. My daughter graduated from The Ohio State University as a dance major. She was in four student organizations that were creative arts, and I think it has truly helped her in her ability to be successful after she left the university. We know that the arts touch the lives of those in the audience, but they change the lives of those who perform. In addition to their truly impressive performance skills, students in Ohio State of Mind are working as a team, gaining important time management skills and learning what it means to manage a small performing arts organization. They also performed along the top groups in the world in the 2017 International Championship of Collegiate Acapella. They also add to the richness of the OSU traditions.

Join me in welcoming Ohio State of Mind, here to perform for us today.

*Ohio State of Mind performs.*

Once again, thank you for your commitment to honoring the many ways our students advance their success here at The Ohio State University, thank you so much. If there are questions?

Mr. Shumate:

Definitely feeling good after that song. Clark?

Mr. Kellogg:

This is for Yash. Do you have to be really young to participate in learning this technology, and then how long does it take to get the certificate?

Mr. Somani:

First, we are targeting high school students, but eventually I'm sure, we haven't discussed this within our co-founder group, but eventually we will probably be expanding it to other grade levels and probably even the college community.

Our plan originally is for them to go through a course online and then do a capstone project. For our capstone project, we are trying to partner with HackOHIO for high schools, and they are going to be doing their capstone project there. That, I think, is around April, so we are looking at about four months. It's a very in-depth program and we're really excited to get that started.

Mr. Shumate:

Any other questions or comments?

Dr. Lancaster:

I was going to ask if we can have an encore, but I guess they left. But just a quick comment. Thank you all for coming and Dr. J, I am just blown away. As a student trustee, one of my favorite parts about this position is just learning about all the facets of this complex university and how much talent there is – every meeting I am blown away by something new that a student is doing. The amount of creativity that you all have is outstanding, and it's personally inspiring to me and I'm still a student every day on this campus. So, I just wanted to commend you all and thank you for being here. I don't have children or grandchildren, but I do have patients that are teenagers, so I appreciate the new lingo so I'll seem like a cooler orthodontist when I go see my patients this afternoon. So thank you, again, for being here.

Mr. Shumate:

Any other comments or questions? Thank you so much. At this time, we will turn to our president, Dr. Drake, for his report.

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## PRESIDENT'S REPORT

President Drake:

Thank you, Alex, and good morning, everyone. I'll start by also recognizing the exceptional students that we have – several that we saw this morning – and as Lydia was saying, we see their contributions and are able to experience them every day in so many ways. That's always terrific, so great to see you. Let's just give them one more round of applause.

I would add my welcome to that of Alex for Janet [Porter], our new charter trustee. Great to have you on board and I look forward to great years working together. We've had a chance to work together when you were an alumni trustee and it's great to have you in this role as well, so welcome aboard.

In August, we announced Ohio State's strategic plan for the future, and that is the real hard work it takes to be the best institution we can be and to further define what it means to be a 21st century flagship public research university. Since that time, we've been very hard at work implementing the plan. [I'd like to share] several things we've announced since the last board meeting – and I want to make sure we say these things rapidly, but I want to make sure we say them so we can see the great progress that we're making. First, we announced a program in September to ensure that all Ohio students on the Columbus campus who qualify for a Pell Grant receive an aid package that covers the full cost of tuition and mandatory fees. It's an unprecedented expansion of our affordability efforts and it is expected to advance aid for about 3,500 more Buckeyes and their families. This joins a number of steps taken by the university over the last several years to ensure greater access to an affordable and excellent education and we're excited to take it to this next level.

We actually received a nice note from a student – I'm going to read part of it – [who] was a recipient of a Pell Grant and an Affordability Grant this year. She had been worried for the next two years, about how she was going to pay for college all by herself. She said, "My father called me this morning at Starbucks and told me of the life-changing program that we'd be able to participate in and I cried."

We've heard from multiple people who said, "Oh my goodness, we didn't know how we were going to bridge this gap, we were struggling." And this really would make an incredible difference to people who can then lift their own lives as they lift our communities. That was a great thing and I'm pleased to be able to announce that.

About a week later, in early October, we were pleased to share that Ohio State is collaborating with Apple to launch our comprehensive university-wide digital learning initiative. The program, which again will be unique in scope in higher education, will allow for universal access to learning technologies providing students with an iPad Pro and tools to support learning in and out of the classroom. It also establishes a design laboratory to serve students, faculty and staff, and the greater community who are interested in economic development opportunities and coding. Finally, students on all of our campuses will have enhanced opportunities to learn coding skills through this vital link to the app economy. This represents a major initiative under the strategic plan and addresses a number of our pillars including teaching, learning and research and creative expression. The digital flagship university initiative will launch in the 2017-18 academic

year, a little bit later in the spring. The IRS design lab will open in a temporary space in 2018, and be moving to a permanent location in 2019. Our students will begin training in Swift coding in the spring of 2018, so this is a major initiative again and we're really pleased and excited again to launch it.

This is a tiny aside, but [Becca Danik was] mentioning the eGaming community around the world that's growing, and I will just say at my last job we – in a discussion with colleagues – created a gaming major in our computer sciences college and [Ms. Danik] reflected on the outcome of that here, about nine years later. It just reminded me that the steps we take on these initiatives, that we push forward, actually do make a difference in change and lead the university forward in real ways. I just wanted to note that was interesting and a coincidence.

At the same time, several of our most important indicators as a university, at the center of what we do, are at all-time highs. Our enrollment report released just this last week showed a 94.2% first-year retention rate – that's the highest we've ever had. Our graduation rate remains at a historic high. This year, we had an 82.5% six-year graduation rate and our four-year graduation rate was a university record of 62.4%, actually up 3.5% from just a year ago.

This speaks to our work to improve student outcomes and shorten the path to graduation, including reducing summer tuition and launching a campus-wide predictive analytics advising tool last year. It follows news that our latest Columbus campus class is the best prepared and most diverse in our history at the same time. They had the highest ACT score of any class that we've ever admitted at 29.2, 65% were in the top 10% of their high school class and new first-year minority students [totaled] 1,542, 21% of the class, a record for us. Again, I want to mention the non-trivial achievement of having it be our most competitive and most diverse class, and that's through great work that happens in the Office of Academic Affairs and other places on campus, and we appreciate that.

The demand for an Ohio State education continues even more broadly, and our College of Medicine this year had 7,199 applications – that's the most in its 102-year history. Twenty-six percent (26%) of its new class comes from underrepresented backgrounds, matching last year's record high. And also, our dean at the College of Medicine, Craig Kent, was elected vice chair of the American Board of Surgery for 2018-19, and then in 2019-20, he will be the chair of the American Board of Surgery. This is the senior position in academic surgery in the country, and this morning – roughly this minute – the American Association of Medical Colleges – the accredited new organization of the medical colleges in the country – is having its annual meeting. A couple thousand people go to the meeting, but there are different sub-meetings and one is the Council of Deans, which includes the deans of all the colleges of medicine in the country getting together. And on this morning's upcoming session, one of the featured speakers is Craig Kent, who is talking about our medical school and things that are happening with our class, and I just want to make sure I take the time to recognize how he is recognized by his peers as a dean and by his peers as an academic surgeon. Actually, I'd like to take a moment and applaud both of those achievements by Dr. Kent.

We are in the middle of the application period for undergraduates. Last year, we had a record 52,500 applications and we are up about 4.5% year-to-date in applications, so it's higher than last year's record, which was higher than the record-year before. As you know, the number of high school graduates in Ohio has been tapering, so we were expecting a softening in this, but I'm pleased to see we're having even more applications this year than last.

Part of our strategic vision is to elevate the ways in which we meet the health care needs of Ohioans and to enhance our position as a leader in academic medicine. One of the ways we do this is by promoting outstanding talent to leadership positions within our Wexner Medical Center. Today, I am pleased to share that Dr. Raphael Pollock has

accepted our offer to serve as interim director of Ohio State University's Comprehensive Cancer Center. Dr. Pollock is a nationally renowned cancer surgeon with more than three decades of experience as a research scientist. He has served with great distinction in several vital leadership positions at the medical center since arriving here, including vice chair for Clinical Affairs in the Department of Surgery, chief of the Division of Surgical Oncology, director of the Sarcoma Research Laboratory, surgeon chief of the Comprehensive Cancer Center and surgeon-in-chief for The Ohio State University Health Care System. I want to say that he also had a paper route, but I'll leave that aside. Really incredible roles and incredible leadership and we are pleased to have him agree to do this. He will be assuming this role with final approval pending from the National Cancer Institute that needs to approve a change of PI, and he will focus then on our continued excellence and the impact as we prepare for renewal of our NCI Comprehensive Cancer Center grant in 2020. So a round of applause and thanks for Dr. Pollock.

In addition to that, we have taken several actions that support the specific needs of our departments and functions with an eye toward developing exceptional talent at the medical center. This includes: Elizabeth Seely in the newly created role of chief administrative officer for the hospital division of the health system; Mary Howard as executive director at University Hospital East; Marti Taylor, who is focusing exclusively on elevating the success of the Ross Heart Hospital as executive director; and Dr. Susan Moffatt-Bruce in the role of executive director of University Hospital; and finally, Amanda Lucas, continuing her role as executive director of Clinical Operations for the Neurological Institute and executive director of Harding Hospital.

We had a medical center meeting in August and just a couple of days ago, and we were reflecting on the performance of the medical center over these last several months. Last year, on all of our measures, was the strongest year that we have ever had. We saw more patients with better outcomes than ever before. The level of funded research at the College of Medicine was at an all-time high. We had more new investigators than we ever had before, so things are moving really, really strongly. Then, looking at our aggressive budget for the first three months of this year, we actually had exceeded budget in virtually every category when we had the report of July, August and September of this year. So the medical center is working at its best level ever in continuing to improve. The hard work of all the people I just mentioned is really a key reason for that and so we really appreciate all of the work that they have done.

I'll also say that in the College of Medicine's strategic plan – which is being developed in parallel with the strategic plan of the university – we have a particular focus on a series of diseases and disease conditions that have really had a big impact on the nation and on Ohioans. The dean has organized a particular focus on cluster hiring in Diabetes and Metabolic Syndrome; in Alzheimer's, and that's an extraordinarily important thing for us; and then, unfortunately, we happen to be at the epicenter of the opioid addiction crisis, so we have a special focus on opioid addiction. Actually, that extends beyond the College of Medicine. The comprehensive nature of our university allows us to address this from multiple positions. As we know, this is a multi-faceted problem. We are uniquely positioned to be able to look at this and, again, have the unfortunate circumstance of being near the epicenter. So I think it's really going to be the leadership of Ohio State that helps us to move forward and I'm really pleased that the medical center and our leaders in academic medicine have focused on this for us.

Also, today I am pleased to announce that we will be launching a national search for a chancellor for the health sciences system. I mentioned all the things that we're doing in the health sciences, how busy we are, how big we are – we opened two new hospitals, as you know, last year – and the enterprise is ever more complicated in this complicated world. So we have contracted with Witt/Kieffer, one of the leading firms in the area of health sciences leadership, and have launched the beginning of the process to bring in a national expert to be a coordinating leader for our entire enterprise in the health sciences so that we can continue on with the great momentum we have. I want to pause

as I say that, though, and say that our momentum and the direction and the success that we've had have never been stronger. They've never been this good before. I've been in this world for a long time and the overwhelming majority of our colleagues will never hear reports like the ones that we've been hearing – the level of success, the number of patients that we are seeing, the margins that we are able to generate and how we can reinvest those. So I want to make a point, first, that the people we have here now are doing the best work we've ever seen, and better than most will ever see. And as we bring a new person in, that's really to help us take that next step forward and make it sustainable in the future. So I'm really excited about that.

We're also doing a few other things. One is that we are considering the next steps toward an interdisciplinary health sciences center – a flexible, collaborative campus for education throughout the health sciences. This is a commitment to innovative and modern learning environments that extends to disciplines across the university.

We are also proposing design work for an interdisciplinary research facility and high-quality arts facilities with long-term plans to open our front door to the heart of the university district at 15th and High.

In addition, the university is proposing steps to identify potential design partners for best-in-class inpatient and outpatient services at the Wexner Medical Center. These potential projects, shared in April as part of Framework 2.0, align with our Time and Change strategic plan in multiple areas, and we look forward to continued discussion to advance that vision.

Finally, we will be honoring all of those who have served our nation on Veteran's Day next week. Our student veterans and those currently serving are a vital part of our university community, and I'm very proud to note that Ohio State has been ranked No. 1 among "Top Colleges for Veterans" for two consecutive years by College Factual. So, we want to pause for a round of applause there. We are looking forward, as I said, to honoring and recognizing our veterans – and those who have served and are serving – next week. We have 2,300 students with a military connection. These are veterans, active duty, National Guard, Army Reserve or ROTC. That's up 8% from last year. We have 1,400 faculty and staff who are also veterans, so we are doing our very best for these individuals and it's a vital part of our focus on inclusive excellence. I know you join me in expressing our gratitude for those who have sacrificed so much for our country.

When Ohio State is at its best, when we are at our best, the results are meaningful to everyone, and we will continue to work together as Buckeyes to accelerate our university's historic momentum.

That concludes my report.

Mr. Shumate:

Thank you, President Drake. Any comments or questions from board members? Yes, Abigail?

Mrs. Wexner:

Yes, I just wanted to say, Dr. Drake, on behalf of the whole board, just how proud we are of the work that is being done on affordability. This is really one of the cornerstones of the ideas you brought to the university, and it's just wonderful that we can be the leader in this area, not only with your leadership on the [American] Talent Initiative, but to be demonstrating it on behalf of Ohio State. So, thank you so much.

Mr. Shumate:

We certainly appreciate the successes we are already experiencing under this strategic plan because, as you know, we have spent the last year putting that plan together. It's wonderful to see – already – the results of that kind of focus and intensity. And we're also very pleased to hear about the successes at the Wexner Medical Center and the step to engage the search firm to search for the chancellor, to take us to that next level of success. So we are very pleased with your leadership and thank you, so much, for all that you're doing to move this university forward.

Any other comments?

Mr. Fischer:

Yeah, I just want to acknowledge the significance of the approach that the president has outlined. I think, publicly, a lot of people have been wanting to understand the approach. The medical center – from a leadership standpoint – and we at the board have known of the president's thoughtful consideration. This is a groundbreaking opportunity the president is driving to make sure this excellence continues. I just want to make a public statement to that effect, to congratulate the president – his leadership – and this new approach that's going to bring the leadership to the community, so that all of our community partners understand, very directly, what is being said by the president and by the board. I think that's important for me to acknowledge to all of our community stakeholders.

Mr. Shumate:

Thank you.

Mrs. Wexner:

I just want to pile on there, just to add what I think. What you're saying, that's really important for people to understand, that the president described a real shift in focus to dealing with problems that are most relevant to Ohioans. So, focusing on Diabetes, focusing on opioid addiction. We have great talent at the university and our medical center, and the fact that we are reaching out and really wanting to solve the problems of our citizens is something that makes us all very proud.

Mr. Fischer:

We are unique for Ohio. We are the clinical place, the research place, the teaching hospital. It's where it comes together. This acknowledgement of a chancellor that would oversee all of that is not only important for this institution, it can be important for the state of Ohio as we think about a new era of health care that we are all trying to figure out on a national scale. We can be a leader here locally.

President Drake:

Thank you very much; I'm appreciative. And just a couple of other points to add. I was just thinking of something, if I can make it relevant. I'm just going to speak first about ATI [American Talent Initiative] and other things that we're doing to try to make sure that an outstanding education is available to people across zip codes and incomes.

We started talking at this group when there was no such thing, and then we talked when there were three universities as a part of ATI. We had our steering committee meeting a couple of days ago and we now have 85 universities that are a part of ATI. So I wanted you to know that really is moving forward. It's gaining momentum at colleges and universities across the country – north, south, from as small as Caltech to as large as The Ohio State University. So just know that that is moving forward.

Second, I appreciate very much the acknowledgement of our steps forward in achievement, consolidation, collaboration and alignment in our medical center. I just want to make sure that I say I'm so clear, every day, how hard the people who we have now are working to create a platform that can in fact advance us forward. That's a critical part to the success of the person that we bring in, and I just want to say that work is going on, moment by moment, every day, and I'm really proud of it. One tiny reflection of that – one of our quality measures that we look at most is this thing called the Mortality Index. [Essentially], you do a mathematical computation of the expected patient outcomes given your patient population and ... you can predict how the patients who were admitted were expected to do, and how many were expected to leave and how many were not expected to leave. We project toward doing better than the national averages, and it turned out that the first two months of this year, you could actually get that number, and the number was 76 patients in those two months who were projected to not have survived, but instead were discharged from the hospital. Which is little bit more than a person every day going home. They're celebrating Thanksgiving with their family, or another victory over that school up north, or all of those things that are so special. We just happened to do the math and look at it and say, gosh, it's really more than 70 people over those two months who our collected efforts have saved above what is predicted for an outstanding academic medical center. So, we continue doing that work every day, and I just want to make sure that I acknowledge the great work of our colleagues there.

Mr. Shumate:

Thank you. Any other comments or questions? And again, we sometimes take for granted the momentum that we have, the success and achievements, and it's good to work together as a board – with our president and the leadership team at the university – as we continue our progress toward being one of the best public universities in the country.

We'll now focus on our committee reports – the hard work that goes on to make sure we continue to achieve our strategic goals. We will start with our Governance Report from Dr. Reid.

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## COMMITTEE REPORTS

Dr. Reid:

Thank you, Mr. Chairman. The Governance Committee met earlier this morning and began our meeting with an update from our graduate student trustee, Dr. Lydia Lancaster, on our student trustee selection process. Every year, this is a bittersweet topic for the board. Lydia convened the first meeting of the selection committee earlier this week and we'll begin to generate interest in the position through educational sessions, soliciting nominations from faculty leaders and graduate and professional programs on campus, and social media outlets. The timeline for selection of a new graduate student trustee remains the same. For those students who are in the audience and are interested in sitting here instead of there, we invite you to look for the application, which will be posted on the Board of Trustees' website on December 1, and the applications will be due by mid-January of 2018.

Second on the agenda, our board consultant, Dr. Cathy Trower, picked up from previous discussions around board assessments and meeting evaluations. This topic is connected to our standing trustee development agenda item, with the goal to build on our onboarding program and continuously groom, educate and develop a deeper understanding of the institution and the ways in which we come together to enhance the board's overall effectiveness.

Moving on to items for action, Mr. Shumate brought forward the appointment of Charter Trustee Janet Porter, who we have welcomed and certainly had the pleasure of getting to know, and Mr. Shumate then presented amendments to the bylaws of the Wexner Medical Center. The first amendment expands the board by adding the chief administrative officer, the chief clinical officer and the chief financial officer as ex officio, non-voting members. The second amendment modifies the term of the chair as an annual appointment from May to May each year, keeping consistent with the other appointments of the Wexner Medical Center. Next, Mr. Shumate presented the resolution to reappoint Mr. Wexner as chair of the Wexner Medical Center Board, and we certainly are pleased that he has agreed to continue to serve at this capacity. Finally, Mr. Shumate presented the resolution to ratify committee appointments for 2017-18. The roster is provided in your board materials and reflects Mr. Zeiger's appointment to the Talent and Compensation Committee, Audit and Compliance committee, and Finance committee. These resolutions were passed by the governance committee and are included in the Board of Trustees consent agenda today.

The committee then met in executive session. That concludes my report, Mr. Chairman.

Mr. Shumate:

Thank you Dr. Reid. Any questions or comments? If not, our next report is from the chair of the Master Planning and Facilities committee, Mr. Fischer.

Mr. Fischer:

Thank you, Mr. Chairman. The Master Planning and Facilities committee met yesterday and our first action was to welcome our newest committee member and trustee, Janet Porter. Her background in all of the issues that we are going to be facing as it relates over the coming years is going to be very welcome to our committee.

Jay Kasey presented the Fiscal Environmental Scorecard and briefly discussed changes to the metrics. We have all items coded green and yellow. Although there are two items coded red that I want to specifically bring to the board's attention. One is on parking and it's related to the Cannon Drive relocation and challenges that would be anticipated. But the second is around traffic accidents, specifically injuries related to traffic accidents which have now gone into the red area, specifically pedestrian accidents.

We are a busy campus, we are a campus that mixes students, cars, bicycles, skateboards and buses together, and we work very diligently to do everything that we can to make it a safe environment. The reason I'm diverting for just a moment is I think there is nothing more important than making sure that we as a board, and our executive team, and all members of the university community are doing everything that we can to keep students safe. Our committee has spent time on it, asked staff to come back with an integrated approach – an approach that says safety doesn't live just in the facilities department of the university, but throughout the entire university – and asked staff to come back with executive recommendations and reflections on all creative ideas. I want to publicly highlight the committee's concern, but beyond concern, our desire to do everything we can to make sure that the important safety metrics for our students are paid the highest of attention.

The Major Project Status Report includes construction projects over \$20 million. It was presented and, again, is in really good shape with all the projects that are underway coded green with Pomerene and Oxley halls coming to the finish line. The complicated renovations of those projects are still coded yellow but with good optimism. And then Cannon Drive is just in the early stages and coded yellow. Those were also all reviewed by the Finance committee.

We had Ms. Lynn Readey present the Capital Projects Report. It's an annual reporting requirement that includes all the projects. As you all know from our discussion yesterday,

we are at the tail end of major capital work before another wave of the next five to 10 years of capital projects continues, pending our own prioritization of those.

Keith Myers presented designs for the Advanced Materials Corridor – phase one. This is funded by accommodation of state and university investments, as well as philanthropy. It targets Koffolt and Fontana Labs on 19th Avenue. The old high bay area of that space will be demolished and replaced with a 20,000-square-foot addition and a 150-seat lecture hall, new classrooms and faculty offices. Mr. Myers also presented an update to the programming studies for the arts district, the interdisciplinary research facility and the interdisciplinary health sciences center. Much of this we talked about yesterday in executive session. All of these studies were approved at the April board meeting and they're incorporating crucial stakeholder inputs.

This is moving us forward to an action that we'll take today that is a key enabler for the interdisciplinary health sciences project – a new faculty office and an optometry clinic at 11th and Neil Avenue. It's a 93,000-square-foot building, but it begins to give the foundation for other major capital considerations.

We approved entering into professional services contracts for the arts district that we talked about a lot, so now we'll move from lots of concept over the summertime and the fall into specific design. We also [approved] professional services contracts for the interdisciplinary research facility, that's on the midwestern lands property, and the interdisciplinary health sciences center. We also are going to advertise, interview and select to negotiate contract terms for the Wexner Medical Center Ambulatory Facility and the Wexner Medical Center Hospital. These are only design contracts. There are going to be months of consideration of the scope and size and scale of those projects, so this is the earliest signaling of lots of work by our committee, by the Wexner Medical Center Board and by the Finance Committee as we consider the prioritization and the scoping of all of these projects. I would note that all of this has also gone through the Wexner Medical Center Board for approval, as well as the Finance Committee, and their resolutions are on your desk. I would expect that as we move forward, we are going to have reports on all of these projects at every board meeting, likely for many, many months to come.

Ms. Readey also presented the FY18 Utility Systems Capital Improvement Projects. It is a series of tunnel and utility system repair and upgrades and electrical systems upgrades. These projects were conceived as a part of the concession agreement with the Ohio State energy partners. The Finance Committee reviewed these projects and it was noted that there are nine miles of tunnels under our campus. There have been, for centuries, rumors of tunnels under the Oval, and we're not acknowledging those but there was a lot of discussion about it in public session that they could be true.

Two real estate items were reviewed by the committee. The acceptance of gift for unapproved real property at 352 West Dodridge Street and the acceptance of a gift of improved real property and the approval of the sale of improved real property in Louisville, Kentucky. These resolutions were passed and they are on the consent agenda. Many of them have been approved by the Finance Committee and we recommend them to you.

The committee also met in executive session and, Mr. Chairman, sorry for the lengthy report, but that concludes my report.

Mr. Shumate:

A lot of work being done, a lot of work. Any questions?

Alex, could you give us an idea on the timing and scheduling of Cannon Drive as it's going forward? I know we've just begun, but just to give us a perspective.

Mr. Fischer:

Yeah, so it is in two phases. If you have seen it in the last few weeks at a football game or even coming to campus this morning, you will see lots of earth that is being moved. Our drone footage will show you just the land mass that is being assembled as a part of that project. Phase one will be completed in 18 months.

*Inaudible comments from Jay Kasey in the audience.*

Mr. Shumate:

Any other questions? Again, thank you and your committee for your excellent work. Mr. Jurgensen, the Talent and Compensation Committee Report?

Mr. Jurgensen:

Thank you. The Talent and Comp committee met yesterday and began with some introductory remarks from Susan Basso who joined Ohio State in September. As a new senior vice president for Talent, Culture and Human Resources, Ms. Basso shared with us what attracted her to Ohio State, her first impressions after a number of weeks on the job and her areas of focus going forward. Specifically, she is working with her leadership team on a strategic plan for Human Resources that will be directly aligned with the university's strategic plan and support a diverse, inclusive workplace culture for all faculty and staff. To highlight our student success theme, Ms. Basso provided an overview of our student employment demographics and Don Fuzer, director of the university's Child Care Program, talked about the important role student employees play in Ohio State's childcare efforts. Dr. Javaune Adams-Gaston gave an overview of student life's Student Employment Experience Program, which hires more than 5,000 students a year and offers them learning-centric employment opportunities.

Ms. Basso updated the committee on the dean and director searches for the Mansfield and Lima campuses and, additionally, she informed the committee about searches for the dean of the College of Education and Human Ecology, the vice provost for Global Strategies and International Affairs, the Graduate School dean and the senior vice president for the Office of Research. So there's quite a number of searches underway. Ms. Basso also reviewed personnel actions, including the reappointments of Gates Garrity-Rokous as vice president and chief compliance officer for the Office of University Compliance and Integrity, and Dr. Caroline Whitacre as senior vice president for the Office of Research through her retirement on December 31, 2017. The committee approved the personnel actions read by Ms. Basso with a motion to submit for board approval – it's on your consent agenda.

As the committee chair, I gave an overview of the performance review process for President Drake and the review this year was very positive, as President Drake has performed exceptionally well, meeting or exceeding all of the targets and the goals that we established at the beginning of the year. We are recommending to you a 2% salary increase, which is commensurate with the aggregate increase for the university faculty and staff, and that President Drake receive the maximum allowable bonus per his contract, which is 25% of his base salary. This was approved by the committee yesterday, with a motion to submit for your approval today. Lastly, the committee approved President Drake's performance goals and objectives for the next year, which align with the university's strategic plan and its five focus areas. We are seeking a motion for approval for those goals and objectives today.

Our meeting then ended in executive session and that concludes my report.

Mr. Shumate:

Thank you. Any questions or comments?

I note that our new senior vice president for Human Resources is here with us. Susan, if you would stand and be recognized? I look forward to working with you.

Mr. VanderMolen, the Advancement report?

Mr. VanderMolen:

Thank you, Mr. Chairman. The Advancement Committee met yesterday and I'm excited to share our updates. First, like you and all the committees before me, we welcomed our newest charter trustee, Dr. Porter.

Dr. Porter:

I feel welcomed.

*(Laughter)*

Mr. VanderMolen:

Please join me in welcoming Dr. Porter, my new favorite trustee. Not only is Dr. Porter a two-time Ohio State graduate, she also brings a wealth of knowledge to our team as a former member of the Ohio State Alumni Association Board of Directors. We look forward to her participation and the excellent contributions she will no doubt make. Thank you, Dr. Porter. We also thank Barbie Tootle for her term representing the Alumni Association on the committee. She was a great source of enthusiasm and insight and while we are all sad to see her go, we wish her well.

The Alumni Association showcased the revamped alumni magazine. About 18 months ago, the team took a hard look at whether the magazine was accomplishing its twin goals of building community and enhancing engagement among our half-a-million alumni around the world. Surveys and conversations revealed that readers wanted to see more alumni stories, and that Buckeyes had to be at the center of the magazine. The newly redesigned publication will do just that, allowing our alumni to follow stories they are passionate about and maintain a meaningful connection to their alma mater.

Our Foundation Board representatives reported on some exciting conversations they're having as we begin to plan for the next campaign, as well as how they are working to involve the deans. Our annual giving team reported on the Mirror Lake restoration project, which we are utilizing as a special opportunity to engage alumni and friends, as well as raise funds for this iconic place on campus. A digital platform will allow people to share their stories about Mirror Lake and purchase a customized brick to be placed in the walkway, and we will offer giving opportunities for the naming of physical spaces around the lake. Our scorecard shows we are ahead of target in many areas and the Foundation Report and naming resolutions will be voted on as part of our consent agenda.

The committee then met in executive session and that concludes my report, Mr. Chairman.

Mr. Shumate:

Thank you, Mr. VanderMolen. Any questions or comments on the Advancement Committee report? If not, Mr. Smucker, the Audit and Compliance report?

Mr. Smucker:

Thank you, Mr. Chairman. The Audit and Compliance Committee met yesterday and our time in public session mainly focused on the university's external audit. Christa Dewire from PwC and Kris Devine provided an update on that audit, as well as an overview of

the FY17 draft audited consolidated financial statements. Each year, Ohio State seeks an independent audit of the university, as well as other ancillary components and units connected with the university. For this fiscal year, the university received a clean bill of health, an unqualified opinion, and no material weaknesses. Ohio State had one significant deficiency in its audit stemming from issues at an affiliated entity, the Transportation Research Center, due to the management turnover in the past year and issues with an enterprise system implementation, but overall the university's financial position remains sound. Now that PwC's work on the audit of the university's financial statement is finished, their focus will be to shift to completing the standalone audits of some of Ohio State's revenue-generating units and certain affiliates, as well as the completion of the customary uniform guidance testing.

The committee then took action to accept the draft audited consolidated financial statements for fiscal years 2016 and 2017, and approved the submission of those items to the auditor of state for review and approval in accordance with state law. This is also on the consent agenda for today.

Finally, Gates Garrity-Rokous provided the committee with an update on Ohio's compliance and integrity program and on the Audit and Compliance Committee scorecard. Gates discussed the university's annual reporting on campus crime and safety activity required under the federal Clery Act. Overall, and as was already reported by Alex [Fischer] a little bit, there was an increase in reported crimes on campus, which can largely be attributed to a few factors. First, with the opening of the new residence halls on north campus last year, nearly 30% more students are living on campus, so we expected the number of reported crimes to increase based on the increase in population. Second, the students and staff members involved in the Watts Hall incident last fall were all counted separately for reporting purposes. And finally, through the Buckeyes ACT initiative, students are feeling more comfortable coming forward to report sexual misconduct, thereby increasing overall reporting. The university has and will continue to refine its campus safety education and outreach efforts and its monitoring and reporting functions to help ensure that safety for the entire campus community is improved.

The committee then met in executive session and this concludes my report.

Mr. Shumate:

Any questions? Thank you, Mr. Smucker.

Mr. Kellogg, the Academic Affairs and Student Life Committee report?

Mr. Kellogg:

Thank you, Mr. Chairman. Before I get into my report, I'd like to take a moment and speak on behalf of the board. We had all of our committee meetings and the reception after our committee meetings at the RPAC, the Recreation and Physical Activity Center, and I thought it was a wonderful opportunity to experience the "life in motion" theme of our students. I wanted to say thank you to the staff and the leadership there, as well as to the student employees that made our time all day there very fruitful, so a round of applause to the staff and students at the RPAC for hosting us yesterday.

During the Academic Affairs and Student Life Committee meeting yesterday, Dr. Javaune Adams-Gaston, affectionately and respectfully known as Dr. J, and Dr. Don Stenta, the director of Ohio State's Department of Recreational Sports and respectfully and affectionately known as Dr. Don, talked about how living a life in motion through recreational activity can positively impact student success and learning. They explained how the Office of Student Life takes a wellness-centered strategy to recreation – designing programs and activities that help students develop their personal leadership skills while learning to create lives of overall balance and well-being. Just as an aside, this is a really pioneering step in total wellness for students across the country, but Ohio

State is at the forefront, and I'd like to commend Dr. Stenta for his leadership in that particular work.

After that presentation, we heard from Vern Granger who was serving as interim vice president for Strategic Enrollment Planning. He updated the committee on the autumn 2017 enrollment plan. Some of these metrics were referred to in Dr. Drake's report, but certainly, the redundancy is worth it because of how good the numbers are. Ohio State has seen an increase in the number of minority student applicants and those enrolled; an increase in the diversity of the freshman cohort; a continued average ACT score of 29; and a continued increase in total number of applications to Ohio State. Vern noted that the sustained growth in the number of total applications is a reflection of Ohio State becoming a first-choice school for many students, and I know we are very proud of that.

Provost McPherson introduced Dr. Elizabeth Hume, vice provost for Undergraduate Education, who provided additional context for the undergraduate education metrics. We had a robust discussion around these metrics, the definition of them, what we're looking at, and I'm sure that will continue to kind of frame our work as we go forward. She walked us through the definitions of retention and graduation rates, and noted that we have an excellent first-year retention rate of 94% on the Columbus campus. Committee members again engaged in a very robust discussion around the four-year and six-year graduation rates and discussed opportunities to adapt and modify some of our best practices in retention on our regional campuses as well.

Cory Tressler, the director of Learning Programs with the Office of Academic Affairs, gave a Digital Flagship/Swift coding presentation. He described how the Digital Flagship partnership with Apple will provide access to Swift coding educational materials for Ohio State students, faculty and staff, and outlined initial timing for implementation.

Lastly, Provost McPherson recommended the following actions: a series of faculty appointments and reappointments, a resolution to address different titles for clinical faculty appointments and reappointments, a resolution to establish a Bachelor of Science in Biomedical Science degree program and a resolution to change the name of the Department of Plastic Surgery to the Department of Plastic and Reconstructive Surgery. These actions are on the consent agenda for the day.

Then the committee recessed into executive session. Mr. Chairman that concludes my report.

Mr. Shumate:

Thank you, Mr. Kellogg. Any questions? Mr. Gasser, Finance report?

Mr. Gasser:

Thank you, Mr. Chairman. The Finance Committee met yesterday, as most committees did, and during the committee meeting, Kris Devine presented the University Financial Overview for the first two months of FY18 and scorecard for the first quarter through September. All metrics on the consolidated financial scorecard were green with the exception of two yellow areas – total expense and three-year return on our long-term investment pool. Expenses were over budget by about \$8 million because of repair and maintenance expenses, and the current one-year return on investment pool, which I'm going to talk about in a second, was very strong. The three-year return is improving and we anticipate on a going forward basis that will be exceptionally strong also.

Ms. Devine then presented an overview of the finances of the university's four regional campuses and the Agricultural Technical Institute (ATI) in Wooster. The Newark, Marion and ATI campuses are in good financial health. The university is working with the Mansfield and Lima campuses as they address demographic issues that are affecting their enrollment.

As I mentioned a second ago, John Lane shared the final performance of the long-term investment pool for FY17, and it demonstrated exceptional results of our endowment. Overall, the Office of Investments produced a 14.5% return for the portfolio, which is projected to be among the first quartile performances among our peers. At year-end, the market value of the long-term investment pool was \$4.25 billion. The number now exceeds \$5.15 billion after investing more than \$800 million from the proceeds of the Comprehensive Energy Management Project, which we talked about last meeting. Lynn Readey presented an update on the major projects, including 12 projects of more than \$20 million. Alex [Fischer] has talked about these. We also discussed them – all green except Pomerene and Oxley Halls and the Cannon Drive relocation, which are yellow and appear to be in good shape.

The Finance Committee then discussed 10 items that are on the consent agenda, so bear with me, Mr. Chairman, as we go through these 10. The university is seeking approval of professional services for the health sciences faculty office and clinic building, Alex [Fischer] talked about that. No. 2, the university added a resolution to enter into professional services contracts for the art district, the interdisciplinary research and the interdisciplinary health sciences centers, not to exceed \$45 million, and Alex [Fischer] has also mentioned those and we approved that.

No. 3, the university is seeking authorization for the Ohio State energy partners to make capital improvements for the utility system and, as you recall, when we entered into this project, we have to approve those capital expenditures. It would be about \$10.8 million in utility work and another almost \$1 million in electrical system updates. And if you recall, a couple years ago, the governor set up a task force to deal with how colleges [deal with] affordability and efficiencies. Our very own Geoff Chatas, our CFO here, was chair of that committee. As result of that committee, annually universities have to put in a progress report on how they are doing. So on the consent agenda is approval of our progress report and we have done very well. I'm sure we will be one of the leading institutes of that. The report details the steps Ohio State is taking in line with our strategic plan to support access, affordability and excellence, the three pillars President Drake has talked about repeatedly. Highlights include the Comprehensive Energy Management Project, the new affordability initiative for Ohio Pell students, our collaboration with Apple on the Digital Flagship University, and our progress in operational efficiency and resource stewardship. So, it was an excellent report.

The fifth item on the consent agenda is a proposal to transfer \$100 million of principal from the long-term operating fund to create a current use fund to support implementation of the Enterprise Project, which will update the university administrative assistance for finance, health system, payroll and student information. Just because we are transferring that money doesn't mean we are spending the money, it's just an opportunity to designate it as we go forward and that project will continue to get much scrutiny as we go forward.

No. 6, the university is proposing to continue the summer tuition discount, which reduces the instructional, general and non-resident surcharge rate for Columbus campus undergraduates by 25%, compared with fall and spring rates, and this is a continuation of what we did last year.

No. 7, the Athletics Department has proposed variable pricing for football tickets that will save fans in the general public \$56, compared to 2017 season tickets, and I applaud Gene Smith if he's still in the audience. You know, we set this up a couple years ago, this dynamic pricing, and I think most people thought dynamic meant it only goes up. In this case, it is truly dynamic, and I applaud Gene for doing what he's doing next year, so it will go down next year.

We also approved the resolution to increase golf course dues by 2.5% for the alumni, faculty, staff and affiliated memberships, 2.1% for student memberships, and the daily green fees by \$5. The money that this generates goes back into the course, and if you've

ever played the Scarlet and Gray, they're wonderful courses, but golf courses need continued money to keep them improved.

No. 8, the university is proposing to add Dr. L. Arick Forrest to the self-insurance board. At No. 9, the university is proposing to buy real estate in support of the Wexner Medical Center strategic plan, Alex [Fischer] mentioned that, and finally, Ohio State is proposing to establish a multi-year debt issuance program endowment fund and transfer \$10 million of the university's operating funds. If you recall, when we did the \$100 million bond issues, we put money aside to earn money, so by the time we had to pay that back, money was already there. This is just the same thing for the 30- and 40-year bonds that we took out, so it's very similar and I applaud Geoff Chatas and Mike Papadakis for starting this process. These resolutions were passed by the Finance Committee and are included on the consent agenda.

Mr. Chairman, the committee then met in executive session, and that concludes my report.

Mr. Shumate:

Thank you, Mr. Gasser. Any questions or comments?

If not, Mrs. Wexner on the Wexner Medical Center Board.

Mrs. Wexner:

Thank you, Mr. Chairman. The Wexner Medical Center Board met Wednesday and discussed a variety of items. After approving the August meeting minutes, Dean Kent invited Dr. Margaret Graham, vice dean and associate professor with the College of Nursing, to present on the inter-professional collaboration taking place at University Hospital East's Total Health and Wellness Center. And keeping with this week's focus on student success, we heard from four talented students who have been on rotation at the center, and they spoke highly of the team's approach to integrating physical and mental health care. Dr. Kent followed with an update on the College of Medicine. He focused on the fantastic work being done in the areas of research, education and clinical care, and noted that NIH funding was up 20% last year. This weekend, Dr. Kent, as Dr. Drake has already mentioned, will have the honor of presenting at the Association of American Medical Colleges on the tremendous growth and diversity that the College of Medicine has experienced in the past seven years. Since 2010, the college has doubled its percentage – currently 26% -- of students who are underrepresented in medicine. So again, we are seeing that at both the graduate level and clearly with our College of Medicine.

Mr. David McQuaid shared a brief update on the Wexner Medical Center scorecard and again, as Dr. Drake mentioned, offered much deserved congratulations to Dr. Mary Howard, Ms. Amanda Lucas, Dr. Susan Moffat-Bruce, Ms. Elizabeth Seely and Ms. Marti Taylor on their new and expanded leadership roles. I'd just like to say it's tremendous when we have great talent within our organization and are able to promote them to larger roles both for their own professional careers and certainly for the benefit of our institution.

Mark Larmore presented the University Health System Financial Summary, noting that the first quarter of 2018 is off to a great start with volume ahead of what was projected. In items for action, Mr. Jay Kasey sought authorization to enter into professional service contracts to begin design on the health services faculty office and optometry clinic building at 11th and Neil Avenue. This resolution was passed by the Wexner Medical Center Board and is included in the Board of Trustees consent agenda today.

Finally, Ms. Cheryl Krueger and Dr. Iahn Gonsenhaus presented for approval the Clinical Quality Management Patient Safety and Service Plan for University Hospital, the Richard M. Ross Heart Hospital, Harding Hospital, University Hospital East and the

Arthur G. James Cancer Hospital. This plan, which outlines assessments and improvement of processes, was approved by the Quality and Professional Affairs Committee and the Wexner Medical Center Board.

The committee then met in executive session and that concludes my report, Mr. Chairman.

(See Appendix XIX for background information, page 394)

Mr. Shumate:

Thank you. Any questions or comments?

Let me thank all of our committee chairs for your leadership and for the excellent and very strategic work that is going on in our committees to help us achieve all of our goals and objectives as a university.

With that, the consent agenda is before the Board of Trustees. Dr. Drake, would you please present it?

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### **CONSENT AGENDA**

President Drake:

Thank you, Chairman Shumate. The consent agenda has been updated based on actions taken at yesterday's committee meetings. We have updated copies at your seats and available for the public. Today, we have a total of 30 resolutions on the consent agenda. We will hold a separate vote for item four, Ratification of the Appointment of Chair to the Wexner Medical Center Board. We are seeking approval of the following:

### **RESOLUTIONS IN MEMORIAM**

Resolution No. 2018-31

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.

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](http://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.

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.

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#### **APPOINTMENT OF A CHARTER TRUSTEE**

Resolution No. 2018-32

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 accomplishments 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 approves the appointment of Janet Porter as a charter trustee to serve a three-year term commencing November 3, 2017.

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**AMENDMENTS TO THE BYLAWS OF THE OHIO STATE UNIVERSITY  
WEXNER MEDICAL CENTER BOARD**

Resolution No. 2018-33

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*.

(See Appendix XX for background information, page 458)

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**RATIFICATION OF COMMITTEE APPOINTMENTS 2017-2018**

Resolution No. 2018-34

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)

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**PERSONNEL ACTIONS**

Resolution No. 2018-35

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

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**PRESIDENTIAL REVIEW AND COMPENSATION**

Resolution No. 2018-36

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.

\*\*\*

### APPROVAL OF PRESIDENTIAL GOALS

Resolution No. 2018-37

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.

(See Appendix XXI for background information, page 459)

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### FACULTY PERSONNEL ACTIONS

Resolution No. 2018-38

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 Bowel 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

Appointments (cont'd)

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

Reappointments

Name: CATALIN BUHIMSCHI  
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

Reappointments  
(cont'd)

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

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

Reappointments  
(cont'd)

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

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

\* New Hire

(See Appendix XXII for background information, page 460)

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**AMENDMENTS TO THE RULES OF THE UNIVERSITY FACULTY**

Resolution No. 2018-39

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.

(See Appendix XXIII for background information, page 462)

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**ESTABLISHMENT OF A BACHELOR OF SCIENCE IN BIOMEDICAL SCIENCE  
DEGREE PROGRAM**

Resolution No. 2018-40

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.

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**APPROVAL TO CHANGE THE NAME OF THE  
DEPARTMENT OF PLASTIC SURGERY TO THE DEPARTMENT OF  
PLASTIC AND RECONSTRUCTIVE SURGERY**

Resolution No. 2018-41

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.

\*\*\*

## **UNIVERSITY FOUNDATION REPORT**

Resolution No. 2018-42

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 emeritus 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.

(See Appendix XXIV for background information, page 463)

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### **NAMING OF THE EVAN TURNER HALLWAY**

Resolution No. 2018-43

#### **IN THE JEROME SCHOTTENSTEIN CENTER**

Synopsis: Approval for naming of the basketball practice facility hallway in the Jerome Schottenstein Center, located at 555 Berror 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.

\*\*\*

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

Resolution No. 2018-44

#### **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

\*\*\*

### **NAMING OF INTERNAL SPACES**

Resolution No. 2018-45

#### **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

\*\*\*

### **NAMING OF CTL ENGINEERING LAB**

Resolution No. 2018-46

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.

\*\*\*

**AUTHORIZATIONS REGARDING PROFESSIONAL SERVICES**

Resolution No. 2018-47

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.

(See Appendix XXV for background information, page 499)

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**APPROVAL TO ENTER INTO PROFESSIONAL SERVICES CONTRACTS  
AND TO ADVERTISE, INTERVIEW, SELECT AND NEGOTIATE CONTRACT TERMS  
FOR PROFESSIONAL SERVICES**

Resolution No. 2018-48

**APPROVAL TO ENTER INTO PROFESSIONAL SERVICES CONTRACTS**

Arts District  
Interdisciplinary Health Sciences Center  
Interdisciplinary Research Facility

**APPROVAL TO ADVERTISE, INTERVIEW, SELECT, AND  
NEGOTIATE CONTRACT TERMS FOR PROFESSIONAL SERVICES**

Wexner Medical Center Ambulatory Facility  
Wexner Medical Center Hospital

Synopsis: Authorization is requested to enter into professional services contract and to advertise, interview, select and negotiate contract terms for professional services for five strategic projects, is proposed.

WHEREAS the Board of Trustees approved in April 2017 programming studies for five projects identified in Framework 2.0 that advance the university's strategic plan; and

WHEREAS the programming studies identified the site, program and phasing for each project; and

WHEREAS the programming studies also included a high-level cost estimate that will be validated through the next phase to inform and amend the Capital Investment Plan; and

WHEREAS Arts District, Interdisciplinary Health Sciences Center, and Interdisciplinary Research Facility programming has concluded and the university desires to advance to the next phase of project development by entering into professional services contracts; and

WHEREAS the cost for professional services for each project will be negotiated after the professional services selection process; and

WHEREAS the President and/or Senior Vice President for Business and Finance shall be authorized to execute contracts for professional services for the Arts District, Interdisciplinary Health Sciences Center, and Interdisciplinary Research Facility; and

WHEREAS the total expenditure for professional services for the Arts District, Interdisciplinary Health Sciences Center, and Interdisciplinary Research Facility shall not exceed \$45 Million without further Board of Trustees authorization; and

WHEREAS once the Wexner Medical Center Ambulatory Facility and the Wexner Medical Center Hospital programming concludes the university desires to advance to the next phase of project development by advertising, interviewing, selecting and negotiating contract terms for professional services for each project; and

WHEREAS the university will seek board approval for professional services fees for the Wexner Medical Center Ambulatory Facility and the Wexner Medical Center Hospital prior to finalizing contracts; and

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves that the president, provost, and senior vice president for business and finance, in consultation with the chair of the Finance Committee and the chair of the Master Planning and Facilities Committee, be authorized to enter into professional services contracts for the Arts District, Interdisciplinary Health Sciences Center, and Interdisciplinary Research Facility projects, with total expenditure not to exceed \$45 million without further board approval, in accordance with established university and state of Ohio procedures, with all actions to be reported to the board at the appropriate time.

BE IT FURTHER RESOLVED, That the Board of Trustees hereby approves that the Capital Investment Plan be amended to include professional services for the Arts District, Interdisciplinary Health Sciences Center, and Interdisciplinary Research Facility projects.

BE IT FURTHER RESOLVED, That the Board of Trustees hereby approves advertising, interviewing, selecting, and negotiating contract terms for professional services for the Wexner Medical Center Ambulatory Facility and the Wexner Medical Center Hospital projects.

BE IT FURTHER RESOLVED, That the Board of Trustees will review and authorize the execution of professional services contracts at the appropriate time for the Wexner Medical Center Ambulatory Facility and the Wexner Medical Center Hospital projects.

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

Resolution No. 2018-49

**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.

(See Appendix XXVI for background information, page 500)

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**ACCEPTANCE OF GIFT OF UNIMPROVED REAL PROPERTY:  
352 WEST DODRIDGE STREET**

Resolution No. 2018-50

**.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.

(See Appendix XXVII for background information, page 501)

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

Resolution No. 2018-51

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 Secrest 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.

(See Appendix XXVIII for background information, page 502)

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

Resolution No. 2018-52

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.

(See Appendix XXIX for background information, page 503)

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

Resolution No. 2018-53

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.

(See Appendix XXX for background information, page 610)

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

Resolution No. 2018-54

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.

(See Appendix XXXI for background information, page 655)

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

Resolution No. 2018-55

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

(See Appendix XXXII for background information, page 656)

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#### **AUTHORIZATION FOR APPROVAL OF ATHLETIC PRICES AND FEES**

Resolution No. 2018-56

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.

(See Appendix XXXIII for background information, page 660)

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#### **APPOINTMENT TO THE SELF-INSURANCE BOARD**

Resolution No. 2018-57

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.

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#### **APPROVAL FOR PURCHASE OF REAL PROPERTY**

Resolution No. 2018-58

Synopsis: Authorization to purchase real property in support of The Ohio State University Wexner Medical Center's Strategic Plan, is proposed.

WHEREAS The Ohio State University's Wexner Medical Center (WMC) seeks to acquire land for development of additional medical facilities; and

WHEREAS acquisition of the land is an important step in meeting the objectives WMC's Strategic Plan and its mission to improve people's lives through innovation in research, education, and patient care; and

WHEREAS the sites to be selected will also allow WMC to provide healthcare at locations that are convenient for its patients; and

WHEREAS the source of funding for the acquisition and subsequent development of the properties will be the Wexner Medical Center.

NOW THEREFORE

BE IT RESOLVED, The Board of Trustees hereby approves that the president, the provost, and the senior vice president for business and finance, in consultation with the chair of the Finance Committee and the chair of the Master Planning and Facilities Committee, are collectively authorized to take action required to effect the purchase of real property in either the name of The Board of Trustees of The Ohio State University, the name of the state of Ohio for the benefit of The Ohio State University, or otherwise, upon terms and conditions deemed to be in the best interest of the university.

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

Resolution No. 2018-59

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.

(See Appendix XXXIV for background information, page 662)

Mr. Shumate:

May I have a motion? Second? Will the secretary please call the roll?

Upon the motion of Mr. Gasser, seconded by Mr. Kellogg, the Board of Trustees adopted the foregoing resolutions with sixteen affirmative votes, cast by trustees Mr. Moseley, Dr. Lancaster, Mr. Zeiger, Mr. Stockmeister, Dr. Fujita, Mrs. Wexner, Mr. Fischer, Mrs.

Hoeflinger, Mr. Porteus, Mr. Gasser, Ms. Krueger, Mr. Smucker, Mr. Kellogg, Mr. Jurgensen, Dr. Reid and Mr. Shumate.

Dr. Thompson:

Motion carries, Mr. Chairman.

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President Drake:

We are also seeking approval of the following and Mrs. Wexner will abstain.

**RATIFICATION OF THE APPOINTMENT OF CHAIR TO THE  
WEXNER MEDICAL CENTER BOARD**

Resolution No. 2018-60

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

Mr. Shumate:

May I have a motion for approval? Is there a second? Secretary, please call the roll.

Upon the motion of Mr. Fischer, seconded by Mr. Porteus, the Board of Trustees adopted the foregoing resolution with fifteen affirmative votes, cast by trustees Mr. Moseley, Dr. Lancaster, Mr. Zeiger, Mr. Stockmeister, Dr. Fujita, Mr. Fischer, Mrs. Hoeflinger, Mr.

November 3, 2017, Board of Trustees meeting

Porteus, Mr. Gasser, Ms. Krueger, Mr. Smucker, Mr. Kellogg, Mr. Jurgensen, Dr. Reid and Mr. Shumate. Mrs. Wexner abstained.

Dr. Thompson:

The motion carries, Mr. Chairman.

Mr. Shumate:

Thank you. Thank all of you for the work this week and the focus on student success. I thought it was an excellent meeting and appropriate to focus on our students. Our next meeting of the Board of Trustees is Friday, February 2, 2018. If there is no further business, this meeting is adjourned. Thank you.

Attest:

Alex Shumate  
Chairman

Blake Thompson  
Secretary

(APPENDIX XIX)

THE OHIO STATE UNIVERSITY  
OFFICIAL PROCEEDINGS OF THE  
TWENTY-THIRD MEETING OF THE  
WEXNER MEDICAL CENTER BOARD

Columbus, Ohio, November 1, 2017

The Wexner Medical Center Board met on Wednesday, November 1, 2017 at the Richard M. Ross Heart Hospital in Columbus, Ohio, pursuant to adjournment.

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Minutes of the last meeting were approved.

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Dr. Thompson called the meeting of the Wexner Medical Center Board to order on Wednesday, November 1, 2017, at 9:05 a.m.

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

Dr. Thompson:

Good morning. I would like to convene the meeting of the Wexner Medical Center Board. I'll note that a quorum is present, Mr. Chairman. To conduct the business in an orderly fashion, I'd ask you to turn off cell phones and other devices and observe decorum proper to the meeting.

The minutes of the August meeting of the Wexner Medical Center Board were distributed. If there are no additions or corrections, the minutes are approved as distributed, and we are ready to move to the first item on the agenda, Mr. Chairman.

Mr. Wexner:

Great, I think the first item is Dr. Kent.

Dr. Kent:

Thank you. At the beginning of each of these meetings, we have a group of individuals and a program at the Wexner Medical Center that we are anxious to feature. In accordance with the theme of the November board meeting, which is Student Success, it's my pleasure to introduce Margaret Graham and her team from the Ohio State Total Health and Wellness Clinic. Margaret is a family and pediatric nurse practitioner with over 40 years of experience. She's a PhD by training and is one of the vice deans and absolute stars in the College of Nursing. Margaret has, over the years, won a number of teaching awards, most importantly The Ohio State University Alumni Award for Distinguished Teaching. Her academic interest is health policy, and she is recognized for her work around the state and across the country. In 2012, Margaret applied for and was the recipient of a grant from the Health Resources and Services Administration, which is a branch of the U.S. Department of Health and Human Services. The grant was titled, "Promoting Total Health and Wellness in Underserved Populations with an Interprofessional Collaborative Practice." With this grant and her enthusiasm, this led to the establishment, in 2013, of an interprofessional clinic at University Hospital East designed to help us treat an underserved population. The clinic has grown into this very robust and successful enterprise. And in 2016, the program was initiated to teach students in interprofessional education and team care. So with today's focus in this area, Margaret has brought with her our current clinic manager, Candy Rinehart, and four of the students that are participating in this clinic. So can you extend a warm welcome to Dr. Graham?

(See Attachment XI for background information, page 417)

Dr. Graham:

Thank you, Dean Kent, and thank you for allowing us to talk to you and showcase the Total Health and Wellness Center. The Total Health and Wellness Center is a nurse practitioner led, interprofessional, primary care health center located at University Hospital East. Today, you're going to hear from students who have rotations there .In

addition, Dr. Candy Rinehart is the director of the clinic and she's here to answer any questions you may have about the clinic.

Interprofessional collaborative practice is not new. In 1999, the Institute of Medicine published, "To Err is Human." In that, we learned that health care errors are the No. 3 cause of death. Strategies suggested to decrease these errors includes educating health care professional students to practice as a team. In 2010, the six health professional organizations that deal with educating health care professional students came together and identified competencies for interprofessional health care. Those competencies were reaffirmed in 2016, under collaborative practice. These competencies include values, ethics for interprofessional practice, roles and responsibilities, interprofessional communication teams and teamwork. In an effort to promote interprofessional education, private foundations and federal agencies provide grant funding to incorporate interprofessional education in health professional schools. This helps engage the students in interactive learning. As Dean Kent said, in 2012, the College of Nursing received one of these grants and we started the center.

This is a picture of the night that we had our grand opening at the Total Health and Wellness Center, which is located on the 12th floor of OSU East Hospital. Here you see our dean, Bern Melnyk, who is a leader in interprofessional education. Others who were key individuals in helping us open our clinic include Elizabeth Seely; Mary Howard, who's not pictured; Dr. MaryJo Welker, who is chair of family medicine here; and Rich Thubre, who helped us with our business model. Community leaders included Dr. Gabbe, Dr. Teresa Long and Mrs. Kasich, who is very interested in the prevention of heart disease, which is disproportionately high in the citizens that we serve. Members of the community were on hand for our open house, and they were most excited about our including access to mental health services at our health center. And those of you who know our dean, Bern Melnyk, know that she is very passionate about providing behavioral health access to all.

The goal of the grant, as stated here, is to develop and sustain a nurse practitioner led, interprofessional collaborative practice clinic that integrates primary care and mental health services to improve health outcomes in an at-risk, underserved population located in eastern Columbus, Ohio. And the second major focus of the grant is to increase the number of health professional students skilled in interprofessional collaborative practice. After only one year of operation, this clinic was recognized as a primary care medical home, and under Candy's leadership, this past July, the center was recognized as a Federally Qualified Health Center Look-Alike, which will help us greatly in sustaining the center.

When we started looking at the model of care that we were going to use at Total Health and Wellness, we looked across the country for best practices, and the decision that we made was to use the team care model, which is featured in this slide. The team care model is out of the University of Washington and the members on the health care team at the University of Washington traveled to Columbus to work with our team in implementing this model. Integrating behavioral health and the management of chronic disease is the key component of this model. The health care delivery team at Total Health and Wellness is comprised of some great health professionals, who do a great job in delivering the care and in teaching our students, and these include a dietician, mental health counselors, midwives, nurses, nurse practitioners, pharmacists, collaborating physicians and social workers, and they deliver great, high-quality care, in a cost-efficient manner. The team achieves excellent patient outcomes, they work with very complicated patients, and they enjoy great patient satisfaction. Students from these five disciplines are at the Total Health and Wellness Center, and in the past year we have had 75 students rotate through the clinic. Student evaluations of their experiences at the clinic are very positive. Currently, the College of Optometry is looking to see how they can place students there, which will be great for us because we have so many diabetic patients who will benefit from having optometry on site.

In July 2016, the medical school received a \$2.4 million HRSA grant for interprofessional education, and Dr. MaryJo Welker is the project director for this grant. Some of the clinical courses and clinical experiences associated with the grant are offered at the Total Health and Wellness Center. One of the greatest challenges that we have as health professional educators is figuring out how we get these students all together, their schedule is one of our challenges. They are great, they love to come together to learn. But figuring out how we get all the competencies they all have to meet with their curriculum, and then get them in classes together, has been one of our great challenges. I recently attended a conference in Canada on interprofessional education, it was an international conference featuring success stories from across the country, and I was able to highlight what we do at Total Health and Wellness. It's difficult to get interprofessional students together in classes in the classroom because of schedule, but getting students together so that they can actually deliver care as a team in a clinic is an even a greater challenge, and we think that we have done that really well. And actually, our clinic was coveted by many across the country when they realized how many students we were able to bring together, where they actually deliver care as a team. You're now going to see a video clip, a short video clip, about the health center, and then you're going to hear from four of our 75 students who've rotated through that center this year.

*(Video)*

Mr. Wegman:

Good morning everyone, my name is John Wegman. I'm a fourth-year medical student at Ohio State. I was lucky enough to rotate through the Total Health and Wellness Center in July and August of this year. As someone who is going into primary care as my profession, I was struck not only by just the compassionate care that was given there, but how necessary the care was, how valuable it was and the comprehensive nature of that care. I say the care is necessary because it's such a high-risk population who otherwise wouldn't have access to primary care. And kind of time and time again, the value has been proven of engaging these patients in primary care in a preventative way, to prevent ER admissions and hospitalizations. And another way that the value was increased of the care was the comprehensive nature, and really having on site not only medical nurse practitioners, but also a pharmacist, a licensed social worker, mental health specialists and dietitians. One of my favorite experiences was the team care meetings I did on Thursday mornings, where the entire team sat down and talked about 30 or so of the highest risk patients and the most complicated patients, and really discussed in a collaborative manner how to best care for these patients. I also had a number of positive interactions where I learned a great deal from each of the professional members of the team, including the social work [professionals] and [learning] how to connect patients with different resources. I remember one woman, in particular, who was losing her health care and she couldn't afford her medications, and [I learned] how to find a way to get her those medications and what resources were available to her. So, I would say it's a great experience not only for the patients, but also for student members of the team, and I'm going to take away a lot from that experience – not only the direct medical knowledge I learned from that, but also just a general team-based approach to prevention and primary care. Thank you.

Ms. Straka:

Hi, my name is Shana Straka, and I am a third-year nurse practitioner student with OSU's College of Nursing. I am currently placed at Total Health and Wellness, and have been working with the nurse practitioner there over the past several months. One of those months, a fourth-year medical student had a rotation through Total Health and Wellness, and her purpose there was specifically for interprofessional collaboration with a nurse practitioner student. When we were both there together our approach was to enter all of our patients' rooms at the same time and care for them as a team, so the

patient really benefited from getting her medical perspective and my nursing perspective at the same time. And when it really got fun was when we could then go to other students in pharmacy and mental health and dietetics and say, "Hey, what do you think about this patient?" Or, "We're thinking of changing their diabetes medication, what are your recommendations?" to the pharmacy students. So it was really neat to have those interactions. I think that we both were able to improve our skill sets in communication and team building, and really learn each other's roles and responsibilities in health care, whereas before we may not have really understood it. But most importantly, the patients were really able to get comprehensive, well-rounded care at one location and often times within one visit. And a lot of times, transportation is super difficult for these patients. I really hope that we were able to improve their quality of life and their overall wellness by doing this, which is really why we're all here and doing what we do. Thank you.

Ms. Lavelle:

Good morning, my name is Rachel Lavelle, I'm a fourth-year student at the College of Pharmacy. During my month at Total Health and Wellness, I was able to work closely with both the nurse practitioners and the dietician. I also attended the team care meetings where several of the nurse practitioners brought up patients to me, who they thought could benefit from a more thorough medication review. So I went back and talked to these patients, addressed their concerns and then came back to the nurse practitioners with suggestions to improve their care. Several of my suggestions were implemented, so I felt valued as a member of the health care team and the patients felt valued because their concerns were addressed. I was also able to shadow at some dietician appointments and not only did this help me improve my counseling skills on teaching patients about healthy eating, it also allowed me to develop a relationship with one patient in particular. I attended all of her dietary and pharmacy appointments throughout the month, and she told me at the end of the month that she normally has trouble opening up to health care providers – she normally feels very shy – but that we had made it easy for her. Because of that relationship, I was able to have a greater impact on her care and make her more comfortable with the changes we were making. Thank you.

Ms. Curry:

Hello everyone, my name is Elana Curry, and I'm a second-year medical student at Ohio State. Last year, as a first-year medical student, I had the fantastic opportunity to participate in the interprofessional health-coaching program at the Total Health and Wellness Clinic. A nurse practitioner student and I were assigned to a young woman who we met with three times in her own community to have meaningful conversations. She shared with us her life story, the challenges she was facing, her health conditions, but really, it was all about her goals. Through these conversations, we learned that she had many health conditions, from diabetes to anxiety to insomnia, but she also faced a lot of difficult life circumstances, but in all of this, she had really strong goals to improve her health. We were there to really empathetically listen to what was going on, and to help her guide her own goals. I am so thankful that I was able to care for this patient as part of an interprofessional team at the Total Health and Wellness Clinic. The nurse practitioner student and I both brought a diversity of skills from our professions that we were able to cohesively use to care for our patient. Moreover, we were able to meet with the Total Health and Wellness team, which included pharmacists, social workers, dietitians and nurse practitioners, to have a more comprehensive understanding of our patient. So, as part of this interprofessional team, I feel like we were truly able to make our patient feel comfortable to share her stories, and to really guide her to her goals. This was a vital experience to my first-year education. First, it allowed me to gain skills in interprofessional collaboration, but possibly more importantly it really showed me the power of an interprofessional approach to look at the many facets that our patients face and to really improve their health throughout their life. Thank you.

Dr. Kent:

Thank you to Margaret and the team. All I can say is, I'm just incredibly proud, and I think Margaret has been modest. We are clearly a national leader in this regard. Interprofessional education in the clinic is very, very difficult to achieve, and we've created a model over the past several years that makes us ahead of the pack in terms of where we are in the nation, so thank you. Open for questions.

Dr. Drake:

An editorial comment, if I may. So great, terrific, good. A couple things, one is that it's great to see a reflection of the importance ... what I think is most special about academic medical centers is that as a part of taking care of people, we also are training the next generation of leaders. And there are things that are required in that training that help. One is that we have to model good behaviors, because there are people watching and paying attention to what we are doing, and so it helps the more senior people make sure that they are being their best selves because they know that they are in fact being role models in what they're doing and I think that's very useful. It's also very useful to have students there who are not steeped in the dogma. So they don't know how things are supposed to be, particularly first- and second-year students who don't know how they're supposed to act exactly. Because they don't know how they're supposed to act, they ask questions that may cause the senior people to rethink what they're doing or saying or how they're saying it. We have an old adage that we know so well, and that is as students progress in the hierarchy they finally get to the point that they only will ask the senior people questions that they know the senior people know answers to and want to give them, because that will make them seem like wonderful people. We've all experienced that very actively. First- and second-year students don't know that yet, and so they ask questions about what they're actually thinking or what they'd like to know, and it requires you to keep spinning your mind through things and rethinking your approach. So it really helps us to stay on the cutting edge, and I think that's a very good thing and really a value of academic medical centers to be able to keep stirring the pot and moving things forward.

Doing interprofessional care in an outpatient setting is novel for a variety of reasons. There are economic and other pressures that make that extremely challenging in the world. I would say collecting data on outcomes will be really critical to know whether or not it can be modeled in a way that we could actually use it. So I would really encourage you to set up circumstances where you could gather data on outcomes and efficiencies to be able to compare with more traditional methods to see that patients are actually doing better, and that we are able to do this in a way that's cost effective and everything else. I think that would be important to stir in so that it could be translated more. We've done this for decades on the wards. So the normal inpatient ward team, when we were in medical school, would have pharmacy students and dental students and dieticians all kind of following the patient chart around when you walk to discuss things, when you were in the inpatient hospital setting and had time to do that. The clinics were not the same, though, because there are lots of people coming through in parallel. And so ways to model that in the clinical setting I think is quite useful. It would be great and we'd love to see that model broadly across the enterprise.

And finally, I was pleased to see that ... diabetic eye care is very, very important and critical. Multiple studies show that a significant fraction of diabetic patients are not managing themselves appropriately, and a significant fraction of them will have active eye issues that can in fact be treated more effectively – critically diabetic retinopathy that could be treated more effectively earlier. I would just encourage you to contact my colleagues in ophthalmology and to make sure that as the College of Optometry has people there who are doing great things and seeing patients, that there's a connection with the retinal clinic right away, so that those patients who need to have laser or whatever else to help with the retinopathy can get that as quickly as possible. Because

time is of the essence and that would be a great place to have a link between the diagnosis and the treatment for those particular conditions.

Dr. Kent:

Other questions for the team?

Mr. Wexner:

A comment would be that in thinking about the agenda for today, recognizing the support functions – particularly focuses around nursing and, obviously, the integration of pharmacy and other things – I think it was very important for the board and important for me to re-ground myself in the complexity of the medical center. The teaching agenda across all fields of medicine is complex, and as Dr. Drake points out, it's interconnected and requires cross training. You can't be in silos. And when it comes to patient care, obviously, that integration happens. I think that from a board point of view, at least as one member of the board, I have to remind myself of the complexity, because it goes by fields of care, by body parts, by disease, by specialties, then by all the support functions and how they're integrated. And then the complexity, again, when it comes to the patient with a variety of illnesses and symptoms and a variety of professionals that have to help them. I think we're very fortunate that we do so well with our teaching, with our research, and with our patient care and get great outcomes. And I don't know if the support fields, including nursing, are the unsung heroes, but it's easy for us, or at least for me, to overlook the magnificence of the nursing college and how that helps us just do better work for society. So at least on my behalf, and I think I probably speak for the board, thank you and thank all your colleagues for the great work that you have done and are doing.

Dr. Kent:

Dr. McPheron?

Dr. McPheron:

Our faculty wake up thinking about how we can challenge our students to be different, to be differentiated, and to be better prepared. So I know we applauded each of the four students as they spoke, but I just want to make sure we shout out that it's those 75 students that have gone through here who are truly making this work. Mr. Wexner is exactly right; this is a complex beast. It's hard to insert all of these pieces into the curricula that we demand of our faculty and our students, but my hat is off to you four as representatives of the 75 for taking the initiative to learn this way. It truly will change the future.

Dr. Kent

Other questions or comments?

Dr. Lancaster

I would like to say, you know, I wasn't a dental student too, too long ago, and really do appreciate how difficult it is to participate in an interdisciplinary manner. I think what you all are doing is really exciting, and I hope you know, if I can be any help by getting dental students involved ... each of these professions have very rigorous curriculum, and you know sometimes it's just hard enough to, like, pass, get through your competencies or whatever graduation requirements. So this really is something new and exciting. So I wanted to congratulate you all. I did have one quick question. You mentioned that the clinic set up is FQHC-like. I was wondering if that's, like, kind of a best practice thing or does that set us up for external funding opportunities? I just wanted to quickly ask that.

Dr. Drake:

And maybe, just for a moment for other board members, defining for them FQHC would be a great thing to do.

Dr. Rinehart:

In order to sustain our clinic and care for the people that we provide care for, and to allow the opportunities for the students, we had to look for funding sources. A Federally Qualified Health Center receives extra bumped up or wrap-around payments for caring for our people who have Medicaid or Medicare. It is a process though HRSA to apply and we did successfully apply to become recognized as a Federally Qualified Health Center Look-Alike. So with that we have our extra payments and then a better chance of getting, also, the grant money that will come with that later on, all for sustaining and being able to provide this care.

Dr. Drake:

The concept is that the social determinants of health in populations that are underserved chronically, and from regions of the country that are underserved chronically, include things that make it more challenging to care for patients appropriately. And so there needs to be extra support services to make sure to help those patients. So these Federally Qualified Health Centers are places that have support to be able to particularly deal with underserved, undercared for populations. It's a very important designation and a really important program.

Dr. Kent:

So I just want to have a call out to OSU. There are few places that could be capable of achieving this level of leadership, but the fact that we have seven health sciences colleges, we have practitioners in every area in the medical field that come together at this great institution, and we have a plethora of students, I think is what really enabled us to have this great success. So thank you so much for coming, Candy, Margaret and the students. We really appreciate it. Let's give them another round of applause.

I'm still on, so I'd like to begin the College of Medicine Report with an introduction. We were all very sad to know that last meeting was Chris Ellison's last time as president of OSUP. But we're really excited to welcome a new member of our team, Rick Forrest. Rick is the interim president of the Faculty Group Practice and vice dean of Clinical Affairs at the OSU College of Medicine. A little bit about Rick, he's an OSU tried and true; he went to medical school here, his internship and residency and ENT at OSU, and then a laryngology fellowship at Vanderbilt, and then a second fellowship in microvascular reconstruction at OSU. Over the years that he's been here, he has had multiple roles in the Department of ENT, starting as the leader of laryngology, going on to residency and program director, and then eventually vice chair. In 2010, Rick decided to change directions and received his MBA from the Fisher College of Business, and then in 2011 was named director of Ambulatory Services at the Wexner Medical Center, where he did an absolutely outstanding job. And when we were looking for a new lead as president of OSUP, there was no question that Rick was our first choice. So if you would please give a warm welcome to Rick as a new member of our team.

I'll begin with my report. I've broken it into three sections: research, followed by education, and then clinical care. Beginning with research, you know, I mentioned at our last meeting that we had a really great year in NIH funding last year, where we increased 20% whereas the national budget was flat. We're off to a great first quarter. In our first three months of this year, we're actually \$7 million in NIH funding above last year, so we're really pleased with all of that. If you look through our scorecard, we actually have another goal in mind, which is to increase the number of first-time funded investigators at OSU. Our goal is 20 for the year, and it turns out in our first quarter we've actually

already achieved eight new funded investigators. I guess four times eight is 32, so I think we're going to beat that 20. We're very excited about that, and what that means is we're growing people within and it also means we are recruiting people from without, and overall growing the amount of research funding that's part of our College of Medicine.

I just wanted to give you a sampling of a few of the new grants that we've had over the last quarter to draw recognition to some of our really fantastic investigators. I'll start with Jennifer Bogner and Anthony Brown, one is in rehabilitation and the other is in neuroscience, and they teamed up together to receive a \$4.8 million grant in traumatic brain injury. As many of you know, traumatic brain injury is an area, a focus, of OSU, and we're certainly a national leader in this area. Jill Fortney in physiology and cell biology received a T32 grant, which is a training grant, but the focus is really unique and I think sort of first in its class. This grant is designed to promote women in science. She is just recruiting her first team of trainees into this grant and I think that puts OSU in the lead in terms of women and training. Janice Kiecolt-Glaser, I think everyone knows, is part of the Department of Psychiatry and extremely well-funded. She received a new grant of \$3.1 million [to study] marital quality and behavioral pathways. I love Dr. Kiecolt-Glaser because she's always looking after our practical lives, right? I think we'll all learn a great deal from this grant. Next is Joseph Kitzmiller, who is in internal medicine, with a \$1.9 million grant in statin myopathy in African Americans. Peter Shields, also in internal medicine, received a \$1.4 million grant for e-cigarettes and human lung cancer. And then the last person I'll feature is Gayle Gordillo, a plastic surgeon who received a \$1.3 million grant in the treatment of childhood hemangiomas. Now, I could go on. You know that \$8 million above budget suggests that we have dozens of grants that are new. But I thought it was worthwhile featuring some of the innovative research that we are doing here at OSU. So, next I'll move to education.

Dr. Drake:

My little editorial insert ... it's really important to focus. One of the things that's special about the United States and our higher education system of research is that we have this very well developed program of peer-reviewed research. It's an unusual thing. It doesn't happen in other places around the world, necessarily, and didn't happen really actively until after the Second World War. But this means that there are federal agencies, NIH in the main case, that have a pot of money – and it's a single pot of money – and then people from all over the country compete for that pot of money, and the money is awarded based on the quality of the ideas. So when the dean mentions that we have an increase in our grant funding, it means that the pot is staying that same size, but what's happening here is that more of our people are putting in great ideas that are winning this competition for the best ideas. It's extraordinarily difficult to be funded. It takes an average of eight to 10 years or more after finishing college to get one's first grant with work, work, work up to that point. I just wanted to make sure that we are focused on the fact that is this a very robust and unique system. It has really helped the United States to rise to the leadership position in the world for new research and it's extraordinarily competitive and merit-based, so these are real achievements.

Mr. Schottenstein:

Other than just saying, "We want to get better at this," because I assume all the other medical centers are just as aware of the stagnant funding – and this is like wanting to be in the College Football Playoffs, everybody wants to be there – we must be doing something. I mean, other than just focus and talking about it. I think it's extraordinary, I agree with everything you just said, but how does that happen and why now?

Dr. Kent:

Well, it's a full-time job, and then some. Peter Mohler, our dean of research, is extraordinary and very talented and is really essentially working 24/7 to try to innovate, build programs and better understand the direction that we should hit to be successful.

I would also say thank you to OSU. Many of these grants are collaborative grants between the College of Medicine and Pharmacy, or the College of Medicine and Engineering, and it's really teams of people that could only be achieved at a great university that would allow us to have this success. I think the other part is that we have a vision. I mean, what a great year last year around strategic planning. We know where we want to go, we have a direction, and I think our faculty are excited about that and they're rallying to the cause, they're being very successful.

Dr. Wadsworth:

First of all, congratulations on the incredibly tough competition. You know, the average age of people who are winning keeps going up because you have to have more, so one of the things that is needed is seed money to allow people to research ahead of being able to win these very tough competitions. And it's important that there is a healthy discretionary flow of research money to get people started. I'd be interested in your view on how we do that.

Dr. Kent:

Absolutely, one of the restrictions of the NIH – which, of course, funding from the NIH is wonderful and allows much of the innovation that we're creating – but the NIH says that you can only spend the money on the grant that you received. If you have a new idea, you can't spend that money on your new idea. So we need other sources of funding for that. You know, that's the job of the dean, having the tin cup and going around asking people to help. Philanthropy is something that's really important in that regard. There are many foundations that are willing to support more innovative and original research. I think our university is investing in our research program, and so is the college and our state is, likewise. So wherever we can get the resources. But you're absolutely right, having those starter-up funds is maybe another way of saying it, that allow us to actually innovate, and then we have enough date to actually apply for the NIH grant is critically important.

Dr. Wadsworth

Yeah, some of the young researchers I know will do it. You have a manifold return on the investment of a small discretionary fund, and you can play with shark tanks and a bunch of other things, too.

Dr. McPheron

I think to your point, Dr. Wadsworth, the startup packages are certainly really critical for the new investigators coming in, and the dean and his team are very, very focused on that. But we're investing several million dollars a year centrally across the university on exactly what Dr. Kent highlighted, which is interdisciplinary research. And it's allowing some innovation in the proposal development and the data that are required to validate that new way of thinking about problems to emerge, and that's happening on a regular and repeated basis. Shortly, we'll be rolling out a program that President Drake has crafted to support, centrally, a post doc pool that will be an absolutely essential addition across the university in bringing really focused, excellent research minds at largely central support for two-year appointments into the system.

Dr. Wadsworth:

Great, thank you.

Dr. Kent:

So, Mr. Wexner, I know you love brevity, so it's not my fault if this report goes on too long. I'll move onto education. This weekend is the beginning of the meeting of the

Association of American Medical Colleges, AAMC, and I have the privilege of representing OSU in a presentation about the innovation in the College of Medicine towards diversity. As many of you have heard, our College of Medicine is probably one of the most diverse colleges in the country. You know, one of the fun things about being dean is if you have been here just a year and something great has happened, you take credit for it. And if something not great happens, you know, I've just been here a year. But this is one of these really great things, and I can't take credit for it because this is an innovation that's been in the making for quite a time. If you go back to 2010, it turns out that the percentage of underrepresented minorities in the College of Medicine was around 13% and that's the national average. So, good, we were doing reasonably well. I think the leadership at the time felt that "good" was not enough. We wanted to do better. So they created two initiatives – one was around holistic review of applications for medical school. The idea is, of course, everybody is going to have a good GPA and a good MCAT score, but what we really want is a great person. So the review process was changed dramatically so the sort of the portal of entry was the good scores, and then we looked at the person and changed the way that we accepted individuals into the College of Medicine. The second thing that happened a year later is that there is a requirement that the people who were on the College of Medicine admissions committee take an implicit bias association test. I'm sure most of you are aware of what that is, but it's a way of individuals finding out whether there might be hidden biases in terms of how they look at and review people. So everybody in the admissions committee took that test, and I think most of the people on the admissions committee were surprised at the outcome. There was a discussion afterwards and some interaction. So those were the two events. Well, maybe cause effect, but what's happened over the last six years is that the percentage of underrepresented minorities in the College of Medicine has grown from 13% to now 26%, so it has doubled and we're clearly a national leader. That's the reason we were invited to present this at the AAMC. We're really proud of that. The other part of the story, which is just as impressive, is that the metrics for our students really haven't changed over the last six years. It was mentioned previously in a meeting that the average GPA is 3.77 and last year the average MCAT score was at the 94th percentile, so we've been able to achieve a level of diversity that's probably best in class in the nation and still achieve an extraordinary class of students. So we're very, very proud of that and looking forward to my presentation at the AAMC.

I'll move on to clinical. Each board meeting I like to feature one of our programs that's extraordinary, and the program that I've chosen this time around is our hematology program, our hematology division. Hematology at OSU, many of you know this, is best in class. It's certainly one of the strongest programs at OSU and nationally acclaimed, and 2017 was really a great year for this division. They had in total 166 peer-reviewed publications, many of these in incredibly high-impact journals; \$38 million in extramural research funding; and 197 clinical trials where they enrolled over 3,000 patients. And the interesting part of the clinical trials is 60 of those trials were investigator initiated, which means that they were trials from innovation that happened here at OSU – not coming in from industry from the outside, but trials for our own innovation. And along with that, we draw patients from all over the country because of these trials and the innovation of our physicians. Along with that, it turns out that this last year we were No. 1 in the country amongst cancer programs for patient satisfaction. So not only were we innovative, not only did we draw patients from everywhere, but we take really great care of patients and they're very satisfied with their care. I wanted to feature a few of the 40 faculty in hematology. Jennifer Woyach has developed a lot of innovation around targeted therapies for lymphocytic leukemia. She has had multiple publications, and one of her most recent publications was in the New England Journal of Medicine. She has annually about \$1.4 million in NIH and industry funding. Rob Baiocchi is interested in AIDS-related cancers, lymphomas. He has brought much of his work to Africa with a huge initiative in Ethiopia, and his innovation is around a new treatment paradigm immunotherapy for Epstein-Barr virus and lymphoma. He currently has \$3.9 million worth of funding. Ramiro Garzon investigates T-cell leukemia. His focus is new RNA target molecules to treat leukemia. He has \$800,000 in research. Don Benson, who is a world leader in multiple myeloma targeting new therapies. I think many of you saw the

announcement the other day about these CAR T cells, these new immune cells that can come in and dissolve cancer. So he's applying those CAR T cells to multiple myeloma, one of the first in the country to do this. And of course, John Byrd, who is extraordinary in his research, has created these new innovative targets and therapies for chronic lymphocytic leukemia. He has a total of \$5.5 million in funding, and I just want to draw recognition to John, who has really led this program and developed it to its extraordinary level of strength. This past year, John stepped down from being the leader of hematology so that he could focus more on his research. Don Benson has taken on the interim roll as the leader of hematology and has done just an extraordinary job of continuing to lead that program forward. It is first in class, absolutely outstanding and one of our stellar programs at OSU.

Across the clinical enterprise, we continue to grow. Last quarter our admissions were up 4.6% compared to budget, and our surgeries were up 3.5%, and our outpatient visits were up 3%. Something must be great about the care that we provide because patients keep coming to OSU. A quick note about strategic planning – the board passed our strategic plan for the Wexner Medical Center at the last board meeting in August, and David [McQuaid] and I are working very closely to try to functionalize that strategic plan, starting with research. Peter Mohler first sent out a survey and then has had focus groups around research and then has created three committees: one focused on infrastructure, which is so important to research; another around strategic growths, what areas do we want to invest in; and the third around compensation, so that we reward our researchers well. And then we're beginning the process for strategic planning around the clinical aspects of our program. So this coming November, we're going to get all 18 clinical departments together and in January, the eight areas of concentration that are part of the Wexner Medical Center plan, and have discussions about strategy and moving forward. One of the challenges that David and I gave to all of these groups is that we want you to create one program that is top 10 in the country that is extraordinarily differentiated. We also want you to recognize all of the new innovations in the field, we're going to incorporate those into our program, and then we want to become dominate in the market share and in our local and Ohio region. So a really grand challenge to these individuals and a lot of planning ahead over the next few months.

I'll finish by saying that we've been actively recruiting. In the first quarter of this year, we welcomed 118 new faculty members into the College of Medicine. We're growing fast, we have lots of patients who need care, and now we have a lot of new caregivers. And we have ongoing recruitments in a number of leadership roles. We're recruiting for a new chair of ENT, a chair of our basic science department, Immunology and Infectious Disease, and a new chief of cardiac surgery. And then I think all of you received yesterday an announcement about a recruitment effort in the neuroscience arena, where we're going to bring in somewhere between seven and 12 new clinicians, clinician scientists and scientists that are focused on the realm of Alzheimer's disease, so we're very excited about that new initiative. In sum, it has really been a great quarter for the Wexner Medical Center and the College of Medicine. Thank you much.

Mr. Wexner:

We're going to move along. Mr. McQuaid.

Mr. McQuaid:

Thank you. I will attempt to catch on time, but I do want to take a couple of moments in the interest of communication and all of the hard work that board members and thousands of employees, faculty, have done on the strategic plan. On your seat is this brochure. This is an accumulation of fiscal 2017, and represents a lot of that work. We've been working hard to communicate better and more broadly, and one of the avenues we have for doing that is a town hall meeting that we hold quarterly. What is included here is a presentation – this is virtually the presentation that Dr. Kent and myself gave

after introductory remarks by Dr. Drake, with probably 500 people in the Ohio Union – to talk about our accomplishments and to celebrate individuals across the institution. So when you do have time to look at that, you're very familiar with most of it, but it's very, very impressive.

A point that was made at the meeting, and where we are now, is the hard work of implementing that plan. I, too, would like to make some comments and introduce a few new people as we position ourselves for implementing the plan and further our tripartite mission. We really need to feel strongly that we need to have an organizational structure and a team that can better support the needs of our departments and our functions with really a keen eye on development of talent from within. All of you had received the announcement that was made several weeks ago. In order for us to really deliver on this strategic plan, most of you know, Elizabeth Seeley, formerly the executive director for University Hospital East, is now in a new role as chief administrative officer, and Elizabeth is right there. Also I'd like to introduce Dr. Mary Howard. Mary is now the executive director at East, was formerly the chief nursing officer at East, and we're really excited for her. In order for us to really focus on performance, we felt that the complexity in scale and importance of University Hospital and the Ross Heart Hospital, we felt that in order to move forward we would create two roles. Marti Taylor, everyone knows, is really positioned well to further the heart center, and we're very pleased that Dr. Susan Moffatt- Bruce has agreed to take on the role of executive director for University Hospital. So these are great individuals. As we implement the strategic plan, we ask for your continued support of them and really want to congratulate them on their roles.

I'll just make a couple of other comments. An important part of our role as an academic medical center is to be a pacesetter, to lead the nation in many efforts, and so with respect to national reputation building I have just an additional comment. Dr. Kent mentioned diversity. I've called out Dr. Leon McDougale at several board meetings. He's a wonderful leader. Blackdoctor.org has named the Wexner Medical Center one of the 2017 top hospitals for diversity out of approximately 1,000 hospitals, and we'll be recognized and he'll be representing us this week in Chicago, November 2, to receive that award. Just a couple of other recognitions on this national reputation building. The Mayo Clinic's Division of Hematology presented Dr. Clara Bloomfield with the Robert A. Kyle Award for outstanding clinician scientists, and this was an award that recognized outstanding contributions in the diagnosis and treatment of hematologic cancers, which include leukemia, lymphomas and multiple myeloma. And similarly, the National Cancer Institute appointed Arnab Chakravarti, our chair of radiation oncology, to its advisory board of scientific counselors to help guide the NCI leadership with strategic planning and decision-making. So many of our leaders in this organization are sought out, great thought leaders that will lend to our leadership as an academic medical center.

In your board book, there is a copy of the scorecard and we're making progress in the first quarter. I would tell you that many of the areas that we intentionally place on this scorecard aren't put there because we believe they're easy. We put these things on the scorecard because we believe that ultimately, in order to achieve our ambition, we are going to have to transform in many of these areas. In several, these are not easy things to do, but we are not walking away from the challenge and the work that we need to do, and the team is really working hard to deliver on very, very important areas, in particularly access. So I'll conclude my report to get us back on track, and if there are any questions, I'd be happy to take them.

(See Attachment XII for background information, page 421)

Mr. Shumate:

Mr. Chairman, I don't have a question, but I would like to compliment both Dr. Kent as well as Mr. McQuaid on the reporting of the strategic plan. I think it's critically important for us to be reminded that this is an active document, one that's our guide, and it's not going to be a document that sits on a shelf and gathers dust. Tying the activities of the

medical center to the strategic plan and actively and aggressively working on its implementation is something that I want to applaud and assure you that from the university perspective, we will proceed accordingly as well. But thank you very much for your leadership with the strategic plan.

Mr. Larmore:

Just a couple comments and then a couple of slides. Last meeting we presented the June 30 numbers, which is our year-end. Since that time, we've gone through the audit process, the results of the audit are out, and the numbers did not change from what we presented, so we will not go through those again. This meeting we are reporting on the first quarter of fiscal year 2018, and as Mr. Shumate said, 2018 is our base year for our long-term financial plan, which follows the strategic plan. So in the first quarter we are off to a good start, I'd say a great start. Volume is ahead of what we projected, demand is out there, and we continue to see our beds full and our physician templates full. So the result of that is that our bottom line is ahead of what we targeted for both in the budget. And of course, the budget was a considerable growth over the prior year, and we're hitting those targets. So a couple of slides – you can see our admissions. I often like to talk to how we're tracking year over year, so 4.4% growth and I will say that that is considerably ahead of the industry. Normally growth rates are in the 1% to 2%, so you're seeing the demand that we have for our services. To the right, surgeries, a little behind budget but still growth, 1.6% year over year. On the bottom, similar prior year 1.7% growth in our outpatient visits, and we track our worked hours per adjusted admission and we budgeted to grow that and we're on track with budget, but we did budget a slight increase year over year. Top left, operating revenues are all green, 7.7% growth year over year. And then to the right of that, controllable costs have grown 6.7%. I think when I got here two years ago, those percentages were reversed, so we were actually growing expenses faster than revenue. So we've moved that in the right direction, we're seeing that growth, and again that translates into a growth in the margin. On the bottom, you can see our 4.7% above budget on revenue over expenses at \$61 million. And we did anticipate that growth with the additional capacity that we brought on, so 33% growth year over year. And then we've always tracked day's cash on hand, so we're up four days since June, which is about \$35 million, so \$861 million in cash. One more slide, so this is the larger TNL of the health system. So again, top, \$724 million in revenue in the quarter, which is almost \$4 million ahead of our target. On the expense side, \$629 million, which is \$1.6 million over. And you can see the number in the middle is \$2.8 million. We continue to see new drugs enter the market. I'd say on the ecology side is where we're seeing the bulk of that, so we are overspent on that, and then we also have expanded our outpatient pharmacy so we're seeing drug costs there, but we're actually billing for that, so that's actually part of the positive variance on the revenue side. And then our funding medical center investments, as we call it, is on budget and this is where the health system funds money into the college and into the practice plan for services that it needs to run the hospital. And there are also some support dollars in there for research that does come over. So we talked about earlier where funding comes from through support of the startup research, and some of it does come out of that system. So given our time schedule I'm going to stop here and see if there's any questions.

(See Attachment XIII for background information, page 423)

Mr. Wexner:

Questions, comments?

I think, to kind of embroider a little bit on what Alex said – that we have a strategic plan, and that if you have ambition then we have to figure out the detail on how to execute to that plan to get the result. And as we grow the medical center and we plan for capital

expenditures and hiring more people and taking care of more patients, what I've committed to the board is that we'll monitor, if you will, hurdles of performance. So that's the quality of our students, the quality of the education, the quality of the research, and obviously the quality of patient care. If you do all those things well, then the numbers come out pretty well, too. And so from the hurdle point of view, us maintaining excellence and improving in all areas should improve the financial result. But the financial result is important because our investments are guided in dollars and we're about to step into a major investment. So I appreciate the performance.

Dr. Drake:

Let me offer just a tiny comment to summarize those things. People are working really hard and producing really outstanding results. We saw the students at the beginning. We have our most diverse and among our most outstanding classes in history. That's great, that's increasing, that's really a hard thing to do and that's incredible. We are seeing more patients than ever before, are producing more results. Some of our expenses are up, but those are like the drug expenses because we're treating more people. That's an incredible thing. And as we do this year over year, there are more and more people who can benefit from our services. And then it sort of cycles back to the real importance of us being as aligned and efficient as we can be. Because the demands on our time and services are overwhelming, and anytime that we are not efficient and aligned and doing our best ... I mean, that extra noise gets in the way of providing the care that the people in our region obviously need. So our work on trying to be as efficient and effective as we can is because we have a great demand for our services and that's the only way that we can begin to approach those demands. And all of our growth and all of our looking forward is to make it so we can do a better job of providing service to the people who obviously are lined up to try to get care from us.

Mr. Schottenstein:

Mr. Chairman? Just a quick comment in the same vein. I believe that last year's first quarter was a record quarter for the medical center, in terms of the gain from operations, the \$82 million, and we just beat it by 15%. So last year was a record. This year's first quarter beat last year's first quarter by 15%. I know, you know, it's just the first quarter. But I think these results are outstanding. And not only improving day's cash on hand, which has always been a focus, but in terms of efficiencies and just the performance of the operation. It's pretty quiet in this room and I don't know how – we just won 42 to nothing, that's kind of important. I think it's extraordinary.

Dr. Drake:

So maybe a round of applause and thanks.

Mr. Wexner:

Bob, do you have a resolution or a report to make today?

Mr. Schottenstein:

We do and I think Mr. Kasey is going to make it. I'll just say one thing about it. This all relates to the strategic plan, which was a one-year process. I love these materials that are on our desks. I've been trying to look at them quickly as the meeting has been going

on. Among other things, there are very significant facility initiatives that are springing forth from the strategic plan. They're just not isolated projects. And this resolution that Jay [Kasey] is going to introduce is a critically important enabling project. It's literally moving things from Starling Loving Hall and, I think, one other building, over to the east side of Neil Avenue in what will be a new building that will house certain optometry and clinic and related kinds of functions that will pave the way for the more significant facility

initiative on the west side of Neil, which will be the interdisciplinary health science building that we'll talk more about perhaps later. But Jay, if you want to introduce this resolution, it's really a critically important step one.

Mr. Kasey:

Thank you, Bob. This is really the first step in enabling the strategic plan of both the medical center and the university in the health science history to be enacted. It is a relatively simple building, but it fills a very strategic spot on the east side of Neil Avenue, which is really our academic avenue, our academic main street. We will be very considerate of the look and the feel of the building as it sits with a number of our more classic buildings. Today what we're asking for is \$600,000 just to hire a criteria architect, as we believe that this building will be presented and completed through a design-build process. It is primarily some architecture that will support retail on the first floor, that being the optometry retail shops, and office space in the floors above as well as some optometry clinics. It will replace what we call the Fry Bridge, which is the one-story old building that supports optometry, and two wings of the old Starling Loving building, which need to be taken down, ultimately, so that we can bring back the interdisciplinary health sciences complex which is being planned for that site and we'll talk more about at a future date. We are asking for \$600,000 just for this criteria, but we're also asking because we have a pretty good feel for this building and the cost and the initial work we've done, that we'd be allowed to go into construction if the criteria architect comes back and the cost is not to exceed a total project cost of \$28 million. That's our request for this building today.

**APPROVAL TO ENTER INTO PROFESSIONAL SERVICES CONTRACTS**

Resolution No. 2018-29

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.

(See Attachment XIV for background information, page 428)

Mr. Schottenstein:

Do we need a motion for this?

Mr. Kasey:

I think we do, and it then will also go to Master Planning and Finance tomorrow.

Dr. Thompson:

So we need a motion and a second.

Mr. Schottenstein:

I'll make the motion.

Ms. Krueger:

Second.

Dr. Thompson:

All in favor?

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

Motion carries.

Mr. Wexner:

Anything else to report, Bob, on facilities? I think, for the sake of the whole board, the facilities and this physical planning committee of the university is meeting and working on the integration of the medical center plan to the university plan, and I think there's really good work that's happening.

Mr. Schottenstein:

If you don't mind, maybe I'll just take a couple of minutes and sort of give a macro view of where we are. Coming out of the strategic planning process, there are what I would call three major facility initiatives – one is research-related, the other is education-related and the final one is clinical-related. So you've got research, education and clinical facilities being planned. I'll start with research. We talked a lot earlier about just how critically important that is and some of the great successes that we're beginning to see from greater focus and with our NIH grants. The research building will be located on the midwest campus; planning for that is under way at this time. Phase one will be approximately a 400,000-square-foot building and it will be built in two wings. Phase one will literally double what we currently have in the BRT. So just the first phase of this is a big step forward, because it will double what we have at the BRT. A lot of these things are being finalized now, but we should think about this as an approximately \$350 million research initiative, phase one of which is roughly 400,000 square feet, phase two of which is 200,000 square feet, multiple buildings, one day becoming part of within the midwest campus, perhaps a series of research buildings. Hopefully this is just the beginning of the beginning when it comes to that. So number one, we've got this research project, that's \$350 million, and that will be on the midwest campus. On the educational side, I think one of the more exciting things, and this resolution that we just approved is step one, as we said, is an interdisciplinary health science building that

really will bring together a number of key areas that comprise not just the College of Medicine but supports – and the provost could better describe it than me – but basically right now, there is no College of Medicine building per se, there is none. There's specialties that, I think, stretch across five, six, seven different buildings, if I'm not mistaken, but you can correct me.

Dr. McPherson:

Well, I won't correct you. I'll simply say that, you know, this is clearly next generation for the College of Medicine, but you heard it from our students this morning. This is the kind of education we're thinking about in terms of bringing disciplines together into a facility where our doctors can be side-by-side with nurses, pharmacists, dentists, public health trainees, etc.

Mr. Schottenstein:

And just because buildings are old doesn't mean they're bad. But in this particular instance, we've got some buildings that are 80, 90 years old with low ceilings and windowless classrooms, and I'll leave it at that. But basically, we're talking about approximately 360,000, maybe as much as 400,000 square feet, of new buildings. You really need to look at a picture of it, but we'll end up with sort of a quad, the front door of which will face Neil Avenue on the west side of Neil. Very exciting designs. First thing to do is to move some things out of Starling Loving, as discussed, over to the east side of Neil. This is an approximately \$240 million to \$250 million total project, and there's a lot more to discuss on that going forward. So I talked about research, I talked about education, then we talk about clinical. There's really two aspects to clinical – one is ambulatory, which consists of a major new ambulatory facility on the western lands, together with a series of ambulatory facilities around the outer belt. There's an outer belt strategy as well as a campus strategy. One of the really important things to realize is – and Rick Forrest, who is here, has a lot more detail on this than me – but basically today, I think I'm right, that nearly two thirds of all patients that visit the James, Rhodes and Doan, and the Brain and Spine Hospital, are ambulatory. So we think about traffic on the medical center campus as we all drove in here today. Two-thirds of the people visiting these facilities, that doesn't include Ross, are ambulatory patients. There's a tremendous opportunity for us to move a lot of that off the main campus into an ambulatory facility that is more efficient to operate. So there's a financial side to this as well as a convenience. And, I think, just an improvement of patient care, which is very exciting. The ambulatory initiatives are significant, both the one on the western lands as well as the outer belt strategy. And then the other clinical piece, which is the biggest part of all the facility initiatives, is the construction of a new 850-bed hospital. You see the construction and the relocation of Cannon Drive, so you can begin to imagine how much additional land we're creating just to the west of where the new James Cancer tower and those parking garages are. This will be largely a critical care tower and we're well into the planning. A lot of people in this room played a very important role in that. I think it's very exciting. It's very exciting for the next generation of our whole academic medical center and what it will mean to not just the medical center, but to the whole university. And the other thing is I think that it all springs from the strategic plan, which should give everyone in this room comfort that these just aren't someone's pet projects, but that this is part of a robust one-plus year process, where these ideas and these needs have come forward. It's probably a little more detailed than maybe you wanted, Mr. Chairman, but I'm happy to try to answer questions. And there's others in the room here that can comment if they so choose.

Mr. Wexner:

I think from my point of view, and I think Alex [Shumate] shares it because we are both part of it, that there is a strategic plan – the plan is alive and well – and we're executing to the plan, whether it's on talent, financial, or the physical aspects of it, and making sure that we have guard rails and hurdles so that we aren't getting ahead of ourselves. Or,

maybe a more positive take, that we're on track on all parts. The physical part is significant in terms of capacity and the quality of the facility that we have for students for research and for patients. The integration of that plan to the university's plan is significant in many aspects, the people aspects, literally the capital nature of it. We're

building buildings that hopefully serve the community for at least 50 years or maybe even longer. So I think there has been very careful work on all parts and parallel process so that we're executing really strategically and not creating unanticipated problems for ourselves. Hopefully not very many unanticipated, unintended negative consequences.

Mr. Shumate:

Just to again confirm this point, I think that I really appreciate the focus on the strategic plan that tied to our tripartite mission of research, education and clinical care, but I also think it's important to publically discuss what we're doing. I don't think we do a good enough job of really telling our story. There's some fantastic, very positive results and accomplishments, and I think continuing to remind the public in particular, as well as internally, that we are working consistent with the strategic plan, is very important and I want to emphasize the importance of public reporting and discussion.

Mr. Wexner:

Yes, boss.

Mr. Schottenstein:

And you know, just one last thing with the chair of the board of the university here, as well as the chair of the medical center board, I think that one of the things that we're also now beginning to do as we think about these projects, is make sure that they fit into the comprehensive master plan. By that, I mean – and I'm talking more from a real estate and development standpoint than a strategic plan – a master plan for the western lands. We can't just build a building in the middle of all that land without first taking into account how it would relate to what else might happen there. All of the things we're doing around this medical center campus, with these facilities, we've talked about, both as they relate to Neil Avenue, coming off State Route 315, there's master planning implications of that as well. We have an opportunity, I think, to be very intentional and smart about how we go forward.

Mr. Wexner:

Questions? Comments? We're covering a lot of very big issues, very quickly. We'll have more time in executive session to unpack some of these things or have reflected questions. Cheryl?

Ms. Krueger:

Sure, thank you, Mr. Chairman. This resolution was reviewed and approved by the Quality and Professional Affairs Committee for the Wexner Medical Center Board. It was discussed last Tuesday on the 24th of October. I'm going to turn it over to Dr. Gonsenhauser to discuss the updates to the plan and what's being brought forth so we can approve it for today. Ian?

Dr. Gonsenhauser:

Thank you, Cheryl. Good morning everybody, I'm Ian Gonsenhauser. I've had the privilege of taking on the role of interim chief quality and patient safety officer as of September 1 this year. What I present to you today and submit for your review and approval is a document entitled "Clinical Quality Management Patient Safety and Service Plan". This is a document that really defines the quality program as a whole – the scope of the program as well as the oversight structure, our approach to quality

oversight, assessment of our methodology for ongoing assessment of quality and patient safety across the enterprise. It also serves as the document by which we set our 2018 goals for clinical quality safety and service. This document was reviewed and approved

at the Leadership Council for Clinical Quality, Safety and Service. It has also been reviewed and approved at the Quality and Professional Affairs Committee. This is included in your board packet for review, and again this takes you through the program scope for activities within quality, patient safety across the clinical enterprise, our approaches, how we monitor care consistency, level of care, transparency, confidentiality, etc. Not much of this has changed over the course of the past year.

What I would call out specifically are the items that I think speak to the theme of the meeting to this point, which is educational excellence. We have a number of programs within the quality structure that I think serve that purpose and continue to create space for excellence in education. Particularly I would call out the House Staff Quality Forum, which is a forum staffed and executed by house staff and residents within the institution to focus on pertinent issues that address quality and safety across our clinical enterprise and the delivery of care. Most recently, that group, again which is 100% staffed and executed by residents and fellows, is looking at focusing on projects pertaining to post-operative opiate prescription and addressing some of the concerns about the opiate crisis that we are all facing. Another example of the commitment to education in our quality plan is the directorship and facilitation of a curriculum within the College of Medicine, the health systems and informatics of quality program. This is a program by which we introduce every medical student who goes through our College of Medicine to quality improvement, process improvement, as well as patient safety work. We consider ourselves a national leader in that space. We are to date, to our knowledge, the only College of Medicine that requires every single medical student to participate directly in a quality improvement and patient safety program. We take great pride in that. Last year, we had approximately 85 independent med student driven projects that we presented here during Patient Safety Awareness Week. Lastly, I would call out the quality and safety internships. We extend eight to 10 internships for College of Medicine students between their first and second year. This is a six to eight week experience by which students engage with our quality oversight and quality assessment and management structure, participate directly in projects and gain valuable experience. I would call myself out as a product of that program. I'm joining you today as the interim chief quality and patient safety officer, and in fact, I had my first experience in quality and patient safety working with Dr. Moffat-Bruce as a first-year medical student here at OSU. So really calling out the board's commitment to those programs, which are sometimes seen as alternative to the mainstream curriculum, those are opportunity rich and career defining moments and I'd like to serve as an example of that. So, we submit the plan for your review and approval today.

#### **CLINICAL QUALITY MANAGEMENT, PATIENT SAFETY AND SERVICE PLAN**

Resolution No. 2018-30

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.

(See Attachment XV for background information, page 429)

Dr. Thompson:

Any questions? I will entertain a motion to approve the Clinical Quality Management, Patient Safety and Service Plan.

Ms. Krueger:

So moved.

Mr. Wexner:

Motion made, seconded.

Dr. Thompson:

Good, I'll note the approval of the plan requires the voting members of the medical center board to have a roll call vote.

Upon the motion of Ms. Krueger, seconded by Mr. Wexner, 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. Shumate, Mr. Schottenstein, Mr. Fischer, Ms. Krueger and Mr. Wexner.

Motion carries, Mr. Chairman.

I will entertain a motion to recess the committee into executive session.

Dr. Drake:

May I just make a timely interruption? If we just reflect back over the last hour or hour-and-a-half or so, it really does give one a chance to contemplate the complexity of the operations here: the size of our enterprise, the number of people that we're seeing and how that's increasing all the time, the great demand we have for services here in Columbus, the quality of our research programs which are growing and the incredible people who are coming and competing nationally for the best ideas, the quality of our students and the innovative ways they're educating themselves, the financial results and management and how really important those are to being able to fund our mission, and our Framework 2.0 for the university that we talked about earlier this calendar year. But the piece of that that reflects the medical center is an incredible series of construction projects extending out over many years into the future for giving us new capacity and, really quite resource-intensive, but focused in master planning. And then the quality and safety, that while we sit here, there are in our hospital and in our clinics – in our hospital hundreds and in our clinics, on a morning like this, thousands – of people are being seen with multiple decisions being made on each of them that are really critical and important.

And to do all of that in an aligned and organized fashion is extraordinarily time consuming and effort intensive, but it's the only way that we can continue to progress forward. And that's why it's such important work and why the dean and the leadership of the academic medical center spend so much of their time focusing on an effective implementation management of the system and our new leaders of our hospitals. All the things we've been talking about are focused on these same efforts to keep this working forward, so we can provide the best care, be the best educator and best researching and innovating institution that we possibly can be. And I just want to make sure everybody takes a moment to think about that and then continue to support us in moving it all forward.

Mr. McQuaid:

I'd like to ask for an amendment to my report. While I was so quick to talk about people in new roles, the round out of the Dodd and Harding Hospital, I want to recognize Amanda Lucas. I failed to do that publically and Amanda has done an absolutely wonderful job with the Neurological Institute, bringing the Brain and Spine Hospital on board, and works hard every day overseeing as executive director for Harding Hospital and Dodd, so I want to have that noted in the session.

Dr. Drake:

Let's have a round of applause for Amanda.

Mr. Wexner:

I think I'm inspired by what Dr. Drake said, about the notion of the amount of change and progress that we're making in the medical center. As medicine is changing, and patient care requirements are changing, and the world is changing, and you look at the financial result and it just struck me that, between outpatient visits and admissions, we're touching a half-a-million lives last year. And all this doing of the doing, and all the alignment – tactical, day-to-day, minute-to-minute things happen – and then connecting them over multiple years. That is the complexity of the institution and the complexity of the leadership. So I'm awed by the challenge and also the progress. It is not easy for eagles to fly in formation and clearly that's what's happening. So, thank you. Let's adjourn.

Dr. Thompson:

At this time, I'll entertain a motion that the committee recess into executive session to consider business sensitive trade secrets required to be kept confidential by federal and state statutes, and to discuss quality matters which are required to keep confidential under Ohio law. Do we have a motion?

Mr. Wexner:

Yes.

Dr. Thompson

And a second?

Mr. Shumate:

Second.

Dr. Thompson:

This requires a roll call.

November 1, 2017, Wexner Medical Center Board meeting

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 by board members Dr. McPheron, Mr. Chatas, Dr. Drake, Mr. Shumate, Mr. Schottenstein, Mr. Fischer, Ms. Krueger and Mr. Wexner.

Motion carries.

Attest:

Leslie H. Wexner  
Chairman

Blake Thompson  
Secretary



**THE OHIO STATE UNIVERSITY**

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



**THE OHIO STATE UNIVERSITY**

**Presenters**

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





THE OHIO STATE UNIVERSITY

### **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).

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## Student Disciplines in Interprofessional Clinic

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

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OSU WEXNER MEDICAL CENTER - ENTERPRISE PERFORMANCE SCORECARD (ATTACHMENT XII)  
 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%	I-ur 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 <sup>1</sup>	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/ Gonsenhausner	Patient Satisfaction - HCAHPS <sup>2</sup>	79.30%	79.10%	▼	80%	83%
	Thomas	Readmissions <sup>3</sup>	12.60%	13.58%	▼	11.39%	7.43%
	Thomas/ Gonsenhausner	Mortality <sup>4</sup>	0.77	0.74	▲	0.76	0.73
	Thomas/ Gonsenhausner	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 <sup>5</sup>	\$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  
 ● On Track  
 ▼ 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. Mortality updated through August 2017  
 5. Health Plan Per Member Per Year Costs represents the 12 month period of June 2016 through May 2017

# November 1, 2017, Wexner Medical Center Board meeting

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: Deans, 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 After-Hours 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		Surgeries	
Budget	0.6%	Budget	-0.9%
Prior Yr	4.4%	Prior Yr	1.6%
Actual	16,148	Actual	10,962
Budget	16,051	Budget	11,058
Prior Yr	15,469	Prior Yr	10,788

O/P Visits		Worked Hrs / Adjusted Admit	
Budget	-1.7%	Budget	0.0%
Prior Yr	1.7%	Prior Yr	-3.6%
Actual	444,198	Actual	202
Budget	451,982	Budget	202
Prior Yr	436,783	Prior Yr	195

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## The Ohio State University Health System

### Financial Highlights

For the YTD ended: September 30, 2017

Operating Revenue		Controllable Costs	
Budget	0.5%	Budget	-0.3%
Prior Yr	7.7%	Prior Yr	-6.7%
Actual	\$723,952	Actual	\$555,281
Budget	\$720,200	Budget	\$553,511
Prior Yr	\$672,072	Prior Yr	\$520,656

Excess Revenue over Expense		Days Cash on Hand	
Budget	4.7%	Jun FY17	2.8%
Prior Yr	33.3%	PY MTD	17.4%
Actual	\$60,710	Actual	131.0 \$861M
Budget	\$57,983	Jun FY17	127.5 \$826M
Prior Yr	\$45,532	PY MTD	111.6 \$680M

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## 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
<b>OPERATING STATEMENT</b>						
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%

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## 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
<b>CONSOLIDATED ACTIVITY SUMMARY</b>						
<b>Activity</b>						
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%

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## 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%
<b>Clinic Visits</b>	<b>112,448</b>	<b>113,250</b>	<b>(802)</b>	<b>-0.7%</b>	<b>110,373</b>	<b>1.9%</b>
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%
<b>TOTAL OUTPATIENT VISITS</b>	<b>444,198</b>	<b>451,982</b>	<b>(7,784)</b>	<b>-1.7%</b>	<b>436,783</b>	<b>1.7%</b>

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## 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
<b>OPERATING STATEMENT</b>						
Total Operating Revenue	\$ 884,893	\$ 885,630	\$ (737)	-0.1%	\$ 819,839	7.9%
<b>Operating Expenses</b>						
Salaries and Benefits	459,351	463,373	4,022	0.9%	429,298	-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%	70,190	-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%	2,835	7.9%
<b>Total Expense</b>	<b>818,041</b>	<b>824,525</b>	<b>6,484</b>	<b>0.8%</b>	<b>768,042</b>	<b>-6.5%</b>
<b>Excess of Revenue over Expense</b>	<b>\$ 66,851</b>	<b>\$ 61,103</b>	<b>\$ 5,748</b>	<b>9.4%</b>	<b>\$ 51,793</b>	<b>29.1%</b>
<b>Financial Metrics</b>						
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	3.2%
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
<b>Health System</b>						
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%
<b>OSUP</b>						
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%
<b>COM/OHS</b>						
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%
<b>Total Medical Center</b>						
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
<b>Total Assets</b>	<b>\$ 3,914,381</b>	<b>\$ 3,874,834</b>	<b>\$ 39,547</b>
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)
<b>Liabilities and Net Assets</b>	<b>\$ 3,914,381</b>	<b>\$ 3,874,834</b>	<b>\$ 39,547</b>

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.



(ATTACHMENT XIV)

**Project Data Sheet for Board of Trustees Approval**

**Health Sciences Faculty Office and Optometry Clinic Building**

*Project Location: West 11th Ave & Neil Ave*

○ <b>approval requested and amount</b>	
professional services	\$0.6M
○ <b>project budget</b>	
professional services	\$2.8M
construction w/contingency	\$25.2M
<b>total project budget</b>	<b>\$28.0M</b>



- **project funding**
  - university debt
  - development funds
  - university funds
  - auxiliary funds
  - state funds

○ <b>project schedule</b>	
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

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

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

November 1, 2017, Wexner Medical Center Board meeting

(ATTACHMENT XV)



**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**

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# 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**

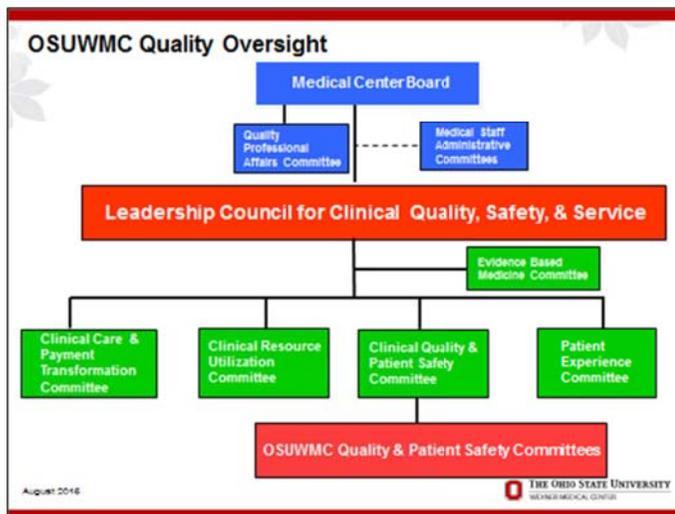
The purpose of the Clinical Quality Management, Patient Safety & Service Plan is to show measurable improvements in areas for which there is evidence they will improve health outcomes and value of patient care provided within The OSUWMC. The OSUWMC recognizes the importance of creating and maintaining 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 CCPT 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**

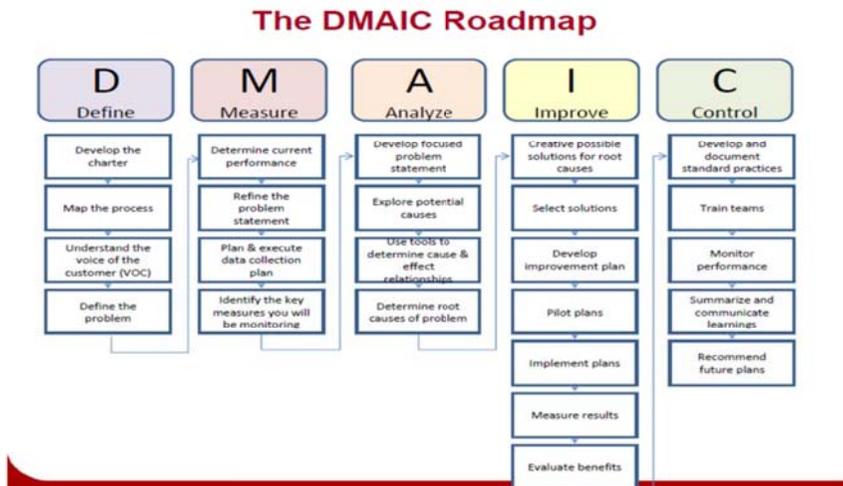
The OSU Medical Center embraces change and innovation as one of its core values. Organizational focus on process improvement and innovation is embedded within the culture through the use of a general Process Improvement Model that includes 1) an organizational expectation that the entire workforce is 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**

<b>Methodology</b>
PDCA
Rapid Cycle Improvement
DMAIC
Lean Principles

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

**The DMAIC Roadmap**



### **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

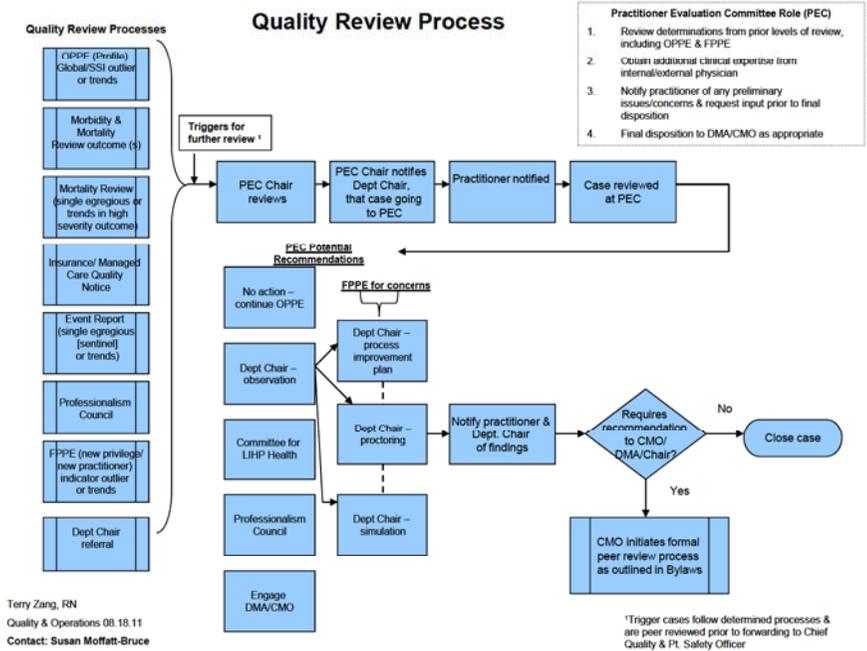
### FY 2018 Targets – Vizient Based Data

Performance Incentive Metric	Current Performance	Peer Rank (Est)	FY 18 Target	Target Standard
Mortality Index – Median Center	0.77	6	0.76	Top Decile
Mortality Index/System (w/ James)	0.75	8	0.75	Best Best
LOS Index	1.02	9	0.99	Top Quartile
PS-90	0.66	12	0.62	Top Quartile
PS-90 – Acute Kidney Injury	2.97	22	1.65	Median
PS-91 – Post Op Resp Failure	5.16	15	4.65	Median
PS-92 – Post Op MI/MI/CT	5.17	12	4.58	Top Quartile
PS-93 – Post OP Sepsis	6.27	14	5.48	Median
Overall 30 Day All Cause Readmission Rate	12.62%	22	11.39	Median
Overall 30 Day All Cause Readmission Rate (without James)	10.68%	7	8.91%	Top Decile
Overall 30 Day All Cause Readmission Rate – All	14.26	16	12.32%	Median
Overall 30 Day All Cause Readmission Rate – all	19.89	9	18.24%	Median
Overall 30 Day All Cause Readmission Rate – PI	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 – TKA/TKA	4.27	15	4.0%	Median
Overall 30 Day All Cause Readmission Rate – GABG	14.50%	16	15.4%	Median

### FY 2018 Targets – Hospital Compare Data

Performance Incentive Metric	Current Performance	Peer Rank	FY 18 Target	Target Standard
CLASS – 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-90: Door to Departure for Admitted ED Patients	431	14	319	Top Quartile
ED-90: Admit Decision to ED Departure	185	16	162	Median
ED-90: Door to Departure for Discharged ED Patients	220	12	192	Top Quartile
ED-90: ED Door to Evaluation	27	15	22	Top Quartile
ED-91: Time to Pain Management LBP	75	21	65	Median
ED-92: ED Left Without Being Seen	4.68%	22	3%	Median

## Attachment IV: Physician Performance Based Profile



Terry Zang, RN  
 Quality & Operations 08.18.11  
 Contact: Susan Moffatt-Bruce

Profile for member SERVICE: INTERNAL MEDICINE-CARDIOVASCULAR MEDICINE Profile last viewed by Provider: None							8 Month Values		
Status	Indicator	My Score	Peer Score	Target	SPC Alert	Current Period	1st Month	Peer Score	Start Month
<b>A - Volume and Quality</b>									
	CM	n/a	2.83	n/a		Q2 2013	No Data	1.97	Feb 2013
	IP Discharges	n/a	14.8	n/a		Q2 2013	No Data	14.0	Feb 2013
★ ▼	IP LOS Index (DM_Exp Total Days)	0.83	1.06	1.00		Q4 2013	No Data	1.06	Feb 2013
▼	IP Procedures	4	40.7	n/a		Q2 2013	4	34.5	Mar 2013
▼	Observation Cases	3	1.85	n/a		Q2 2013	0	2.83	Feb 2013
▲	Outpatient Visits	189	107	n/a		Q2 2013	356	102	Feb 2013
<b>B - Patient Care</b>									
★	Advisory Discrepancy	0	0.00	0		Q2 2013	0	1.00	Feb 2013
	Cath PCI Post-procedure AMI	No Data	1.1%	n/a		Q2 2013	No Data	1.2%	Mar 2013
	Cath PCI Retro-peritoneal Bleed	No Data	0.3%	n/a		Q2 2013	No Data	0.2%	Mar 2013
	CM - AMI_3 Aspirin Prescribed at Discharge	n/a	91.2%	100.0%		Q4 2012	No Data	No Data	No Data
	CM - AMI_3 ACEI or ARB for LVSD	n/a	24.6%	100.0%		Q4 2012	No Data	No Data	No Data
	CM - AMI_5 Beta Blocker at Discharge	n/a	67.7%	100.0%		Q4 2012	No Data	No Data	No Data
	CM - AMI_9 Inpatient Mortality	n/a	0.0%	0.0%		Q4 2012	No Data	No Data	No Data
	CM - HF_3 Evaluation of LVS Function	n/a	60.7%	100.0%		Q4 2012	No Data	No Data	No Data
	CM - HF_3 ACEI or ARB for LVSD	n/a	40.8%	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 (DM_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 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 Reactions 30 days	0.00%	3.34%	n/a		Q1 2013	No Data	3.19%	Feb 2013
	SSI CABG Procedures	No Data	0.6%	3.0%		Q2 2013	No Data	0.0%	May 2013
	SSI Pacemaker and ACD	No Data	0.6%	n/a		Q2 2013	No Data	0.0%	Apr 2013
<b>C - Medical and Clinical Knowledge</b>									
★	Formal Peer Reviews	0	0.00	0		Q2 2013	0	0.00	Feb 2013
<b>E - Interpersonal and Communication</b>									
★	Patient Complaints	0	0.00	0		Q2 2013	0	1.00	Mar 2013

Status	Indicator	My Score	Peer Score	Target	SPC Alert	Current Period	6 Month Values		
							My Score	Peer Score	Start Month
	Patient Satisfaction Ann Score	98.8%	91.9%	na		Q2 2013	99.2%	91.5%	Feb 2013
<b>G - Practice Based Learning and Improvement</b>									
	Surgical Team Safety Checklist Variance	0	0.00	0		Q2 2013	0	0.00	Feb 2013

Profile Generated 01/04/2013 13:55:57  
Next Review Due: Aug 13, 2013

Reviewed By	Comments	Notes
Jan 28, 2013 Inman	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 legal detection for the indicator

For Practitioner Data only. This information is confidential per Ohio Revised Code Sec. 3701.24, 3701.25 and 3701.26 and may not be shared, disclosed, or distributed outside of the quality or patient safety program. If the recipient of this communication is not an intended recipient, you are hereby notified that any dissemination, distribution, or disclosure of this information is strictly prohibited.

This report is intended only for use by the healthcare department and operators of the entity listed herein. It may contain legally privileged and/or confidential information. If you are not the intended recipient of this information (or the person responsible for obtaining this document) to the intended recipient, you are hereby notified that any dissemination, distribution, printing or copying of this document is strictly prohibited.

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.

(APPENDIX XXI)

**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.

(APPENDIX XXII)

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

November 3, 2017, Board of Trustees meeting

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

(APPENDIX XXIII)

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:

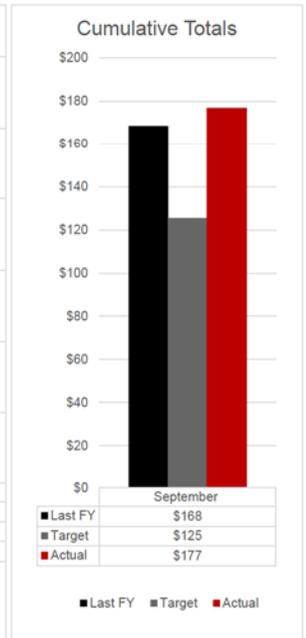
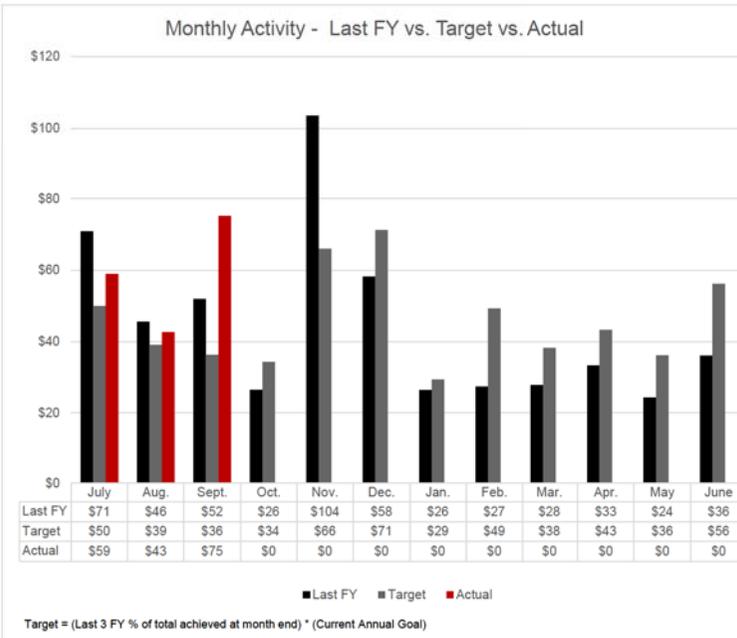
- (A) ~~The college dean's decision shall be final with respect to reappointment and nonreappointment and with respect to denial of promotion; and Decisions with respect to promotion shall be forwarded to the executive vice president and provost, who shall review the decision consistent with the review 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 non-reappointment ~~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.~~



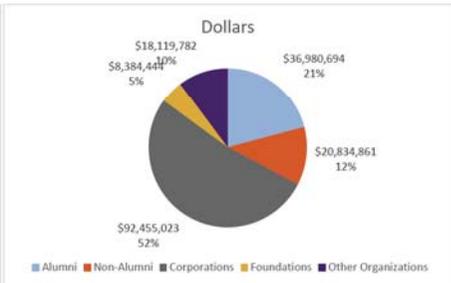
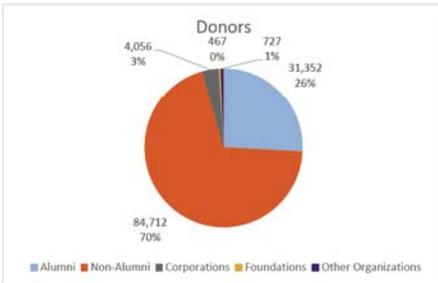
FY2018 New Fundraising Activity Report  
**Monthly Activity**  
 7/1/2017 through 9/30/2017





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
<b>Individuals</b>						
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%
<b>Individuals</b>	<b>116,064</b>	<b>\$57,815,555</b>	<b>115,356</b>	<b>\$54,110,772</b>	<b>1%</b>	<b>7%</b>
<b>Organizations</b>						
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%
<b>Organizations</b>	<b>5,250</b>	<b>\$118,959,249</b>	<b>5,203</b>	<b>\$114,353,993</b>	<b>1%</b>	<b>4%</b>
<b>Grand Total</b>	<b>121,314</b>	<b>\$176,774,805</b>	<b>120,559</b>	<b>\$168,464,765</b>	<b>1%</b>	<b>5%</b>



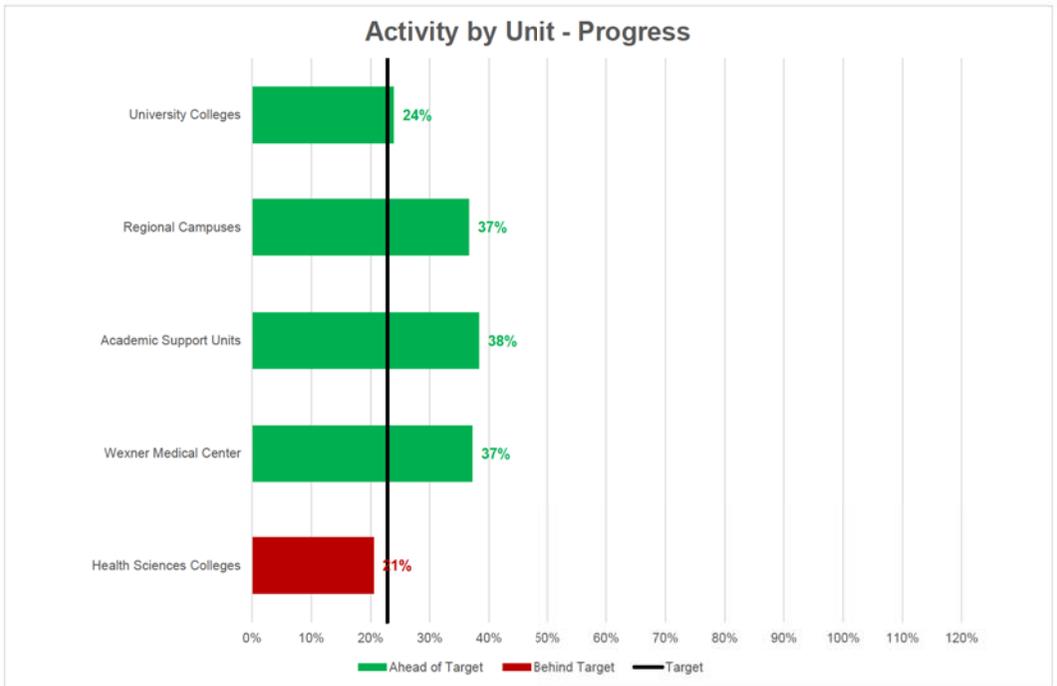


FY2018 New Fundraising Activity Report  
**Activity by Donor Type - Pelotonia Impact**  
 7/1/2017 through 9/30/2017



	Non-		Other		
	Alumni	Alumni	Corps	Fnds	Orgs
OSU Only Donors	16,702	25,946	1,054	246	439
Joint Donors	2,152	2,430	151	12	6
Pelotonia Only Donors	12,498	56,336	2,851	209	282

	Non-		Other		
	Alumni	Alumni	Corps	Fnds	Orgs
OSU Only Donors	\$33.94	\$13.21	\$87.90	\$7.72	\$17.98
Joint Donors - \$ to OSU	\$1.21	\$1.58	\$2.05	\$0.41	\$0.01
Joint Donors - \$ to Pelotonia	\$0.29	\$0.36	\$0.65	\$0.03	\$0.01
Pelotonia Only Donors	\$1.54	\$5.68	\$1.85	\$0.23	\$0.13



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



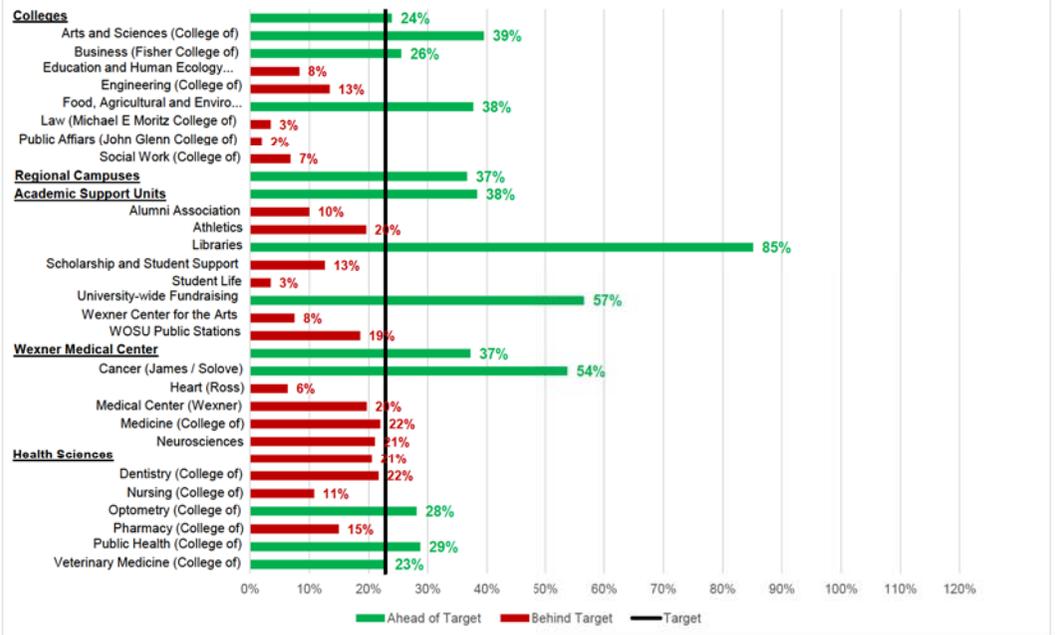
FY2018 New Fundraising Activity Report  
**Activity - Complex Giving**  
 7/1/2017 through 9/30/2017

	7/1/2017 - 9/30/2017		7/1/2016 - 9/30/2016		% Change	
	Donors	Dollars	Donors	Dollars	Donors	Dollars
<b>Outright Gifts</b>						
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%
<b>Total New Activity</b>	<b>451</b>	<b>\$2,869,089</b>	<b>267</b>	<b>\$4,391,762</b>	<b>69%</b>	<b>-35%</b>
<b>Planned Gifts</b>						
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%
<b>Total New Activity</b>	<b>123</b>	<b>\$52,422,374</b>	<b>103</b>	<b>\$19,763,454</b>	<b>19%</b>	<b>165%</b>
<b>Grand Total</b>	<b>573</b>	<b>\$55,291,463</b>	<b>370</b>	<b>\$24,155,216</b>	<b>55%</b>	<b>129%</b>

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



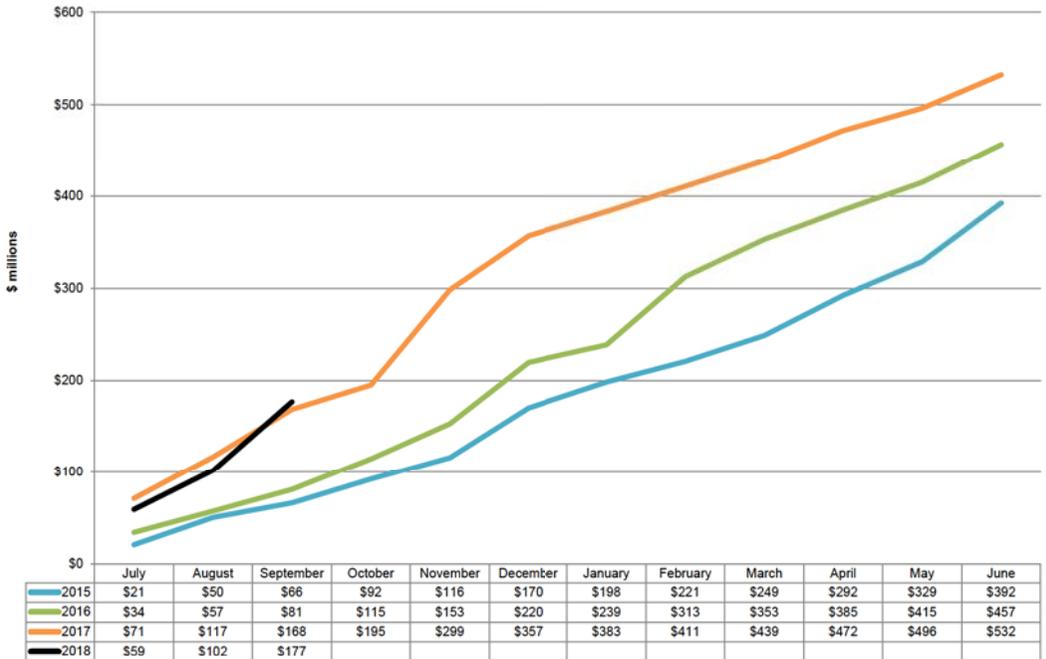
### Activity by Unit - Progress



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

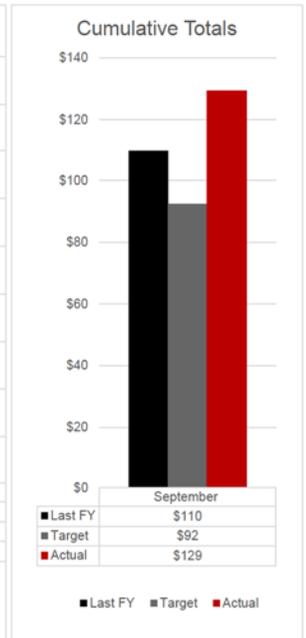
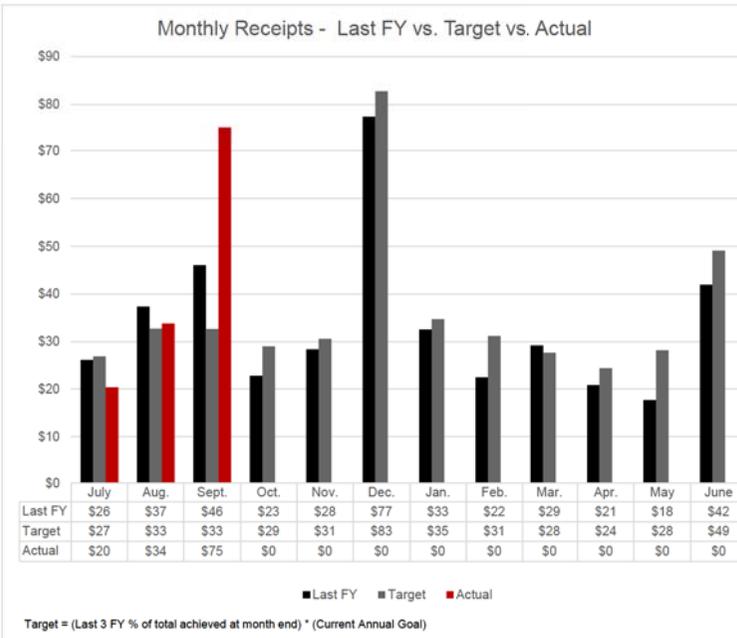


FY2017 New Fundraising Activity Report  
**Cumulative**  
 7/1/2017 through 9/30/2017





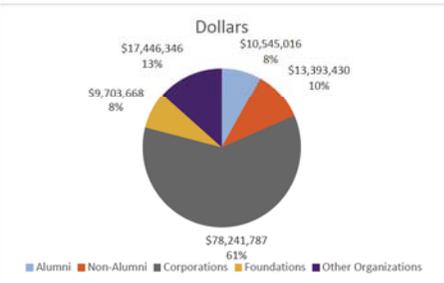
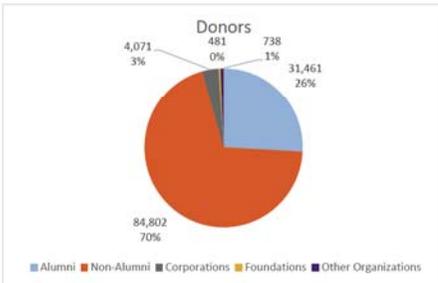
FY2018 Philanthropic Receipts Report  
**Monthly Receipts**  
 7/1/2017 through 9/30/2017

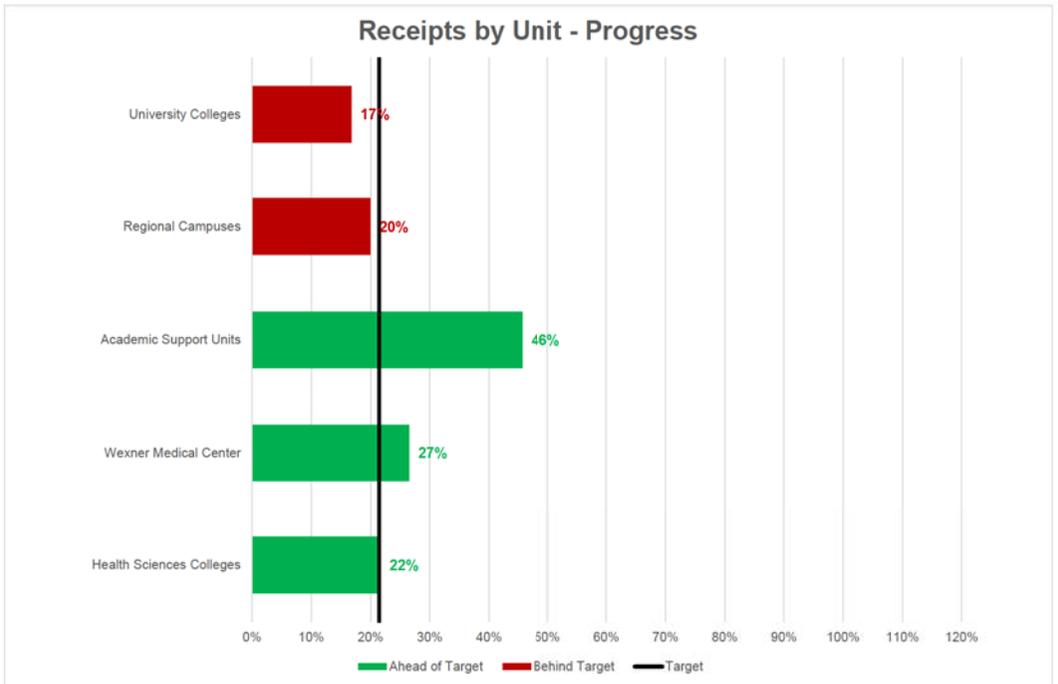




FY2018 Philanthropic Receipts Report  
**Receipts by Donor Type**  
 7/1/2017 through 9/30/2017

	7/1/2017 - 9/30/2017		7/1/2016 - 9/30/2016		% Change	
	Donors	Dollars	Donors	Dollars	Donors	Dollars
<b>Individuals</b>						
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%
<b>Individuals</b>	<b>116,263</b>	<b>\$23,938,445</b>	<b>115,563</b>	<b>\$30,011,893</b>	<b>1%</b>	<b>-20%</b>
<b>Organizations</b>						
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%
<b>Organizations</b>	<b>5,290</b>	<b>\$105,391,801</b>	<b>5,265</b>	<b>\$79,542,383</b>	<b>0%</b>	<b>32%</b>
<b>Grand Total</b>	<b>121,553</b>	<b>\$129,330,246</b>	<b>120,828</b>	<b>\$109,554,276</b>	<b>1%</b>	<b>18%</b>





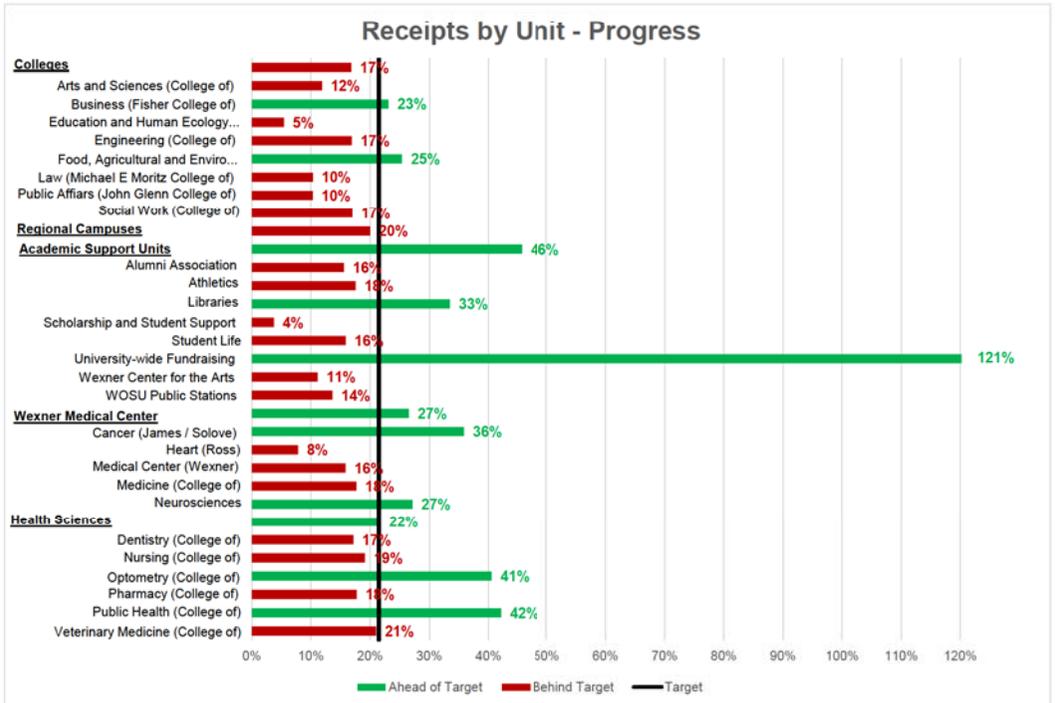
Target = (Last 3 FY % of total achieved at month end) \* (Current Annual Goal)



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
<b>Outright Gifts</b>						
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%
<b>Total Receipts</b>	<b>451</b>	<b>\$2,869,089</b>	<b>267</b>	<b>\$4,391,762</b>	<b>69%</b>	<b>-35%</b>
<b>Planned Gifts</b>						
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%
<b>Total Receipts</b>	<b>65</b>	<b>\$3,604,843</b>	<b>58</b>	<b>\$6,964,780</b>	<b>12%</b>	<b>-48%</b>
<b>Grand Total</b>	<b>516</b>	<b>\$6,473,932</b>	<b>325</b>	<b>\$11,356,542</b>	<b>59%</b>	<b>-43%</b>

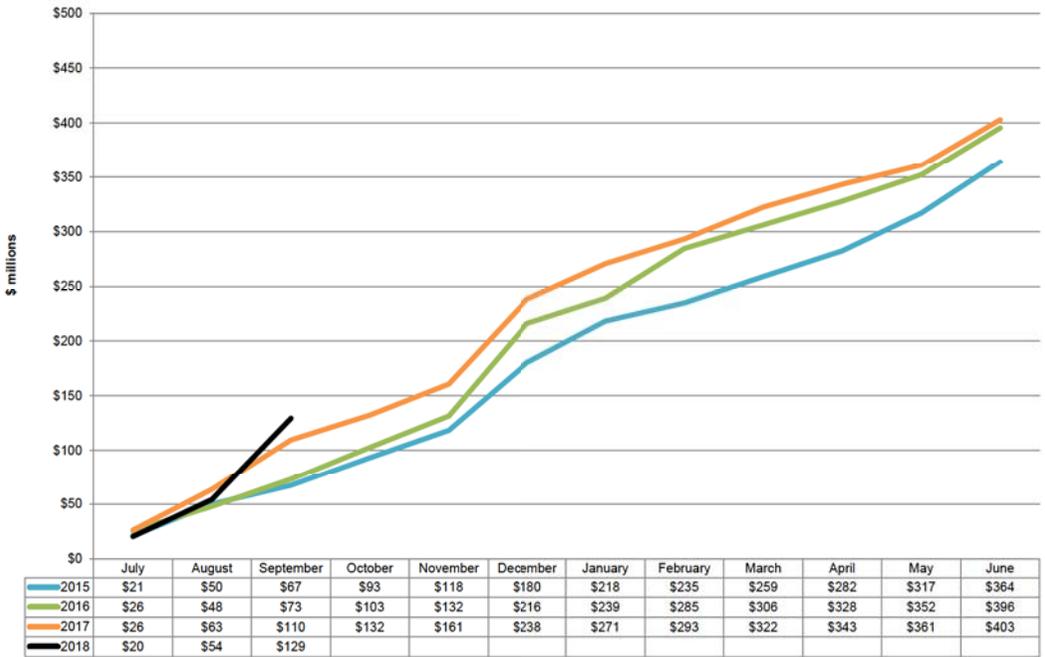
NOTE: donors may give through multiple gift types but are only counted once in totals



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



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

November 3, 2017, Board of Trustees meeting

The Ohio State University  
Board of Trustees

November 3, 2017

<p>Merit Scholarship Initiative Endowed Fund Established November 3, 2017, with a fund transfer by the University Honors &amp; Scholars Center of a gift from the estate of Isabel H. Perry (BS 1943); used to support the Merit Scholarship Initiative.</p>	<p>\$495,638.13</p>	<p>\$495,638.13</p>
<p>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.</p>	<p>\$100,000.00</p>	<p>\$100,000.00</p>
<p>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.</p>	<p>\$55,500.00</p>	<p>\$1,000,000.00</p>
<p>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.</p>	<p>\$50,000.00</p>	<p>\$50,000.00</p>

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)

November 3, 2017, Board of Trustees meeting

The Ohio State University  
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<p>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.</p>	\$1,000,000.00	\$3,000,000.00
<p>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.</p>	\$700,000.00	\$700,000.00
<p>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.</p>	\$414,666.66	\$414,666.66
<p>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.</p>	\$207,333.33	\$207,333.33
<p>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.</p>	\$207,333.33	\$207,333.33
<p>John Anast Cancer Endowed Fund Established November 3, 2017, with gifts from the estate of John Anast; used to support cancer research.</p>	\$170,440.07	\$170,440.07

November 3, 2017, Board of Trustees meeting

The Ohio State University Board of Trustees	November 3, 2017	
<p>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.</p>	\$70,000.00	\$100,000.00
<p>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.</p>	\$58,356.40	\$80,000.00
<p>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.</p>	\$50,600.00	\$50,600.00
<p>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.</p>	\$50,000.00	\$150,000.00
<p>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.</p>	\$50,000.00	\$50,000.00
<p>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.</p>	\$50,000.00	\$50,000.00

November 3, 2017, Board of Trustees meeting

The Ohio State University Board of Trustees	November 3, 2017	
<p>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.</p>	\$50,000.00	\$50,000.00
<p>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.</p>	\$40,550.00	\$50,000.00
<p><u>Change in Name of Named Endowed Fund (Foundation)</u></p> <p>From: The William S. Stinson Jr. Scholarship Endowment Fund To: The Ruby Roush Stinson and William S. Stinson Jr. Scholarship Endowment Fund</p>		
<p><u>Change in Description of Named Endowed Fund (Foundation)</u></p> <p>The Raymond G. and Helen Mossbarger Vawter Family Fund</p>		
TOTAL		\$8,520,417.92

\*Amounts establishing endowments as of September 30, 2017.

The Ohio State University  
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### **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.

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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.

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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.

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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

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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.

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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

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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.

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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.

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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.

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

In any given year that the endowment distribution is not fully used for its intended 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.

**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

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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 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.

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

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

#### **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  
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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.

**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
<u>construction w/contingency</u>	<u>\$25.2M</u>
<b>total project budget</b>	<b>\$28.0M</b>



- **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

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

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

**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

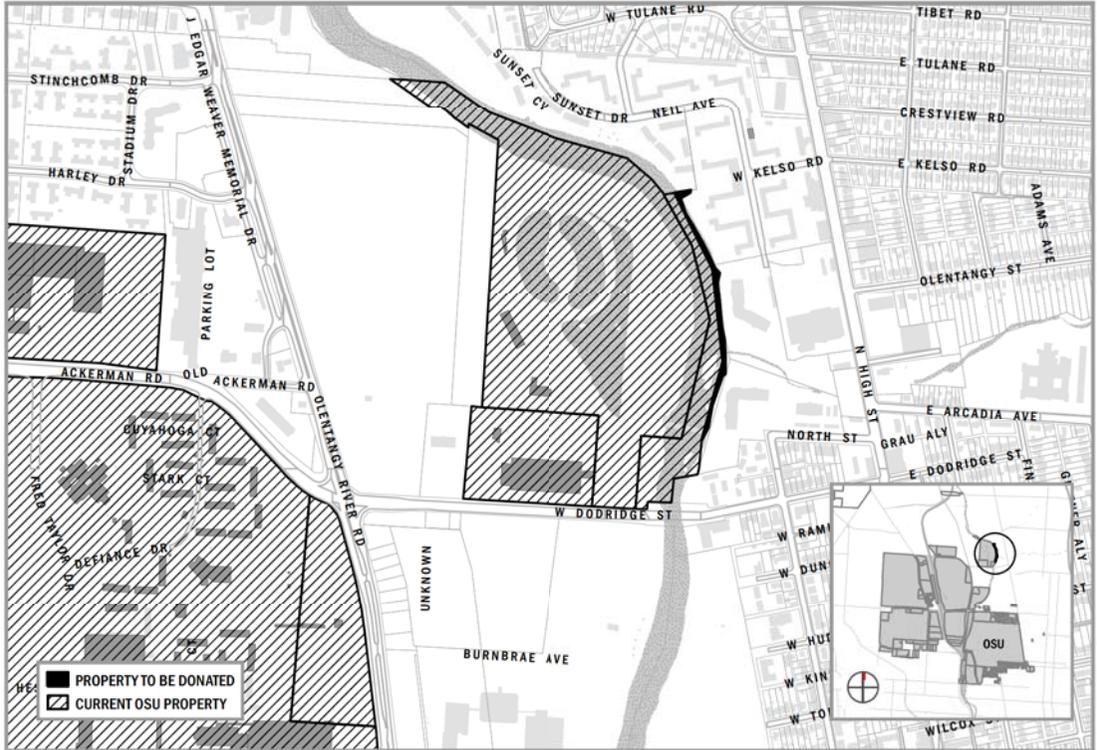
Project Cost Breakdown	Cost	Funding Source
Utility Systems	\$ 10.8 M	OSEP
Non-Utility Systems	\$ 3.8 M	University

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

(APPENDIX XXVII)



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

(APPENDIX XXVIII)





THE OHIO STATE UNIVERSITY

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# 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.



### 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



**Consolidated  
Financial  
Statements**

- University management signs a consolidated representation letter

**Stand-Alone  
Financial  
Statements**

- Management of each stand-alone reporting entity is responsible for and signs its own representation letter

**College/Admin  
Units**

- Deans, VPs and Senior Fiscal Officers sub-certify internal controls in 16 key areas
- All completed. No significant control issues noted



- 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

	<b>2017</b>	<b>2016</b>
	<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
<b><i>Total Assets and Deferred Outflows</i></b>	<b>\$ 14,055,721</b>	<b>\$ 12,891,228</b>
<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
<b><i>Total Liabilities and Deferred Inflows</i></b>	<b>\$ 8,531,175</b>	<b>\$ 7,937,215</b>
<i>Net Position (Equity):</i>		
<i>Nonexpendable</i>	3,739,647	3,652,711
<i>Expendable</i>	1,784,899	1,301,302
<b><i>Total Net Position</i></b>	<b>\$ 5,524,546</b>	<b>\$ 4,954,013</b>

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.



Financial Highlights: Statement of Revenue, Expenses, & Other Changes in Position

	2017	2016
	<i>(in thousands)</i>	
Operating Revenues	\$ 4,971,443	\$ 4,576,381
Operating Expenses	5,772,239	5,216,311
<b>Operating Income (Loss)</b>	<b>(800,796)</b>	<b>(639,930)</b>
Non-Operating Revenues (Expenses)	1,216,120	591,152
<b>Income (Loss) before Other Revenues, Expenses, Gains or Losses</b>	<b>415,324</b>	<b>(48,778)</b>
Other Changes in Net Position	155,209	111,340
<b>Increase in Net Position</b>	<b>\$ 570,533</b>	<b>\$ 62,562</b>

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%.



Statement of Net Position, excluding  
GASB 68 Net Pension Liabilities and Deferrals

<i>(in thousands)</i>	<b>June 30, 2017 As Reported</b>	<b>GASB 68 Liabilities and Deferrals</b>	<b>June 30, 2017 Excluding GASB 68</b>
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>
<b>Total Assets and</b>	<b><u>\$ 14,055,721</u></b>		<b><u>\$ 13,064,162</u></b>
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>
<b>Total Liabilities and Deferred Inflows</b>	<b><u>\$ 8,531,175</u></b>		<b><u>\$ 4,949,471</u></b>
Net Position (Equity):			
Nonexpendable	3,739,647		3,739,647
Expendable	<u>1,784,899</u>	2,590,145	<u>4,375,044</u>
<b>Total Net Position</b>	<b><u>\$ 5,524,546</u></b>		<b><u>\$ 8,114,691</u></b>



THE OHIO STATE UNIVERSITY

Statement of Revenues, Expenses and Other Changes  
in Net Position, excluding  
GASB 68 Pension Expense

	<i>Year Ending June 30, 2017 As Reported</i>	<i>GASB 68 Pension Expense</i>	<i>Year Ending June 30, 2017 Excluding GASB 68</i>
<i>Operating Revenues</i>	\$ 4,971,443		\$ 4,971,443
<i>Operating Expenses</i>	<u>5,772,239</u>	(348,860)	<u>5,423,379</u>
<b><i>Operating Income (Loss)</i></b>	<b><i>(800,796)</i></b>		<b><i>(451,936)</i></b>
<i>Non-Operating Revenues (Expenses)</i>	<u>1,216,120</u>		<u>1,216,120</u>
<b><i>Income (Loss) before Other Revenues, Expenses, Gains or Losses</i></b>	<b><i>415,324</i></b>		<b><i>764,184</i></b>
<i>Other Changes in Net Position</i>	<u>155,209</u>		<u>155,209</u>
<b><i>Increase in Net Position</i></b>	<b><u>\$ 570,533</u></b>		<b><u>\$ 919,393</u></b>



## Financial Highlights: Statement of Cash Flows

**University Cash Flows Summary** *(in thousands)*

	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>\$ (14,822)</u>	<u>\$ 321,792</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.

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.

University cash and cash equivalents decreased \$15 million in 2017.



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.
<b>Pension Liability:</b>				
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		
<b>OSU Health System:</b>				
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		
<b>OSU Physicians:</b>				
Net patient service A/R	\$34,874	\$38,348		
Net patient service revenue	\$353,491	\$343,329		



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

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## **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)

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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

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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

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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

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*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
<b>Total current assets</b>	<b>2,987,998</b>	<b>2,681,801</b>	<b>2,446,453</b>
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
<b>Total noncurrent assets</b>	<b>10,054,786</b>	<b>9,511,302</b>	<b>9,049,678</b>
<b>Total assets</b>	<b>13,042,784</b>	<b>12,193,103</b>	<b>11,496,131</b>
Deferred outflows	1,012,937	698,125	227,083
<b>Total assets and deferred outflows</b>	<b>\$ 14,055,721</b>	<b>\$ 12,891,228</b>	<b>\$ 11,723,214</b>
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
<b>Total current liabilities</b>	<b>1,488,326</b>	<b>1,438,899</b>	<b>1,441,608</b>
Noncurrent portion of bonds, notes and lease obligations	2,640,142	2,714,842	2,186,090
Net pension liability	3,665,362	2,794,626	2,130,432
Other noncurrent liabilities	366,057	401,708	380,382
<b>Total noncurrent liabilities</b>	<b>6,571,561</b>	<b>5,911,176</b>	<b>4,696,904</b>
<b>Total liabilities</b>	<b>8,059,887</b>	<b>7,350,065</b>	<b>6,138,512</b>
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
<b>Total net position</b>	<b>5,524,546</b>	<b>4,954,013</b>	<b>4,891,451</b>
<b>Total liabilities, deferred inflows and net position</b>	<b>\$ 14,055,721</b>	<b>\$ 12,891,228</b>	<b>\$ 11,723,214</b>

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

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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, 18<sup>th</sup> 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

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- 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

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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**

Summary of Revenues, Expenses and Changes in Net Position (in thousands)			
	2017	2016	2015
<b>Operating Revenues:</b>			
Tuition and fees, net	\$ 927,317	\$ 864,805	\$ 850,289
Grants and contracts	877,381	630,858	657,238
Auxiliary enterprises sales and services, net	309,497	261,781	261,351
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
<b>Operating Expenses:</b>			
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	335,881
Total operating expenses	5,772,239	5,216,311	4,792,899
Net operating loss	(800,796)	(639,930)	(484,665)
<b>Non-operating revenues (expenses):</b>			
State share of instruction and line-item appropriations	473,061	456,063	435,824
Gifts - current use	181,212	156,737	163,900
Net investment income (loss)	600,701	(10,513)	173,295
Grants, interest expense and other non-operating	(38,854)	(11,135)	25,899
Net non-operating revenue	1,216,120	591,152	798,818
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.

<b>Educational and General Expenses</b> (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
<b>Total</b>	<b>\$ 2,488,642</b>	<b>\$ 2,359,243</b>	<b>\$ 2,238,015</b>

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

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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

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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

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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 <i>(in thousands)</i>	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

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- **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**

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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
<b>ASSETS AND DEFERRED OUTFLOWS:</b>						
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	3,816,562	-	-	4,253,459	3,816,562
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	4,970,388
Total Noncurrent Assets	10,054,786	9,511,302	126,381	123,174	10,158,403	9,634,476
<b>Total Assets</b>	<b>13,042,784</b>	<b>12,193,103</b>	<b>325,435</b>	<b>295,655</b>	<b>13,345,455</b>	<b>12,465,902</b>
Deferred Outflows:						
Pension	991,559	675,709	155	124	991,714	675,833
Other deferred outflows	21,378	22,416	-	-	21,378	22,416
<b>Total Deferred Outflows</b>	<b>1,012,937</b>	<b>698,125</b>	<b>155</b>	<b>124</b>	<b>1,013,092</b>	<b>698,249</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$ 14,055,721</b>	<b>\$ 12,891,228</b>	<b>\$ 325,590</b>	<b>\$ 295,779</b>	<b>\$ 14,358,547</b>	<b>\$ 13,164,151</b>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION:</b>						
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	(21,596)	(24,683)	21,598	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	5,966,652
<b>Total Liabilities</b>	<b>8,059,887</b>	<b>7,350,065</b>	<b>170,849</b>	<b>159,393</b>	<b>8,207,972</b>	<b>7,486,602</b>
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
<b>Total Deferred Inflows</b>	<b>471,288</b>	<b>587,150</b>	<b>10</b>	<b>7</b>	<b>471,298</b>	<b>587,157</b>
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	569,384	392,349	49,301	36,311	638,685	428,660
<b>Total Net Position</b>	<b>5,224,546</b>	<b>4,954,013</b>	<b>154,731</b>	<b>136,379</b>	<b>5,679,277</b>	<b>5,090,392</b>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b>\$ 14,055,721</b>	<b>\$ 12,891,228</b>	<b>\$ 325,590</b>	<b>\$ 295,779</b>	<b>\$ 14,358,547</b>	<b>\$ 13,164,151</b>

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
<b>Operating Revenues:</b>						
Student tuition and fees (net of scholarship allowances of \$179,071 and \$180,028, 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
<b>Total Operating Revenues</b>	<b>4,971,443</b>	<b>4,576,381</b>	<b>564,998</b>	<b>549,137</b>	<b>5,527,591</b>	<b>5,125,518</b>
<b>Operating Expenses:</b>						
<b>Educational and General:</b>						
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	351,001	7,138	6,425	381,753	358,326
<b>Total Operating Expenses</b>	<b>5,772,239</b>	<b>5,216,311</b>	<b>514,775</b>	<b>507,076</b>	<b>6,287,014</b>	<b>5,714,613</b>
<b>Net Operating Income (Loss)</b>	<b>(800,796)</b>	<b>(639,930)</b>	<b>50,223</b>	<b>42,061</b>	<b>(759,423)</b>	<b>(589,095)</b>
<b>Non-operating Revenues (Expenses):</b>						
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)	601,162	(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)	(6,951)
<b>Net Non-operating Revenue</b>	<b>1,216,121</b>	<b>591,152</b>	<b>(31,871)</b>	<b>(10,329)</b>	<b>1,193,100</b>	<b>575,838</b>
<b>Income (Loss) before Other Changes in Net Position</b>	<b>415,325</b>	<b>(48,778)</b>	<b>18,352</b>	<b>31,732</b>	<b>433,677</b>	<b>(13,257)</b>
<b>Other Changes in Net Position</b>						
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	-
<b>Total Other Changes in Net Position</b>	<b>155,208</b>	<b>111,340</b>	<b>-</b>	<b>3,789</b>	<b>155,208</b>	<b>111,340</b>
<b>Increase in Net Position</b>	<b>570,533</b>	<b>62,562</b>	<b>18,352</b>	<b>35,521</b>	<b>588,885</b>	<b>98,083</b>
<b>Net Position - Beginning of Year</b>	<b>4,954,013</b>	<b>4,891,451</b>	<b>136,379</b>	<b>100,858</b>	<b>5,090,392</b>	<b>4,992,309</b>
<b>Net Position - End of Year</b>	<b>\$ 5,524,546</b>	<b>\$ 4,954,013</b>	<b>\$ 154,731</b>	<b>\$ 136,379</b>	<b>\$ 5,679,277</b>	<b>\$ 5,090,392</b>

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
<b>Cash Flows from Operating Activities:</b>						
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)
<b>Cash Flows from Noncapital Financing Activities:</b>						
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	(4,845)	(4,412)	-	-	(4,845)	(4,412)
Other receipts (payments)	9,118	795	(17,169)	2,995	799	(4,984)
Net cash provided (used) by noncapital financing activities	787,966	752,926	(17,169)	2,995	779,667	747,147
<b>Cash Flows from Capital Financing Activities:</b>						
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)
<b>Cash Flows from Investing Activities:</b>						
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)
<b>Net Increase (Decrease) in Cash</b>	(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
<b>Reconciliation of Net Operating Loss (Income) to Net Cash Used by Operating Activities:</b>						
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	36,851
<b>Net cash provided (used) by operating activities</b>	<b>\$ (100,589)</b>	<b>\$ (174,888)</b>	<b>\$ 67,876</b>	<b>\$ 58,575</b>	<b>\$ (41,563)</b>	<b>\$ (107,539)</b>
<b>Non Cash Transactions:</b>						
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)

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**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)

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- 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)

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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)

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- **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)

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### 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)

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### **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)

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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)

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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)

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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)

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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)

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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)

<b>Asset Class</b>	<b>Range</b>	<b>Benchmark</b>
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-united 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:

	<b>Primary Institution</b>	
	<b>2017</b>	<b>2016</b>
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	\$ 6,058,727	\$ 5,285,976

**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				Total
	Temporary	Long-Term	Other	Securities	
	Investments	Investment Pool	Long-Term Investments	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)
	\$ 1,645,681	\$ 4,253,459	\$ 143,638	\$ 15,949	\$ 6,058,727

**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				
	Temporary Investments	Long-Term Investment Pool	Other		Total
			Long-Term Investments	Securities Lending Collateral Investments	
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
	<u>\$ 1,508,854</u>	<u>\$ 3,616,562</u>	<u>\$ 132,971</u>	<u>\$ 27,589</u>	<u>\$ 5,285,976</u>

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)
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)

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### 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					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	\$ 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				
	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	\$ 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>\$ 5,106,799</u>
Securities not leveled in investment portfolio:					
Cash	\$ 179,177	\$ -	\$ -	\$ -	\$ 179,177

## 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	Remaining	Redemption Notice Period	Redemption Restrictions
		Commitments	Life		
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:

	<b>Primary Institution</b>				
	<b>Fair Value</b>	<b>Investment Maturities (in years)</b>			
		<b>Less than 1</b>	<b>1 to 5</b>	<b>6 to 10</b>	<b>More than 10</b>
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	-	-	-
<b>Total</b>	<b>\$ 1,953,386</b>	<b>\$ 804,508</b>	<b>\$ 904,038</b>	<b>\$ 127,430</b>	<b>\$ 117,410</b>

The maturities of the university's interest-bearing investments for the primary institution at June 30, 2016 are as follows:

	<b>Primary Institution</b>				
	<b>Fair Value</b>	<b>Investment Maturities (in years)</b>			
		<b>Less than 1</b>	<b>1 to 5</b>	<b>6 to 10</b>	<b>More than 10</b>
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	-	-	-
<b>Total</b>	<b>\$ 1,468,434</b>	<b>\$ 376,544</b>	<b>\$ 934,247</b>	<b>\$ 78,093</b>	<b>\$ 79,550</b>

**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	367,683	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	12,774	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	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 1,953,386</b>	<b>\$ 153,616</b>	<b>\$ 820,848</b>	<b>\$ 452,142</b>	<b>\$ 341,993</b>	<b>\$ 21,440</b>	<b>\$ 5,868</b>	<b>\$ 1,272</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 156,207</b>

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	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 1,468,434</b>	<b>\$ 129,235</b>	<b>\$ 524,925</b>	<b>\$ 392,898</b>	<b>\$ 305,391</b>	<b>\$ 23,128</b>	<b>\$ 9,598</b>	<b>\$ 239</b>	<b>\$ -</b>	<b>\$ 1,320</b>	<b>\$ -</b>	<b>\$ 81,700</b>

**Notes to Financial Statements – Years Ended June 30, 2017 and 2016**

(dollars in thousands)

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**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 bhat	-	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 Stock	Equity Mutual Funds	Bond Mutual Funds	Corporate Bonds and Notes	Foreign Government Bonds	Partnerships 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)

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### 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		Ending	
	Balance	Additions	Retirements	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)

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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
<b>Notes:</b>					
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
<b>General Receipts Bonds - Fixed Rate:</b>					
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
<b>Special Purpose General Receipts Bonds - Fixed Rate:</b>					
2013A, due 2043	337,955	-	-	337,955	-
<b>General Receipts Bonds - Variable Rate:</b>					
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
<b>Capital Lease Obligations</b>	4,547	6,430	2,429	8,548	1,891
	3,279,095	6,430	79,528	3,205,997	651,984
<b>Unamortized Bond Premiums</b>	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 Balance	Additions	Reductions	Ending Balance	Current Portion
<b>Notes:</b>					
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
<b>General Receipts Bonds - Fixed Rate:</b>					
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
<b>Special Purpose General Receipts Bonds - Fixed Rate:</b>					
2013A, due 2043	337,955	-	-	337,955	-
<b>General Receipts Bonds - Variable Rate:</b>					
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
<b>Capital Lease Obligations</b>	6,389	-	1,842	4,547	1,709
	2,743,351	630,875	95,131	3,279,095	658,418
<b>Unamortized Bond Premiums</b>	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 Balance	Additions	Reductions	Ending Balance	Current Portion
<b>Notes:</b>					
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	-
<b>Capital Lease Obligations</b>	-	-	-	-	-
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
<b>Notes:</b>					
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	-
<b>Capital Lease Obligations</b>	5	-	5	-	-
Total outstanding debt	\$ 16,369	\$ -	\$ 823	\$ 15,546	\$ 811

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
	\$ 3,205,997	\$ 4,523,121	\$ 7,729,118

**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:

	<b>Discretely Presented Component Units</b>		
	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)

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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	Discretely Presented
	Institution	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	\$ 3,350,729	\$ 1,925,786	\$ 121,109	\$ 374,615	\$ 5,772,239

**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](http://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.shtm#CAFR](http://www.opers.org/financial/reports.shtm#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
<b>Deferred Outflows of Resources:</b>			
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
<b>Total</b>	<b>\$ 257,709</b>	<b>\$ 733,850</b>	<b>\$ 991,559</b>
<b>Deferred Inflows of Resources:</b>			
Differences between expected and actual experience	\$ -	\$ 16,279	\$ 16,279
Changes in proportion of university contributions	-	63	63
<b>Total</b>	<b>\$ -</b>	<b>\$ 16,342</b>	<b>\$ 16,342</b>

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
<b>Deferred Outflows of Resources:</b>			
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
<b>Total</b>	<b>\$ 124,354</b>	<b>\$ 551,355</b>	<b>\$ 675,709</b>
<b>Deferred Inflows of Resources:</b>			
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
<b>Total</b>	<b>\$ 89,069</b>	<b>\$ 33,300</b>	<b>\$ 122,369</b>

**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)
<b>Total</b>	<b>\$ 257,709</b>	<b>\$ 717,508</b>	<b>\$ 975,217</b>

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)

	<b>STRS-Ohio</b>	<b>OPERS</b>
<b>Statutory Authority</b>	Ohio Revised Code Chapter 3307	Ohio Revised Code Chapter 145
<b>Benefit Formula</b>	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.
<b>Cost-of-Living Adjustments</b>	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)

	<b>STRS-Ohio</b>	<b>OPERS</b>
<b>Contribution Rates</b>	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).
<b>Measurement Date</b>	June 30, 2016	December 31, 2016
<b>Actuarial Assumptions</b>	<p><b>Valuation Date:</b> July 1, 2016  <b>Actuarial Cost Method:</b> Individual entry age  <b>Investment Rate of Return:</b> 7.75%  <b>Inflation:</b> 2.75%  <b>Projected Salary Increases:</b> 2.75% - 12.25%  <b>Cost-of-Living Adjustments:</b> 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.</p>	<p><b>Valuation Date:</b> December 31, 2016  <b>Actuarial Cost Method:</b> Individual entry age  <b>Investment Rate of Return:</b> 7.5%  <b>Inflation:</b> 3.25%  <b>Projected Salary Increases:</b> 3.25% - 10.75%  <b>Cost-of-Living Adjustments:</b> 3.00% Simple – for those retiring after January 7, 2013, 3.00% Simple through 2018, then 2.15% Simple.</p>

**Notes to Financial Statements – Years Ended June 30, 2017 and 2016**  
(dollars in thousands)

	<b>STRS-Ohio</b>	<b>OPERS</b>
<b>Mortality Rates</b>	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.
<b>Date of Last Experience Study</b>	July 1, 2012	December 31, 2015

**Notes to Financial Statements – Years Ended June 30, 2017 and 2016**  
(dollars in thousands)

	<b>STRS-Ohio</b>	<b>OPERS</b>																																																
<b>Investment Return Assumptions</b>	<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 border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Asset Class</th> <th style="text-align: center;">Target Allocation</th> <th style="text-align: center;">Long Term Expected Return*</th> </tr> </thead> <tbody> <tr> <td>Domestic Equity</td> <td style="text-align: center;">31.0%</td> <td style="text-align: center;">8.00%</td> </tr> <tr> <td>International Equity</td> <td style="text-align: center;">26.0%</td> <td style="text-align: center;">7.85%</td> </tr> <tr> <td>Alternatives</td> <td style="text-align: center;">14.0%</td> <td style="text-align: center;">8.00%</td> </tr> <tr> <td>Fixed Income</td> <td style="text-align: center;">18.0%</td> <td style="text-align: center;">3.75%</td> </tr> <tr> <td>Real Estate</td> <td style="text-align: center;">10.0%</td> <td style="text-align: center;">6.75%</td> </tr> <tr> <td>Liquidity Reserves</td> <td style="text-align: center;">1.0%</td> <td style="text-align: center;">3.00%</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: center;"><b>100%</b></td> <td></td> </tr> </tbody> </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%	<b>Total</b>	<b>100%</b>		<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 border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Asset Class</th> <th style="text-align: center;">Target Allocation</th> <th style="text-align: center;">Long Term Expected Return*</th> </tr> </thead> <tbody> <tr> <td>Fixed Income</td> <td style="text-align: center;">23.0%</td> <td style="text-align: center;">2.75%</td> </tr> <tr> <td>Domestic Equity</td> <td style="text-align: center;">20.7%</td> <td style="text-align: center;">6.34%</td> </tr> <tr> <td>Real Estate</td> <td style="text-align: center;">10.0%</td> <td style="text-align: center;">4.75%</td> </tr> <tr> <td>Private Equity</td> <td style="text-align: center;">10.0%</td> <td style="text-align: center;">8.97%</td> </tr> <tr> <td>International Equity</td> <td style="text-align: center;">18.3%</td> <td style="text-align: center;">7.95%</td> </tr> <tr> <td>Other Investments</td> <td style="text-align: center;">18.0%</td> <td style="text-align: center;">4.92%</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: center;"><b>100.0%</b></td> <td></td> </tr> </tbody> </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%	<b>Total</b>	<b>100.0%</b>	
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**Notes to Financial Statements – Years Ended June 30, 2017 and 2016**  
(dollars in thousands)

	<b>STRS-Ohio</b>	<b>OPERS</b>												
<b>Discount Rate</b>	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.												
<b>Sensitivity of Net Pension Liability to Changes in Discount Rate</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">1% Decrease (6.75%)</th> <th style="text-align: center;">Current Rate (7.75%)</th> <th style="text-align: center;">1% Increase (8.75%)</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">\$ 2,007,749</td> <td style="text-align: right;">\$ 1,510,814</td> <td style="text-align: right;">\$ 1,091,620</td> </tr> </tbody> </table>	1% Decrease (6.75%)	Current Rate (7.75%)	1% Increase (8.75%)	\$ 2,007,749	\$ 1,510,814	\$ 1,091,620	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">1% Decrease (6.5%)</th> <th style="text-align: center;">Current Rate (7.5%)</th> <th style="text-align: center;">1% Increase (8.5%)</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">\$ 3,147,036</td> <td style="text-align: right;">\$ 2,054,548</td> <td style="text-align: right;">\$ 1,144,550</td> </tr> </tbody> </table>	1% Decrease (6.5%)	Current Rate (7.5%)	1% Increase (8.5%)	\$ 3,147,036	\$ 2,054,548	\$ 1,144,550
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**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	\$ 120,292	\$ 487,703	\$ 56,425	\$ 664,420

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	<b>\$ 77,981</b>	<b>\$ 278,490</b>	<b>\$ 53,423</b>	<b>\$ 409,894</b>

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	<u>189,287</u>
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	Oval Limited
<b>Condensed statements of net position:</b>			
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
<b>Condensed statements of revenues, expenses and changes in net position:</b>			
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
<b>Condensed statements of cash flows:</b>			
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
<b>Condensed statements of net position:</b>			
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	<u>10,962</u>	<u>4,049</u>	<u>24,472</u>
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
<b>Condensed statements of revenues, expenses and changes in net position:</b>			
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	<u>1,846</u>	<u>12,138</u>	<u>759</u>
Operating expenses, excluding depreciation	22,531	11,581	152
Depreciation expense	247	-	-
Total operating expenses	<u>22,778</u>	<u>11,581</u>	<u>152</u>
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)	<u>144,296</u>	<u>-</u>	<u>502</u>
Capital contributions and additions to permanent endowments	75,415	-	-
Transfers from (to) the university	<u>(197,297)</u>	<u>-</u>	<u>-</u>
Change in net position	1,482	557	1,109
Beginning net position	878,281	3,492	23,363
Ending net position	<u>\$ 879,763</u>	<u>\$ 4,049</u>	<u>\$ 24,472</u>
<b>Condensed statements of cash flows:</b>			
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	<u>(21,536)</u>	<u>(31)</u>	<u>(12,295)</u>
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	<u>\$ 2,493</u>	<u>\$ 5,995</u>	<u>\$ 1,757</u>

**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	Dental Faculty Practice Plan
<b>Condensed statements of net position:</b>				
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
<b>Condensed statements of revenues, expenses and changes in net position:</b>				
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
<b>Total operating revenues</b>	<b>496,364</b>	<b>12,693</b>	<b>47,007</b>	<b>8,935</b>
Operating expenses, excluding depreciation				
Depreciation expense	444,362	10,779	46,417	6,079
<b>Total operating expenses</b>	<b>448,102</b>	<b>13,900</b>	<b>46,667</b>	<b>6,106</b>
<b>Net operating income (loss)</b>	<b>48,262</b>	<b>(1,207)</b>	<b>340</b>	<b>2,829</b>
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)
<b>Net non-operating revenue (expense)</b>	<b>(18,759)</b>	<b>(10,502)</b>	<b>102</b>	<b>(2,713)</b>
<b>Change in net position</b>	<b>29,503</b>	<b>(11,709)</b>	<b>442</b>	<b>116</b>
<b>Beginning net position</b>	<b>123,045</b>	<b>1,675</b>	<b>10,259</b>	<b>1,400</b>
<b>Ending net position</b>	<b>\$ 152,548</b>	<b>\$ (10,034)</b>	<b>\$ 10,701</b>	<b>\$ 1,516</b>
<b>Condensed statements of cash flows:</b>				
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)
<b>Net increase (decrease) in cash</b>	<b>35,929</b>	<b>1,374</b>	<b>1,416</b>	<b>7</b>
<b>Beginning cash and cash equivalents</b>	<b>79,695</b>	<b>5,975</b>	<b>937</b>	<b>394</b>
<b>Ending cash and cash equivalents</b>	<b>\$ 115,624</b>	<b>\$ 7,349</b>	<b>\$ 2,353</b>	<b>\$ 401</b>

**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
<b>Condensed statements of net position:</b>				
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	-
<b>Total assets and deferred outflows</b>	<b>\$ 176,320</b>	<b>\$ 103,972</b>	<b>\$ 14,073</b>	<b>\$ 1,413</b>
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	-
<b>Total liabilities and deferred inflows</b>	<b>53,275</b>	<b>102,297</b>	<b>3,814</b>	<b>13</b>
Net investment in capital assets	6,444	92,373	1,251	-
Restricted:				
Nonexpendable	-	-	-	-
Expendable	-	-	-	-
Unrestricted	116,601	(90,698)	9,008	1,400
<b>Total net position</b>	<b>123,045</b>	<b>1,675</b>	<b>10,259</b>	<b>1,400</b>
<b>Total liabilities, deferred inflows and net position</b>	<b>\$ 176,320</b>	<b>\$ 103,972</b>	<b>\$ 14,073</b>	<b>\$ 1,413</b>

**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
<b>Condensed statements of revenues, expenses and changes in net position:</b>				
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				
Depreciation expense	441,333	9,816	44,052	5,452
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
<b>Condensed statements of cash flows:</b>				
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)

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**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
<b>Condensed Statement of Net Position</b>		
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
<b>Condensed Statement of Revenues, Expenses and Changes in Net Position</b>		
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>

<b>Condensed Statement of Cash Flows</b>		
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)

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**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	
<b>Balance at June 30, 2016</b>	\$ 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)
<b>Balance at June 30, 2017</b>	<b>\$ 1,062,321</b>	<b>\$ 877,261</b>	<b>\$ 1,299,779</b>	<b>\$ 1,014,098</b>	<b>\$ 4,253,459</b>

**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](http://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](http://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

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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

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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

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The expiration date of each trustee's term is given in parentheses.

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J. Blake Thompson, Upper Arlington - Secretary



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](http://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](http://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](http://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](http://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](http://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](http://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](http://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](mailto: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.**

**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.

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.

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:

- **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.

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.

**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](http://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](http://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](http://go.osu.edu/cemp). See below for updates about other university assets and operations.

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

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

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

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

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

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

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

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

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

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

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

Yes. See below for updated information.

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

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

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

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

Affinity programs provide support for:

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

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

**Please identify partnerships and sponsorships in effect for FY2017:**

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

### **Administrative Practices**

#### **Recommendation 5 | Administrative cost reforms**

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

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

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

<p><b>Has the college/university produced a cost diagnostic? If yes, please provide an overview of the process used and the key outcomes.</b> Yes. See below for examples of how the university continues to build momentum based on that analysis.</p>
<p><b>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.</b></p>
<p><b>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.</b></p>
<p><b>If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.</b> 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](http://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 12<sup>th</sup> and our non-academic expenses per FTE student ranked 18<sup>th</sup> 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 24<sup>th</sup> 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](http://go.osu.edu/performanceaudit)). This ongoing work is focused on information technology, fleet management, procurement and shared services.

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

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

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

See below for updated information about other ongoing initiatives.

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

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

The university's cost diagnostic found that while the academic structure of the university had not significantly grown, there were opportunities to streamline nonacademic areas. This is one of the focuses of the 2020 Vision plan over the next five years.

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

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

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

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

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

Ohio State recommends the following approaches

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

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

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

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

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

**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.

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## 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.**

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

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.

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

**Please explain your efforts to develop digital tools and materials.**

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

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

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

See below for updated information about other initiatives.

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

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

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

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

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

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

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

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

### Recommendation 7 | Time to Degree

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

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

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

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

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

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

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

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

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

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

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

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

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

Yes.

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

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

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

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

Yes. See below for updated information.

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

**If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.** Ohio State is utilizing data-driven advising through a partnership of EAB's Student Success Collaborative. Expanded use of predictive analytics will help to ensure that students stay enrolled, make suitable progress toward a degree, and graduate in a time consistent with their goals.

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

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

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

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

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

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

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

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

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

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

**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](http://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.

<b>Ohio State campus: Lima</b> <b>Co-located Campus: Rhodes State College (Lima)</b> <b>Estimated total cost savings from shared services: \$1.05 million</b>	
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. ➤ <b>Estimated savings to university: \$551,500</b>
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. ➤ <b>Estimated savings to university: \$185,000</b>
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. ➤ <b>Estimated savings to university: \$159,000</b>
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.

	➤ <b>Estimated savings to university: \$155,800</b>
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. ➤ <b>Estimated savings to university: \$793,900</b>
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. ➤ <b>Estimated savings to university: \$128,850</b>
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. ➤ <b>Estimated savings to university: \$159,100</b>
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. ➤ <b>Estimated savings to university: \$58,800</b>

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

**Ohio State campus: Marion**

**Co-located Campus: Marion Technical College**

**Estimated total cost savings from shared services: \$1.29 million**

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

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. ➤ <b>Estimated savings to university: \$61,000</b>
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. ➤ <b>Estimated savings to university: \$4,000</b>
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. ➤ <b>Estimated savings to university: \$87,000</b>
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. ➤ <b>Estimated savings to university: \$6,000</b>
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.

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

<p>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)</p>	<p>Cost sharing for these services is done on a headcount method of calculation. ➤ <b>Estimated savings to university: \$72,799</b></p>
<p>Institutional Support (includes executive office, office of development, business and finance office, human resources, purchasing, bursar, accounting, technology services, marketing and public relations, performing arts, staff development committee, welcome center, services center, telecommunications, and telephone services)</p>	<p>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. ➤ <b>Estimated savings to university: \$157,318</b></p>
<p>Physical Facilities Operations (includes facility operations, grounds, building maintenance, custodial, public safety administration, and utilities)</p>	<p>Cost sharing for all of these services is done on a full time equivalent (FTE) method of calculation. ➤ <b>Estimated savings to university: \$655,067</b></p>
<p>General Overhead (includes capital equipment)</p>	<p>Cost sharing is done on a full time equivalent (FTE) method of calculation. ➤ <b>Estimated savings to university: \$262,500</b></p>
<p>Approach and process to sharing services with the co-located campus.</p>	<p>In accordance with state policy and by mutual accord, the University and the co-located institution share resources and connect programs to benefit the students of both institutions. This collaboration allows for multiple pathways for student education, reducing unnecessary duplication of services, and promotes the effective use of state fiscal, physical, and personnel resources. The University and co-located institution have formal collaboration agreements and partner wherever possible with the goal of heightening academic quality, operational transparency, and economic efficiency.</p>

### 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.

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

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

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

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

Recommendation	If applicable, provide the actual FY17 cost savings, or expected annual cost savings, to the institution and/or student. Please specify. <small>*Put NA if no savings</small>
<b><i>Efficiency Practices</i></b>	
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)
<b><i>Academic Practices and Policies</i></b>	
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
<b>Total Expected Annual Cost Savings:</b>	<b>\$1.2 billion</b> (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"> <li>\$2.4 million in savings from summer tuition discount</li> <li>\$1 million in Affordable Learning Exchange projects</li> </ul>
Student financial aid	\$23.9 million	<ul style="list-style-type: none"> <li>\$20 million in FY17 President's Affordability Grants</li> <li>\$3.9 million distributed in parking endowment scholarships</li> <li>\$40,000 distributed in NIKE non-athletic scholarships</li> </ul> <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"> <li>\$100,000 from Coca-Cola to support Scarlet and Gray financial counseling</li> </ul> <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"> <li>\$448,000 distributed from NIKE endowment to support University Institute for Teaching and Learning</li> </ul> <p>This does not include new endowments to be established in FY18 to support new faculty positions and other support</p>
<b>Total of calculated savings</b>	<b>\$27.9 million</b>	

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.



**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.



**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.

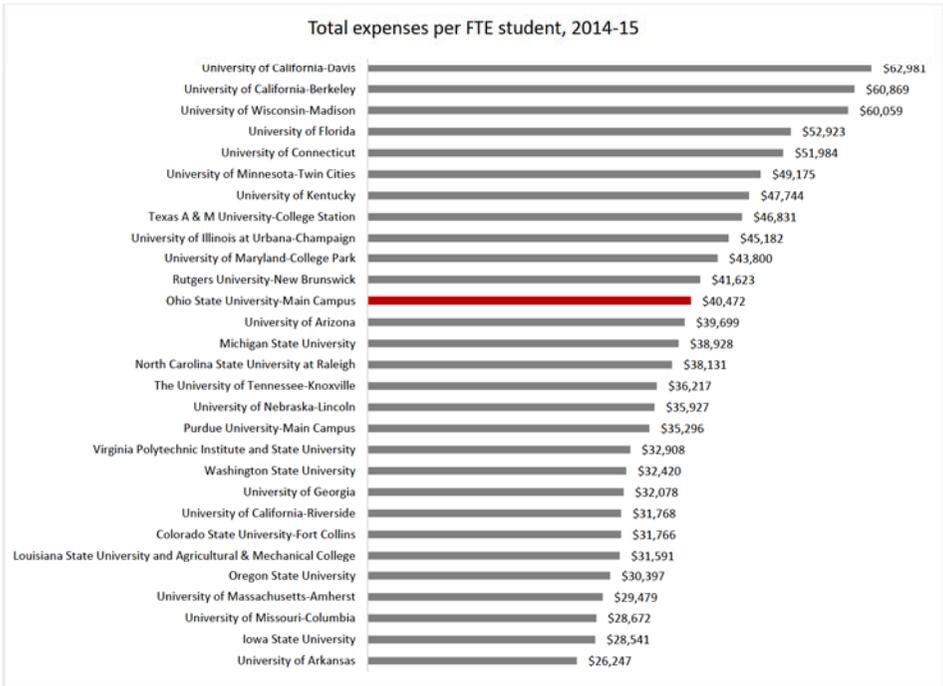


**Operational Excellence and Resource Stewardship**

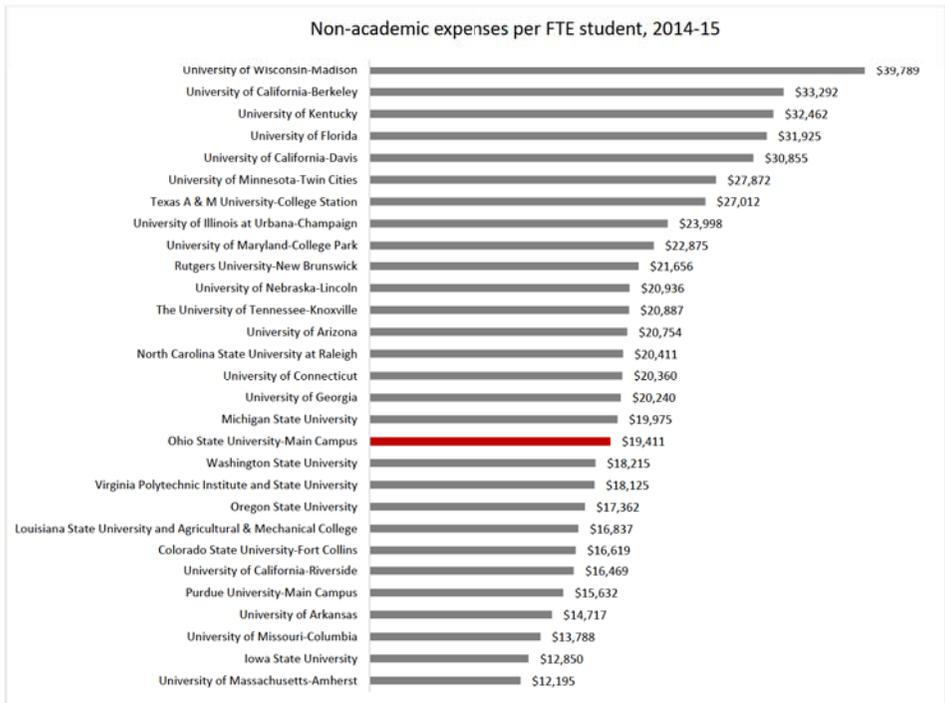
Ohio State will be an exemplar of best practices in resource stewardship, operational effectiveness, and efficiency and innovation.

To learn more about the strategic plan, visit: [go.osu.edu/strategicplan](http://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 [!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

Appendix 3: Articulation agreements with Ohio State

**The Ohio State University**

<b>Community college</b>	<b>community college degree/program</b>	<b>&gt;</b>	<b>4-year university degree/program</b>	<b>Pathway Type [I:F: 2+2 or 3+1]</b>
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 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

Appendix 3: Articulation agreements with Ohio State

**The Ohio State University**

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

Appendix 3: Articulation agreements with Ohio State

**The Ohio State University**

<b>Community college</b>	<b>community college degree/program</b>	<b>4-year university degree/program</b>	<b>Pathway Type [I:F: 2+2 or 3+1]</b>
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

Appendix 3: Articulation agreements with Ohio State

**The Ohio State University**

<b>Community college</b>	<b>community college degree/program</b>		<b>4-year university degree/program</b>	<b>Pathway Type [I:F: 2+2 or 3+1]</b>
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 FY18-FY20 to generate a total of at least \$400 million to be devoted to access, affordability and excellence. At least \$100 million of that total will be spent on student scholarships. Savings generated through the 2020 Vision plan are incremental to other cost-savings and resource-generation activities. The following chart aligns specifically with the 2020 Vision.

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

Category	Recommendation	Component	Description	FY 2016	FY 2017	FY 2018 (Estimate)	FY 2019 (Estimate)	FY 2020 (Estimate)	Subtotal	Budget Narrative/Explanation of Efficiency Savings \$\$ (attach additional sheets if necessary)	
Efficiency Savings	3A	Compass contracts	Requires employees to use existing contracts for purchasing goods and services.			750	1,260,000	1,260,000	\$ 3,270,000	Savings to date include negotiations for office supplies and copier/printer services that have been realigned to student scholarships.	
	3B	Collaborative contracts	Pursue new and/or strengthened joint purchasing agreements.	\$ 2,580,000	\$ -				\$ 2,580,000		
	4B	Operations review	Conduct an assessment of non-academic operations that might be run more effectively by a regional corporation, private operator or other entity.								
	5A	Cost diagnostic	Identify key drivers of costs and rework across the university.	\$ 26,754,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 33,242,000	\$ 150,000,000	The university has a comprehensive administrative efficiency program that includes recurring savings through a 5% reduction in administrative units, enhancement of shared services, employee benefits, technology and other factors.	
	5C	Organizational structure	Review organizational structure in line with best practices to identify opportunities to streamline and reduce costs.								
Subtotal Efficiency Savings				\$ 29,334,000	\$ 30,000,000	\$ 30,750,000	\$ 31,260,000	\$ 34,502,000	\$ 180,000,000		
New Resource Generation	4A	Asset review	Conduct an assessment of non-core assets to determine their market value if sold, based on alternative repurposed.	\$ -	\$ -	\$ 1,000,000,000	750	750	\$ 1,002,500,000	The Comprehensive Energy Management Project was approved in FY17, and the partnership became effective in FY18.	
	4C	Affinity partnerships and sponsorships	Open determining assets and operations that are to be retained, evaluate opportunities for affinity relationships and sponsorships.	\$ 31,360,000	750	750	750	750	\$ 33,640,000	The first contract extension includes benefits for students through scholarships, internships, support for other programs and funding that the university has received to support the university institute for Teaching and Learning.	
	Subtotal New Resource Generation				\$ 31,360,000	\$ 750	\$ 1,001,500,000	750	750	\$ 1,037,340,000	
<b>TOTAL OF COMBINED INSTITUTIONAL OPPORTUNITIES FOR ENHANCED STUDENT AFFORDABILITY</b>				\$ 60,694,000	\$ 30,750,000	\$ 1,333,000,000	750	750	\$ 1,375,340,000		

**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 last page report

**SIGNIFICANT CHANGES IN 5-YEAR GOALS FROM FY16 SUBMISSION TO FY17 SUBMISSIONS:** Please use the area below to describe, in detail, significant deviations to your institution's 5-year goals from the FY16 submission to the FY17 submission, if applicable.

**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)

**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

**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
<b>Ohio resident tuition and mandatory fees</b>	<b>\$5,018.40</b>	<b>\$3,747.50</b>
Non-resident surcharge	\$9,552.00	\$7,164.00
<b>U.S. non-resident tuition and mandatory fees</b>	<b>\$14,570.40</b>	<b>10,911.50</b>

**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
<b>Ohio resident tuition and mandatory fees</b>	<b>\$5,295.70</b>	<b>\$3,953.60</b>
Non-resident surcharge	\$9,552.00	\$7,164.00
<b>U.S. non-resident tuition and mandatory fees</b>	<b>\$14,847.70</b>	<b>\$11,117.60</b>

\* 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.

**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 percent. 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 also 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 FY2019.

**RECOMMENDATION:**

For Football Tickets:

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

For 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.

<b>Football Ticket Pricing - 2018 Season (FY2019)</b>				
Opponent	Reserved	Box/Club	Faculty / Staff	Student
Oregon State	\$ 99	\$ 124		
Rutgers	\$ 80	\$ 105		
Tulane	\$ 67	\$ 92		
Indiana	\$ 90	\$ 115		
Minnesota	\$ 96	\$ 121		
Nebraska	\$ 120	\$ 145		
Michigan	\$ 197	\$ 222		
Season Ticket	\$ 639	\$ 789	\$ 601	\$ 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.

<b>Golf Course Membership Dues and Green Fees - 2018 Calendar Year (FY2019)</b>					
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

## **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").<sup>1</sup>

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

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<sup>1</sup> 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.