

THE UNIVERSITY OF AKRON



LUIS M. PROENZA
OFFICE OF THE PRESIDENT

January 13, 2012

Members of the University Community

I am pleased, Dear Colleagues . . .

. . . to forward for your information a summary of actions approved by The University of Akron's Board of Trustees at its regular meeting on November 30, 2011.

Presentation to the Board

Stanley Silverman, dean of Summit College and University College, gave a presentation on the Akron Early College High School. Student Kadezja Johnson spoke about her experiences there.

Finance & Administration Committee

1. Personnel Actions

The personnel transactions approved by Trustees as amended are posted online at <http://www.uakron.edu/bot/docs/personnel-reports/Personnel-transactions-November2011.pdf>.

2. Amendment to The University of Akron Alternative 457(b) Deferred Compensation Plan

The Board authorized the administration to amend and restate the 457(b) Deferred Compensation Plan of The University of Akron as required by the IRS to bring it into compliance with the Heroes Earnings Assistance and Relief Tax Act of 2008; the Pension Protection Act of 2006; and the Worker, Retiree, and Employer Recovery Act of 2008. The Board also authorized an officer of the University to adopt future technical amendments to the 457(b) Deferred Compensation Plan without the necessity of further resolutions of the Board upon prior written notification by the Vice President and General Counsel to the President and Chief Financial Officer.

3. Approved Purchase for more than \$350,000

- An award to Highmark Insurance Group to renew the University's stop-loss coverage for the plan year 2012 in the amount of approximately \$1,135,000. The University had directed its employee benefit plan consultant, Towers Watson, to initiate a request for a renewal proposal from Highmark Insurance Group for plan year 2012. Both specific and aggregate stop-loss coverage are inclusive of combined medical and prescription drug claim costs. Following analysis of the HMIG proposal, the University in consultation with Towers Watson recommended accepting the HMIG proposal for specific and aggregate stop-loss. Annual premiums to provide specific medical and prescription drug stop-loss coverage of \$250,000 per individual, with an unlimited lifetime maximum per individual, are approximately \$1.1 million. Annual premiums to provide aggregate medical and prescription drug stop loss-coverage, with a 125-percent claims corridor and a \$1-million maximum aggregate annual benefit, are approximately \$35,000.

4. Cumulative Gift and Grant Income Report for October 2011

For July-October 2011, giving totaled \$25.3 million, 92 percent more than the \$13.2 million received in July-October 2010 and 133 percent more than the five-year average of \$10.9 million. The number of gifts decreased from 8,237 for October 2010 to 7,973 for this fiscal year to date.

Audit Committee

1. External Audit Results for the Period of July 1, 2010 through June 30, 2011

The University, The University of Akron Foundation and the University of Akron Research Foundation each received a clean opinion from the external auditors, Plante Moran.

2. SAS70 Audit Results for the Period May 1, 2010 through April 30, 2011

Since January 2010, the University is considered a service provider in that it provides certain IT hosting and management functions for Lorain County Community College. Those services necessitate the need for a SAS70 audit, which varies in scope and objective from an annual financial statement audit. External auditors from SS&G conducted the SAS70 audit and issued a clean opinion.

Academic Issues & Student Success Committee

1. Establishment of the Center for Surface Engineering and Lubrication Research in the College of Engineering

The Board approved the establishment of the Center for Surface Engineering and Lubrication Research, a joint venture between the University and Timken Company. Timken has agreed to accommodate most, if not all, of the center's experimental research requirements through the assets acquired through the Timken Engineering Surfaces Laboratory. The CSELR will produce graduates with industry-relevant experience in solving critical technological problems in tribology and corrosion, while attracting innovative industrial partners and opportunities for the University. This proposal was approved by the Faculty Senate Academic Policies Committee.

2. Graduation List and Statistics for Fall 2011

The list of candidates who were eligible to participate in the University's fall 2011 commencement ceremonies, pending completion of all degree requirements and fulfillment of all obligations to the University, was presented for approval. The total of 1,342 degrees to be conferred included 39 doctoral, 21 Juris Doctor, 330 master's and 952 undergraduate degrees.

3. Research Grants and Sponsored Programs Reports, July-October 2011

For July-October 2011, funding for externally funded research and other sponsored programs was \$38,120,499 for 195 projects. For July-October 2010, funding was \$13,511,053 for 163 projects. For July-October 2011, one new patent was issued, eight patent applications were filed, and 17 disclosures were submitted. For July-October 2010, four patents were issued, 12 patent applications were filed, and 39 disclosures were submitted.

Notes

1. President's Report

I began by welcoming two new colleagues—Chief Communication Officer Eileen Korey and Chief Marketing Officer Wayne Hill.

I told Trustees that there have been a number of essays, columns and editorials published in major media during the last month that question the value of a college degree. I referred to two such publications that had been distributed and said that I believe such assertions are misplaced because they are devoid of context.

I said that today's college is yesterday's high school, because the requirements for personal and national success have changed, just as they did during the industrial revolution when the nation made a concerted, national decision that six years of education no longer were enough for the nation's interests and that 12 years, or effectively education through age 18, were required. Our nation once again is at such a stage in its history, but, unfortunately, we seem unwilling to make that national commitment. Of course, there are many contributing factors that have led us as a nation to become somewhat complacent.

I then cited *Education Pays 2010*, a report issued by the College Board Advocacy & Policy Center, and said it indicates very clearly how, on a compensation basis, college is still not only a very good investment but produces positive returns both to individuals and to our society through many other factors. I showed a recent chart from the Wall Street Journal depicting unemployment rates and average lifetime compensation premium differentials by educational attainment over a period of time. It showed that those with the least education experience higher rates of unemployment than college graduates with at least a bachelor's degree. The lowest unemployment rates belong to those with the highest educational attainment. Further, while the gap has narrowed in some cases, the difference in lifetime earnings for those with high school completion only compared with obtaining a bachelor's degree is more than \$1 million, with higher yet comparative compensation for advanced degree holders. Even some college is shown to afford a significant value.

I told Board members that the 21st century is very different; its economy is described as “knowledge” or “conceptual,” which really does bring to bear why education is even more important.

I noted that OECD statistics show 41 percent of the U.S. population has attained a tertiary-level education, whereas other nations are well over 50 percent with many reaching 70 and 80 percent. The emergence of a global economy based on knowledge and innovation has raised the bar, which is why I maintain that today’s college is yesterday’s high school. An important question for future discussion is—what will the next generation of higher education look like? Clearly, this is now the entry level for going forward.

I then highlighted some recent activities:

- Ohio Governor John Kasich visited the University the previous week to learn more about its partnerships to commercialize technology, grow businesses and create jobs. University colleagues who participate in those partnerships and representatives from 12 University commercial business partners, including Timken, FirstEnergy, Parker Hannifin, Lubrizol and start-ups such as Segmint and Mega Joule Storage, Inc. spoke. Tom Stimson, vice president of business process advancement for Timken, told the governor, “The folks at The University of Akron understand the value creation proposition. They are the most flexible of any university.” Such positive rapport was echoed by representatives of the other companies, and Governor Kasich concluded, “This is exciting stuff we have here.”
- Chancellor Jim Petro has recognized Provost Mike Sherman by appointing him to the OhioLink Advisory Board and to the Regent’s Task Force on Commercialization. The latter topic will be the focus of the Board of Regent’s annual report on the condition of higher education.
- The University has been recognized in two new international rankings:
 - The 2011 Performance Ranking of Scientific Papers for World Universities by National Taiwan University included Akron twice, 96th in the chemical engineering division and 187th in mechanical engineering. These are significant recognitions as part of a process that recognizes the impact of our publications across the world.
 - Akron’s Part-Time MBA program is No. 1 in Northeast Ohio, according to Bloomberg Business Week, which also ranked the program 34th in the nation. Bloomberg’s rankings are based on a complex methodology that evaluates student satisfaction and effectiveness at adding value to careers. Comparability of lower cost per credit hour, the caliber of our students and, importantly, the high number of Akron MBA graduates who reported receiving a salary increase were noted.
- A beloved Akron holiday tradition, TubaChristmas!, would be marking its 32nd anniversary on December 17 with two performances at E. J. Thomas Performing Arts Hall. Professor of Music Tucker Jolly, who began this event in 1980, would direct the performances.

I concluded my report by wishing all very happy holidays and thanking Trustees for their service to the University.

2. Provost's Report

Dr. Sherman began by wishing everyone the best of holidays and a wonderful new year. He observed that it is appropriate at this time of year to recognize and be thankful for accomplishments and opportunities, and his comments would illustrate several of them.

Dr. Sherman said he was pleased to report that many of the University's academic programs have outstanding results in the areas of certification and licensure passage rates, and he noted the following statistics:

- Audiology has a passage rate of 98 percent.
- Speech-Language Pathology has a passage rate of 96 percent.
- Nursing has a passage rate of 94 percent, compared to the state average reported as 87 percent.
- Law has a passage rate of 89 percent, compared to the state passage rate of 87 percent.

Saying these results clearly illustrate the dedication of the faculty to the success of students in those programs, Dr. Sherman noted that he looks forward to reporting on additional academic successes with regard to such certification, licensure or similar accomplishments.

Convergence of the Buchtel College of Arts and Sciences and the College of Creative and Professional Arts

Dr. Sherman said that it had been anticipated the requirements to adopt bylaws and other governance documents to complete the convergence of the Buchtel College of Arts and Sciences and the College of Creative and Professional Arts would be done by the end of this fiscal year. He was pleased to report that, in fact, Dean Midha, his colleagues and the faculty of those two colleges had accomplished those requirements in record time—seven months ahead of schedule. Dr. Sherman also noted that, when 83 percent of the faculty participated in the previous week's vote, with 90 percent voting in favor of the merger. Dr. Sherman praised their remarkable resolve as a strong indication of the appropriateness and readiness for the transition. He thanked Dean Midha and the faculty of those colleges, as well as the Faculty Senate Executive Committee and Professor Sterns, who chairs that committee, for their guidance and support.

Academic Intervention for College-Ready Freshman and Sophomores

Dr. Sherman reported that approximately 5,500 freshmen and sophomores in the college-ready category were contacted by their respective colleges regarding problems with their academic progress. The deans of each college had been required to develop a strategy to ensure that such students, identified through the MAP-Works (Making Achievement Possible) program, would receive individual attention. Dr. Sherman said that, for six of the eight degree-granting colleges, at least 80 percent of those students now are enrolled for spring 2012, and he and his staff will work with the other two colleges to achieve similar results.

Recognition of Outstanding Faculty and Staff

Dr. Sherman said it is wonderful to recognize faculty and staff colleagues for outstanding service, and there is a rigorous process for nomination, review and selection for such distinction. He said that such awards are presented to the recipients by surprising them in their classrooms, faculty meetings or student gatherings to celebrate the fact that their colleagues have chosen to recognize

them. Dr. Sherman concluded his report by presenting a video profile of the most recent winners of the University's annual awards for outstanding teaching, research or service. They are Associate Professor of Anthropology and Classical Studies Carolyn Behrman, Professor of Finance Aigbe Akhigbe, Professor of Polymer Science Shi-Qing Wang, Associate Professor of English Lance Svehla, and General Manager of WZIP-FM Thomas Beck.

3. Next Regular Meeting

The Board's next regularly scheduled meeting will occur on Wednesday, January 18, 2012 in the Student Union, Board Room 339, with an executive session to begin at 8 a.m. and the public session to begin no earlier than 10 a.m.

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