

THE UNIVERSITY OF AKRON



LUIS M. PROENZA
OFFICE OF THE PRESIDENT

October 21, 2011

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 September 21, 2011.

Presentation to the Board

The presentation on Investing in Student Success: Transforming General Education was given by Dr. Linda Subich and Dr. Chand Midha. They provided an update on the work of the General Education Exploratory Committee, including a model for transformation, suggested outcomes and a timeline for discussion, revisions and adoption by fall 2013.

Finance & Administration Committee

1. Personnel Actions

The personnel transactions approved by Trustees as amended are posted online at <http://www.uakron.edu/president/docs/Personnel-transactions-September2011.pdf>.

2. Approved Purchases for more than \$350,000

- \$769,000 to Physical Electronics for a Versa Probe II X-ray Photoelectron Spectroscopy with accessories
- Total not to exceed \$2 million to (1) Dell Marketing, L.P. for Windows laptop computers, (2) CDW-G for Lenovo Windows tablet computers and (3) Apple Computer for Apple computer systems, for the laptop refresh initiative. Information Technology Services will use technology fees to fund the standard model laptop or tablet, insurance, refurbishment of collected computers and extended warranties. All upgrade costs for the high-end Apple laptop will be the responsibility of requesting departments. The collected 2007 laptops will be refurbished to be

used for three more years in replacing older technology across campus, increasing student access to laptops, creating loaner availability, and providing the technology for part-time faculty.

3. Lease Renewal for the Holmes County Higher Education Center

Since May 2002, Wayne College has maintained a lease with Eagle B Leasing Company, Ltd., for the second floor of a building at 88 East Jackson Street in Millersburg, which houses the Holmes County Higher Education Center. The existing lease for the 3,800-square-foot space expired on August 1, and Wayne College administrators recommended exercising a three-year renewal option ending on July 31, 2014. Eagle B Leasing Company agreed to the extension and prepared a Notice of Exercise of Option to Extend Lease with the only change in terms being an increase in the rent based on current Consumer Price Index data.

4. Cumulative Gift and Grant Income Report for July 2011

For July 2011, giving totaled \$1.4 million, 35 percent less than the \$2.1 million received for July 2010 and 24 percent less than the five-year average of \$1.8 million. The number of gifts decreased, from 1,254 for July 2010 to 1,071 gifts for this fiscal year to date.

5. Approval of the 2011 -2012 Wage Reopener Pursuant to the Collective Bargaining Agreement Between The University of Akron and The Fraternal Order of Police, Ohio Labor Council, Inc.

The tentative agreement for the 2011-2012 wage reopener provides for a three-percent across-the-board increase to the wage rates set forth in the 2011-2013 Collective Bargaining Agreement for July 1, 2011-June 30, 2012, as presented by the University's negotiating committee and containing all of the tentative agreements and memoranda of understanding reached between the respective negotiating committees of The University of Akron and The Fraternal Order of Police, Ohio Labor Council, Inc.

6. Approval of the 2011-2012 Wage Reopener Pursuant to the Collective Bargaining Agreement Between The University of Akron and the Communications Workers of America

The tentative agreement for the 2011-2012 wage reopener provides for a three-percent across-the-board increase to the wage rates set forth in the 2010-2012 Collective Bargaining Agreement for July 1, 2011-June 30, 2012 and an increase of \$5,000 for the Apprenticeship Training Program for 2011-2012, as presented by the University's negotiating committee and containing all of the tentative agreements and memoranda of understanding reached between the respective negotiating committees of The University of Akron and the Communications Workers of America, Local 4302.

7. Expression of Appreciation to Public Affairs and Development

Noting that the University received donations totaling \$46,719,616 during the 2010-2011 fiscal year, setting a new annual fund-raising record for the fourth time in the past five years, the Board expressed its great appreciation to Vice President LaGuardia and the other dedicated members of the Division of Public Affairs and Development for the diligence they have shown in obtaining outstanding support for the mission and the students of the University.

8. Quarterly Financial Report for the Year Ended June 30, 2011

Annual total revenues exceeded the budget estimate for FY11 by \$5.4 million. Tuition and fee revenues were greater than budgeted by \$2.3 million as enrollment exceeded the anticipated growth. State Share of Instruction was \$0.9 million less than budget.

Revenues from Departmental Sales and Services operations exceeded the FY11 budget by \$3.7 million, largely in Computer Solutions and the English Language Institute. In aggregate, the auxiliaries operated in line with budget. The net operating surpluses generated just over \$55,000.

Total expenditures were below the budget estimate for FY11 by \$3.1 million, after transferring \$8.7 million in health insurance under-spending to a new reserve fund. The expenditure amount also included \$6 million that was placed in Reserves at the end of the fiscal year.

Academic Issues & Student Success Committee

1. Research Grants and Sponsored Programs Reports, July 2010-June 2011 (correction) and July-August 2011

Annual combined research and sponsored program awards for the University and its Research Foundation exceeded \$50 million for the first time in University history, setting a new record at \$50.9 million during 2010-2011. Federal awards for the year totaled \$15,786,610. That amount has been misstated in an earlier version of the report.

For July-August 2011, funding for externally funded research and other sponsored programs was \$15,871,914 for 120 projects. For July-August 2010, funding was \$7,935,955 for 102 projects. For July-August 2011, no patents were issued, one patent application was filed, and six disclosures were submitted. For July-August 2010, two patents were issued, six patent applications were filed, and six disclosures were submitted.

2. Expression of Appreciation to Faculty Researchers and UARF

In recognition of the new record levels of research funding achieved in 2010-2011, the high productivity of University researchers and a growing record of nationally recognized success in research, commercialization and technology transfer, the Board congratulated and thanked Dr. George Newkome, the University's faculty and all of those people involved with the University of Akron Research Foundation for their innovation, collaboration and many contributions to the region and the greater society. The complete resolution is posted online at [http://www.uakron.edu/president/docs/Resolution 9-11-11.pdf](http://www.uakron.edu/president/docs/Resolution%209-11-11.pdf)

Strategic Issues Committee

1. Naming the College of Health Professions

The name of the new health college will be the College of Health Professions, and it will include a School of Nursing as well as the extant schools of the College of Health Sciences and Human Services—the schools of Speech-Language Pathology and Audiology, Family and Consumer Sciences, and Social Work.

Rules Committee

1. O.A.C. 3359-1-02, Officers of the Board and Their Duties

The revision to this Rule was proposed to allow the option for written minutes of committee meetings, when available, to constitute the complete record of minutes without the necessity of retaining the record.

2. O.A.C. 3359-1-03, Committees of the Board

The revisions to this Rule reflect the reconfiguration plan of the committees of the Board that was approved by the Board of Trustees at its June 15, 2011, meeting. In addition, the quorum provision is revised to match the proposed language for Rule 3359-1-04, and the “Internal Auditor” title is revised to reflect more current terminology and changes in reporting lines.

3. O.A.C. 3359-1-04, Meetings of the Board

The revisions to this Rule formally establish how a quorum shall be determined for various committee and Board meetings.

4. O.A.C. 3359-3-01, Officers of Finance and Administration

Section (J) pertaining to the Internal Auditor is being removed from this Rule, as that position now reports to the Senior Vice President and Provost and Chief Operating Officer.

5. O.A.C. 3359-7-02, Office of University Internal Audit

The revisions to this Rule reflect more current terminology for the “Internal Auditor” title and reflect changes in reporting lines.

New Business

1. Pertaining to Dr. Luis M. Proenza

Acknowledging Dr. Proenza’s accomplishments, particularly in 2010, the Board awarded “a justly earned salary increase” to the president and established the Luis and Theresa Proenza Endowed Scholarship Fund with initial funding of \$100,000 to reflect the Proenzas’ contributions and ongoing commitment to student success at The University of Akron.

Notes

1. President's Report

After welcoming Roland H. Bauer back to the Board as a Trustee, I began my report by mentioning the transformation of various industries in response to the inexorable press of innovation and competition, including well-documented examples such as the contraction of the newspaper industry, continuing upheavals in the music and video industries, and turbulence being created within the publishing industry by the rise of electronic books. I said that the Board members likely could relate similar tales of what Joseph Schumpeter has called “creative destruction” at work

within their own businesses or professions.

We clearly are in a period of historic transformation, which was described by one colleague as “moving from the knowledge economy to the conceptual economy.” Whatever one’s interpretation, things are happening as we begin the 21st century, and there can be little doubt that these same forces of change will reach health care as well as higher education.

I told Trustees that the “eds and meds,” as the business press refers to health care and education, seem to have somehow avoided meaningful restructuring such as creating economies of scale and major re-engineering, perhaps because the public continues to be willing to pay whatever the going price is for either of those.

Concerning health care, I quoted Mohandas Gandhi, “It is health that is real wealth and not pieces of gold and silver,” adding that we willingly hand over whatever payment is required, and will borrow more if need be, to preserve our health and extend our lives. Similarly, most individuals recognize education’s value as a long-term investment that pays dividends throughout one’s life. I cited a September 2011 study by the Organization of Economic Cooperation and Development that reported people with university degrees have suffered far fewer job losses during the global economic crisis than those who left school without qualifications. Our own economy reflects how unemployment rates drop significantly corresponding to levels of educational attainment.

Education and health care are so fundamental to the common good that governments are expected to provide basic levels of support for both. It is generally understood that a healthy and educated populace produces a strong and growing economy, and it is perhaps paradoxical that we see public higher education being subjected to regressive cuts. I then quoted former president of Harvard University Derek Bok, who said, “If you think education is expensive, try ignorance.”

There are two fundamental drivers, economics and technology, that ratchet up the pressure for change to such a degree that even the “eds and meds” will not be able to withstand changes in the economy or in technology for long. I cited Eli Noam, professor of finance and economics at Columbia University, who wrote, “Technologies and economics, together with history and politics, give rise to a set of institutions. Change the technology and (or) economics, and the institutions must change eventually.”

I said that the rate cost increases in both industries cannot be sustained indefinitely or grow much further as a percentage of the Gross Domestic Product. Keep in mind that, regrettably for the United States, increased spending in both “eds and meds” areas seems to be yielding diminishing returns. BusinessWeek reported that the United States has the costliest health care system in the world, but our country did not even break into the top 10 of the Forbes latest annual list of healthiest nations.

Comparably, we spend more for education than even before; however, among the 34 nations studied by the OECD, the United States is below average in terms of graduation rates for both secondary and tertiary education. We are no longer, at least in proportion, the world’s most educated populace.

So where is our institution in all of this? I said that some of what we are doing has been shared with the Board in regard to utilizing technology and partnering. Certainly, we are seeing a great deal of the important initiatives come to bear on how The University of Akron is working to better address needs as well as the affordability and the effectiveness of what we do. The University has a history of being highly technologically competent, being one of the first institutions in Ohio to delivery

content through distance-learning technology through the Medina project begun some 12 to 15 years ago. Today, we are working with a variety of companies, including Pearson Publishing, to develop the tools that could enable us to become an integrator and assessor of knowledge. Other aspects of the Akron Model—the University of Akron Research Foundation, Austen BioInnovation Institute, University Park Alliance, Corrosion Engineering programs, and more—have come to characterize innovation in our University that are gaining the attention of many across the country and, in some cases, across the world.

I reported that, just in the last month, we have announced two unique partnerships with major manufacturing corporations that add to this portfolio of collaborations:

- The Triangle Group, China's largest tire maker, signed a joint research agreement with the University and will establish a research and development company at our Akron Innovation Campus.
- The Timken Company has partnered with the College of Engineering and the Research Foundation to in-source a research entity for one of their product lines to our new facility under construction on Wolf Ledges Parkway.

I told Trustees that the Timken agreement is particularly noteworthy because it is a new model for university/corporate collaboration and one that others are eager to explore for some of their partnerships.

I then shared some recent highlights, the first of which I had learned just the previous evening—The University of Akron was named winner of the 2010/2011 Mid-American Conference Institutional Academic Achievement Award. For that academic year, Akron posted an overall athletic grade point average of 3.14 based on 417 student-athletes in 18 sports. I congratulated Athletics Director Tom Wistrick and his organization, particularly Associate Athletics Director Ann Jorgensen and her team, who helped to make that success possible.

Turning to enrollment, I said that final state totals have been posted and, while present growth is not as fast as that seen in previous years, The University of Akron did very well compared to other institutions in this region.

I then invited Trustees to join me on the following afternoon for the ribbon-cutting ceremony and community open house at the new University of Akron Lakewood satellite site. I reported that the 11,000-square-foot center will employ distance-learning technology as well as traditional teaching methods to deliver general-education courses, nursing classes, specialized business elements, and emergency management and graduate education courses—and those are just the beginning. I pointed out that the collaboration with Lakewood, for which the University was sought out, has been several years in the making. I am delighted with the partnership and anticipate a long and productive relationship.

Finally, I called Trustees' attention to the landscaping underway on Coleman Common and the scaffolding surrounding Buchtel Hall. I told them that the work on Coleman Common is further development made possible by Kathy Coleman's generous funding, and that Buchtel Hall is receiving a much-needed facelift while remaining open.

2. Provost's Report

Provost Sherman began his report by listing activities last year that contributed to and helped to create the version of Vision 2020 that has been under discussion with various committees of the Board during the previous several meetings. He said that those activities also are contributing to this year's leadership agenda. Those activities will be accomplished in the near term, moving this institution forward and assuring an advanced success trajectory. He provided the following examples arranged by the three working groups he formed last year.

Integrated Planning and Talent Development Working Group

The activities of this group led to the budget that the Board reviewed and approved this past year. That budget was drafted according to the principles of fiscal integrity, excellence capacity assurance, and strategic investment. The activities of this group have led to discussions with the Board suggesting that pathways to success for our students are based upon their academic preparation and their academic ability. The work of the group developed the framework for conducting capacity analysis, which was shared with the Academic Issues & Student Success Committee, and for implementation of the plan, Assuring Excellence; Achieving Eminence: A Ten-Year Strategic Investment in Clusters of Innovation.

Student Success Working Group

This group initiated discussions that led to creating formally My Akron Experience, which should distinguish the University in the circles of higher education. The work of this group will form the basis for this year's evaluation and development of a global strategy, in consultation with the Board. Similarly, this group has initiated conversations in which the Board will be engaged this year related to the optimal positioning of Summit and University colleges.

Working Group for the Environment for Teaching, Learning and Research

This group oversaw assessments of the level of activity and efficiency for every working research laboratory on campus. The three deans involved now are working very closely to collaborate on the shared use of those laboratories to multi-college benefit. The work of this group set the stage for the University's engagement with Sasaki to renew and reevaluate the University Master Plan, which includes looking at programming and buildings to achieve more effective and efficient use of space that could contribute to our aspirations to increase our research expenditures.

Dr. Sherman said that he would be remiss if he did not mention another group with whom the President and he consult regularly. He said it is because of discussion, collaboration and consultation with the Faculty Senate and its executive committee that the convergence of the Buchtel College of Arts and Sciences with the College of Creative and Professional Arts will be achieved this year and the request to create the College of Health Professions was being proposed to the Board. He said the model of that relationship will be extended through University Council during the coming year, as well as through the process of reforming the University's general-education curriculum.

The provost concluded that the steps being taken would assure that the University has distinctive program offerings, as well as student, staff and faculty support and development with strong linkages to the community, all of which will help to advance the economy through innovation. He

added that these actions are relevant, productive and connected and are taken with the primary objective of student success, because student success is our success.

3. Next Regular Meeting

The Board's next regularly scheduled meeting will occur on Wednesday, October 26, 2011 in the Student Union, Board Room 339, with an executive session to begin at 7:30 a.m. and the public session to begin no earlier than 10 a.m.

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