

THE UNIVERSITY OF AKRON



LUIS M. PROENZA
OFFICE OF THE PRESIDENT

June 12, 2013

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 May 8, 2013.

Presentation to the Board

In a short video presentation titled Where Are You Going? ten May 2013 University baccalaureate candidates talked about their plans after graduation. Those plans included accepting positions with Google, Cisco Systems, NASA, Sikorsky Aircraft, Deloitte, Henry Schein Dental, Peace Corps and Tennessee National Guard, as well as pursuing advanced degrees at UC Berkley, The Ohio State University College of Medicine and The University of Akron School of Law.

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-May2013.pdf>.

2. Quarterly Financial Report, January-March 2013

The FY2013 year-to-date revenues and transfers-in exceeded expenditures and transfers-out by \$0.8 million (1.5 percent) relative to the budget projection. Total revenues, including transfers-in, were falling short of the budget estimate by \$3.9 million (1.1 percent); however, the shortfall was more than offset by total year-to-date expenditures, including transfers-out, being below the budget estimate by \$4.7 million (1.6 percent).

The year-to-date shortfall in tuition and fees was \$8.9 million (3.3 percent) relative to the original budget. Enrollment was trailing last year by roughly 3.5 percent, and the shortfall in tuition revenue was consistent with that. Other sources were \$0.4 million below estimate (2.6 percent) and likely to fall short of budget by roughly \$1 million for the fiscal year.

Overall, total expenditures were less than the year-to-date budget projections. Payroll was \$3.1 million above estimate; however, it was mostly offset by Fringe Benefits being \$2.6 million below estimate. Therefore, total Compensation was \$0.5 million (0.3 percent) over the year-to-date estimate, and it was anticipated that Compensation would be very close to budget for the fiscal year. It is important to note that the Payroll budget assumes a significant increase in vacant positions; however, much of the savings of vacant positions was offset by roughly \$4 million in temporary and visiting positions that would be funded by a carry-over balance allocated for Payroll.

Supplies & Services was \$10.9 million (26.2 percent) below estimate, due to significant under-spending in areas such as Computers and Peripherals, Maintenance Contracts and Instructional Supplies. It was partially offset by over-spending in the “Other” category. When combined, it was anticipated that there would be under-spending of at least \$5 million for the fiscal year in those two categories. Utilities expense was \$1.1 million (14.3 percent) below estimate, due to lower utilization of energy resulting from mild weather conditions and conservative budgeting. Under-spending of at least \$1 million in utilities for the year was projected. Student Aid was \$3.4 million (8.1 percent) above the year-to date estimate. Although enrollment declined from the prior year, the academic preparation of students in the incoming class was relatively stronger than prior years, driving up scholarship awards.

Year-to-date combined Auxiliary revenues were \$73.8 million, and combined expenditures were \$74.3 million. The actual negative variance of \$1.1 million differed from the projected negative variance of \$1.4 million. There was one significant variance from budget in Residence Life and Housing, which was negatively impacted by the enrollment decline.

3. Quarterly Investment Report, January-March 2013

The Quarterly Investment Report reflects a third quarter rate of return of 0.2 percent and an annual return of 1.5 percent for operating funds. Those investments generated \$1.8 million in income through the third quarter. The market value of endowments increased \$6.4 million through the third quarter of FY2013. The portfolio composite of the pooled endowments posted a 5.8 percent rate of return for the first quarter and a 10.4 percent return for the past 12 months.

4. Holiday Schedule 2013-2014 and Summer Hours 2013

The Board approved the following holiday schedule for the Fiscal Year 2014:

Thursday, July 4, 2013, Independence Day

Monday, September 2, 2013, Labor Day

Monday, November 11, 2013, Veterans’ Day (Staff holiday – classes held)

Thursday, November 28, 2013, Thanksgiving Day

Friday, November 29, 2013, in honor and in lieu of Columbus Day (Monday, October 14, 2013)

Tuesday, December 24, 2013, in honor and in lieu of Presidents’ Day (Monday, February 17, 2014)

Wednesday, December 25, 2013, Christmas Day

Wednesday, January 1, 2014, New Year's Day

Monday, January 20, 2014, Martin Luther King, Jr. Day

Monday, May 26, 2014, Memorial Day

Summer hours have been scheduled for May 13-August 23, 2013. The schedule includes an 8 a.m.-4:30 p.m. work day with a 30-minute lunch.

5. Cumulative Gift and Grant Income Report for July 2012- February 2013

The University of Akron recorded total giving of \$38,596,138 for July 2012-February 2013. That total compares to \$43,075,153 for July 2011-February 2012 (a decrease of 10 percent) and a year-to-date average of \$28,444,118 for the previous five years (an increase of 36 percent). During July 2012-February 2013, 15,751 gifts were received, as compared with 16,444 for the same period in the last fiscal year (a decrease of 4 percent).

6. Naming in Honor of Dr. William H. Beyer

Trustees approved a recommendation to acknowledge the gifts of Dr. and Mrs. William Beyer by naming a room in the Buchtel College of Arts and Sciences Building after Dr. Beyer. The Beyers are long-time members of the University family whose substantial donations have supported students studying education, mathematics and statistics. Dr. Beyer joined the University in 1961 as assistant professor of mathematics. He later served as department chair, 1969-1990; associate dean of Buchtel College of Arts and Sciences, 1990-1993; associate vice president for business and finance, 1993-1996; and interim vice president of that area in 1996. Dr. Beyer also coached the Zips tennis team in 1961-1967. He retired from the University in 1998 as professor emeritus of mathematical sciences and associate vice president for business and finance.

Academic Issues & Student Success Committee

1. Proposed Institute for Human Science and Culture

The Institute for Human Science and Culture was created as an interdisciplinary institute at the Center for the History of Psychology, as proposed by Faculty Senate on March 7, 2013 and recommended by Dr. Proenza. The Institute will include four components: (1) the Gallery for Human Science and Culture, which will exhibit materials that describe and interpret the human experience; (2) the Data Archives of the Human Sciences, a repository for research data and institutional records from fields related to human science and culture; (3) an Education and Outreach Program, which will design and implement an interdisciplinary certificate program in museum and archive studies, as well as educational public programming for people of all ages; and (4) a Conservation, Preservation and Digitization Laboratory, which will serve as a teaching, demonstration, research and treatment facility for special collections from the history of human science and culture.

The Institute will utilize existing facilities and does not require any additional funding or support. The Center for the History of Psychology will provide the necessary administrative support. The unique strengths, capacities and opportunities offered by the Institute will be fully leveraged in seeking funding support through grants and gifts.

2. Proposed Degree Recipients for Spring 2013

A tentative total of 3,020 degrees were proposed to be conferred in spring 2013 commencement ceremonies. The total included 46 doctoral, 133 Juris Doctor, 684 master's, 12 Master of Law, 1723 baccalaureate and 422 associate degrees.

3. Uniform Statewide Standards for Remediation-Free Status

The Board adopted the remediation-free standards established by Ohio's public college and university presidents in December 2012 and the related assessment requirements. The Board authorized the Office of Academic Affairs to develop policies and practices necessary to implement the standards and related requirements and directed the Secretary of the Board to file a rule codifying this action as required by Ohio Revised Code §3345.061(F).

4. Proposed Honorary Doctorates

The Office the Vice President of Public Affairs and Development proposed awarding four honorary doctoral degrees during commencement ceremonies on May 10-11, 2013 in recognition of outstanding service by four exemplary individuals. They are—Hon. Alice Moore Batchelder, Hon. William George Batchelder III, Mrs. Dorothy Mills Cummings and Dr. Nicholas A. Cummings.

5. Research Services and Sponsored Programs Summary of Activity Report

For July 2012-March 2013, funding for externally funded research and other sponsored programs totaled \$34,108,304 for 422 awards, as compared with \$49,194,335 for 358 awards for the previous year. For July 2012-March 2013, 15 new patents were issued, 29 patent applications were filed, and 54 disclosures were submitted—compared to 10, 27 and 44, respectively, for July 2012-March 2013.

Rules Committee

1. Revisions to Rule 3359-10-02, The University of Akron Bylaws of the Faculty Senate

The proposed revisions to this Rule were made to reflect current practices. The most substantive provision added a part-time faculty committee as a permanent committee of the Faculty Senate. The proposed revisions were approved by Faculty Senate on April 4, 2013.

2. Revisions to Rule 3359-20-03.5, Orientation of New Faculty Members

The proposed revisions to this Rule were made to reflect current practices and were approved by Faculty Senate on December 6, 2012.

3. Revisions to Rule 3359-20-05.1, Grading System, Discipline, Academic Probation and Dismissal

The proposed revisions to this Rule added an early intervention process for students making unsatisfactory academic performance. The proposed revisions were approved by Faculty Senate on April 4, 2013.

4. Revisions to Rule 3359-60-02, Undergraduate Admissions

This Rule would be rescinded and replaced, as more than 50 percent of the existing text would be stricken and new text would be added as the result of the HLC self-study process pertaining to student academic success. Faculty Senate approved the new language for the Rule on April 4, 2013.

5. Revisions to Rule 3359-20-06.1, Part-Time Faculty Appointments

The administration recommended a change to this Rule to clarify that all part-time faculty are employed on an at-will basis. The change appears on page 4 of this Rule.

New Business

1. 2013-2014 Board of Trustees Regular Meeting Schedule and Submission of Materials

The 2013-2014 regular meeting schedule for the Board of Trustees and its committees was approved as follows, with the understanding that additional committee meetings may be scheduled throughout the period:

COMMITTEE MEETINGS	BOARD OF TRUSTEES MEETINGS
Monday, July 29, 2013	Wednesday, August 7, 2013
Monday, October 7, 2013	Wednesday, October 16, 2013
Monday, December 2, 2013	Wednesday, December 11, 2013
Monday, January 27, 2014	Wednesday, February 5, 2014
Monday, April 7, 2014	Wednesday, April 23, 2014
Monday, June 2, 2014	Wednesday, June 11, 2014

The Secretary and Assistant Secretary of the Board were directed to prepare and implement for each regular Board meeting a schedule with deadlines for the submission of materials and information for Board meetings to the Board office so that each Trustee shall be able to receive such materials and information no less than seven days prior to each regular Board meeting. The Secretary and Assistant Secretary were directed to enforce such deadlines unless directed otherwise by the Board Chair.

2. ZipStart Enrollment Initiative

The administration proposed implementing the ZipStart Enrollment Initiative during the summer 2013 academic terms for eligible students, first time enrolled at the University for the fall 2013 academic term. ZipStart would continue to be available to eligible students each academic term to students admitted for the next academic term. The initiative enables eligible students to take one or two courses from the ZipStart menu of six general-education courses for flat-rate tuition of \$750 for one course or \$1,000 for two courses. The University also will waive the General Service Fee of \$34.32 per credit hour and all other University-imposed fees that otherwise would be associated with enrollment in the ZipStart courses.

Consistent with the requirements of §375.30.30 of Am. Sub. H.B. 119 of the 127th General Assembly, the University would seek prior approval from the Chancellor for the tuition discounts associated with ZipStart.

After two years, ZipStart will be evaluated by the University as to effectiveness and economic feasibility. The continuation of, or any changes to, ZipStart will be brought to the Board of Trustees for approval.

Notes

1. President's Report

I began my remarks by saying that I think higher education is so diverse and so complex that often general comments about what the industry is facing may or may not apply to a particular institution. With that complexity comes a lot of misunderstandings, as reflected in an older American Council of Education years study that concluded that higher education probably was the least-well-understood consumer service in the United States. It also follows that the criteria often used to act as proxies for excellence are a bit dubious because selectivity, for example, suggests nothing about an institution when those students are going to graduate no matter where they go.

I then referred to the first of several slides (see Slide 1 at section end), one that Mr. Cummins has shown often, the constant-dollar-adjusted state appropriations and tuition average in Ohio since 1986. I said that the line reflecting enrollment should be above the histogram because, to my knowledge, at no time in the last 20-some years has there ever been any full allocation by the state legislature of the dollars required by the formula. That would mean that, at least back to 1986, Ohio has been teaching far many more students for the dollars available both in tuition and in state appropriations than it seemed rational to do from national benchmarks. The Inter-University Council of Ohio has calculated that Ohio is teaching 40,000 more students for fewer dollars than it did 10 years ago.

We have come to understand that in Ohio, but the national picture is more complete and complex, I said, referring to slide 2 (see section end)—a chart that shows percent change in appropriations. It shows that Ohio received considerable decreases in state appropriations while increasing tuition but by significant fraction less than the national average, I said, noting that it seems incongruous in terms of what one typically hears within Ohio. The fact that there is a broad scattering across the illustration tells you that it is not the same here as everywhere else.

I spoke to a third slide (see Slide 3 at section end), which showed the average percentage changes of public university tuition by state between FY2008 and FY2013. I said the Board should notice that Ohio rose by smaller percentage over that period of time than only one other state—Maryland.

Slide 4 (see section end) showed average public university tuition for those same years in terms of actual dollars, I said and, even then, Ohio tuition is less than virtually every other state and more than only four other states. The wide variation in change puts Ohio in context.

My final slide (see Slide 5 at section end) showed the median tuition in 2008 and in 2013. Again, comparing all states, most states that have cut appropriations have increased tuition proportionally, except in those states like Ohio that have limited those increases. Ohio is placed just slightly above the median, tightly bunched with a group of states that are all clustering around the median. There are some significant outliers. New Hampshire and Vermont are classic because of their small population and tax bases, but California's tuition now has gone above Ohio. The difference between the lowest state, at about \$6,000, and the highest state, which is at about \$16,000, again shows the complexity that needs to be understood. There are all sorts of complexities that create this kind of misunderstanding when reported in terms of the average. If you add tuition and state appropriations

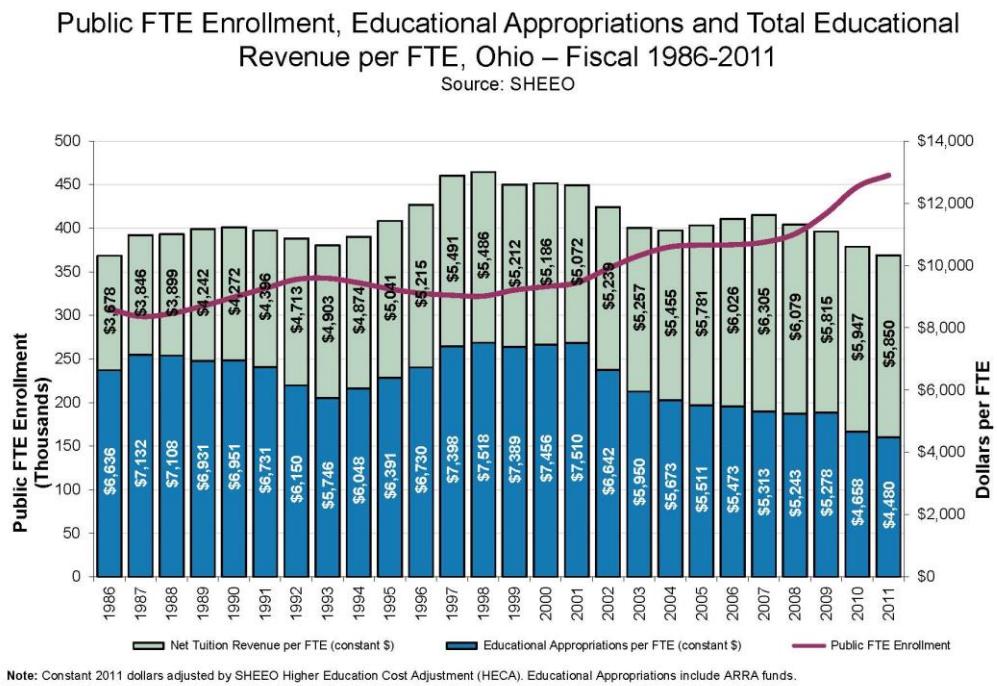
to calculate the net cost of providing an Ohio public higher education, it is below the national average and has been dropping relative to the national average for the past eight years or so.

I said the signal of a specific state or a specific institution is lost in the noise of the average, so you cannot say anything with certainty without understanding the details. Things are not as simple as they seem and certainly not as drastic as some legislators would have you believe.

I concluded by sharing several bits of information with Trustees:

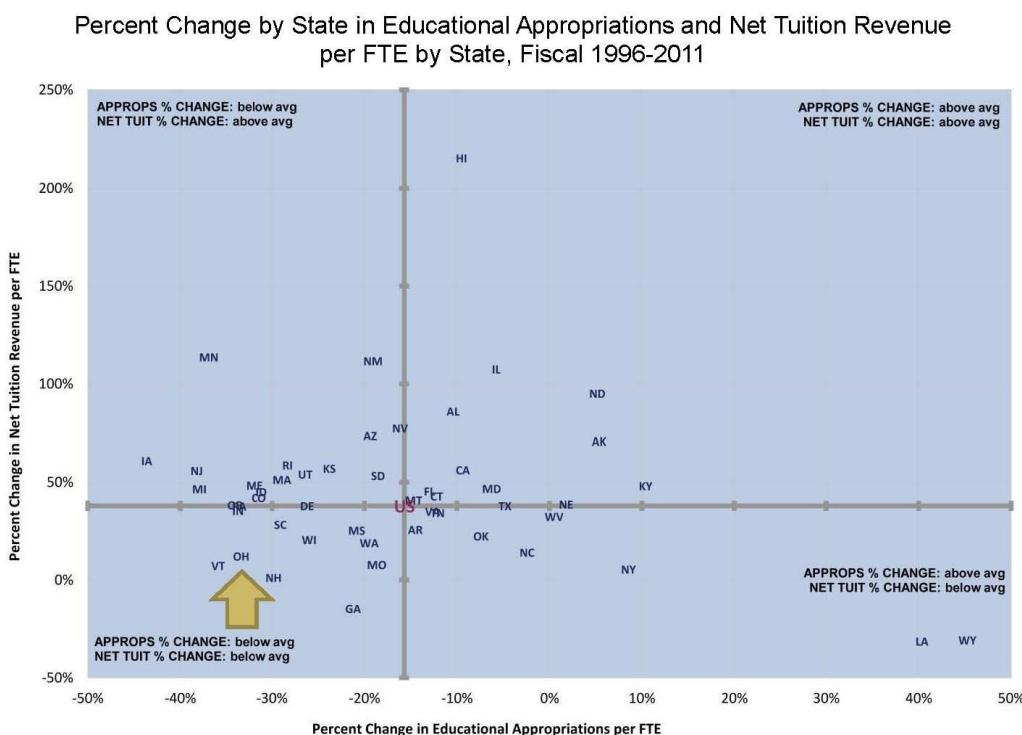
- I had recently been invited by the U. S. Ambassador to Canada to take part in an innovation committee for our two countries. Only two universities were at the table for the United States—The University of Akron and MIT. The complexity of higher education was discussed the very next day at an invitational meeting by the Gates Foundation, which was a direct result of the conversation that I, Dr. Sherman and others started in November 2012 at the Association of Public and Land-Grand Universities meeting.
- May 16 would mark the 100th anniversary of the Engineering Co-Op Program.
- On May 9, the University would be hosting the new Chancellor of the Ohio Board of Regents, John Carey, together with the Vice Chancellor Gary Cates. Akron would be the first institution that the new Chancellor would visit. Mr. Carey is a former legislator and, for the past couple of years, he has been serving as the legislative assistant to the president of Shawnee State University in Ohio.
- Thanks to the generosity of Kathy Coleman and her late husband Les Coleman, the work on Coleman Common has progressed in stages. By the time it is completed, the project will include two computerized dancing fountains, four concrete tables embossed with chess boards and appropriate concrete seating, a labyrinth made of stained and edged concrete, decorative spiral brick columns flanking an amphitheater, granite plaques from the original Carroll Hall depicting five Greek philosophers, three banner poles and additional lighting benches, embossed concrete graphics, trees, landscaping and lawn areas.
- Trustee Jennifer Bickle has mentored a young lady named Anya Marie Tran, a college scholar in the University's Early College High School. Anya would be graduating as the Valedictorian of the Early College High School at its ceremonies on May 9.
- The University would be holding five commencement ceremonies during the coming weekend, with several significant honorary degrees being presented.

Slide 1



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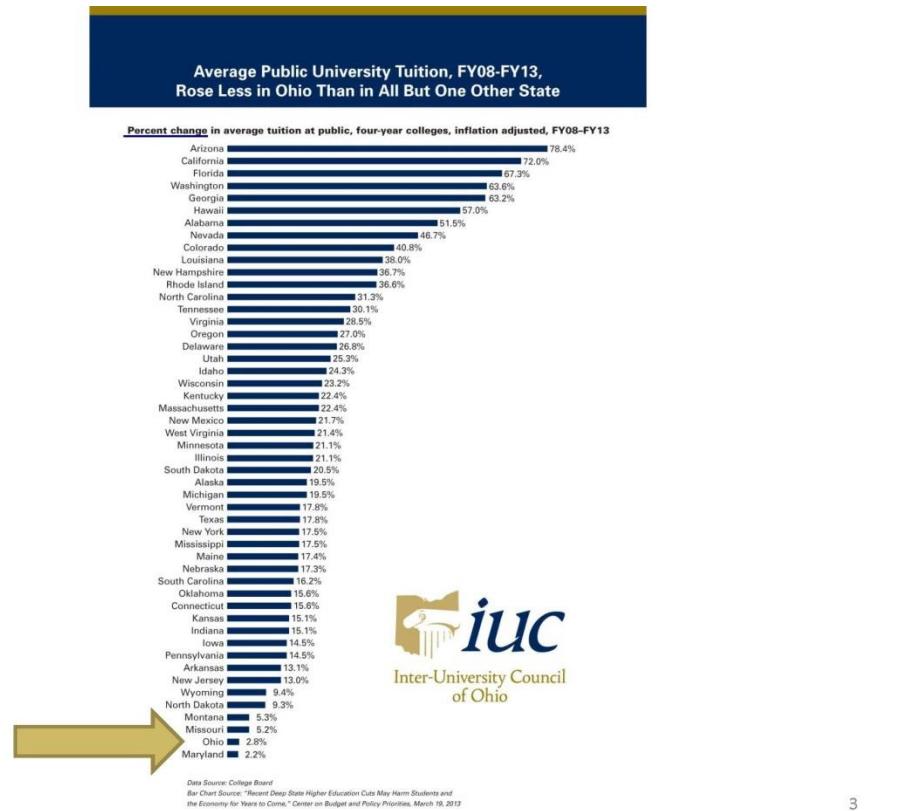
Slide 2



Percent Change in Education

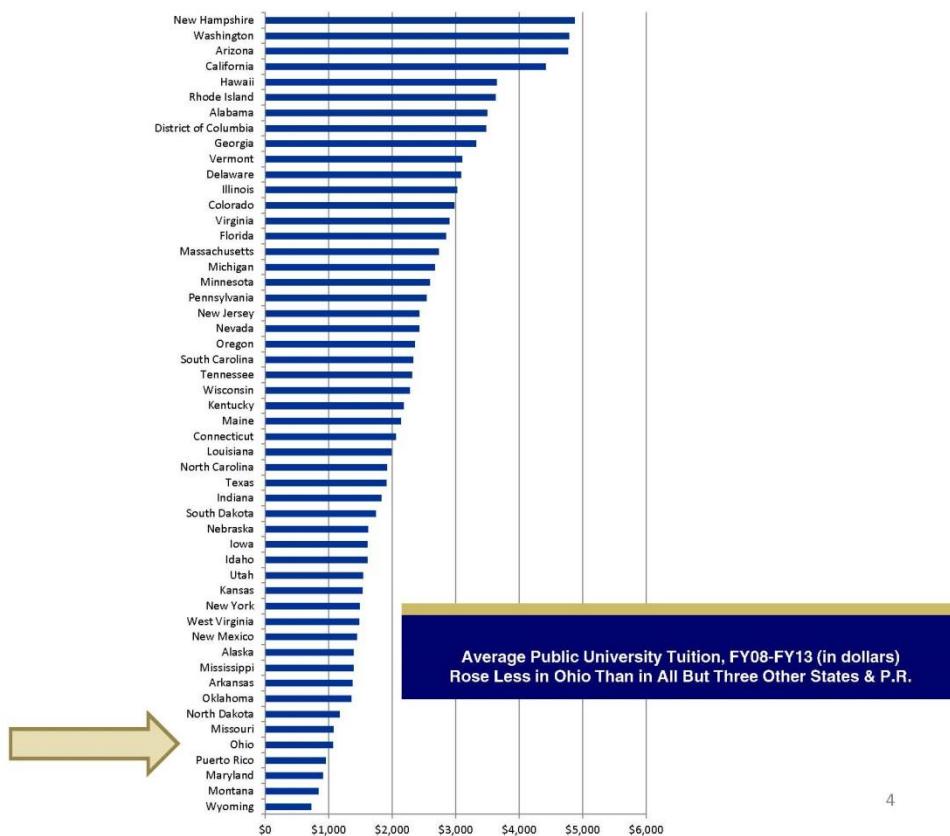
Source: State Higher Education Executive Officers

Slide 3



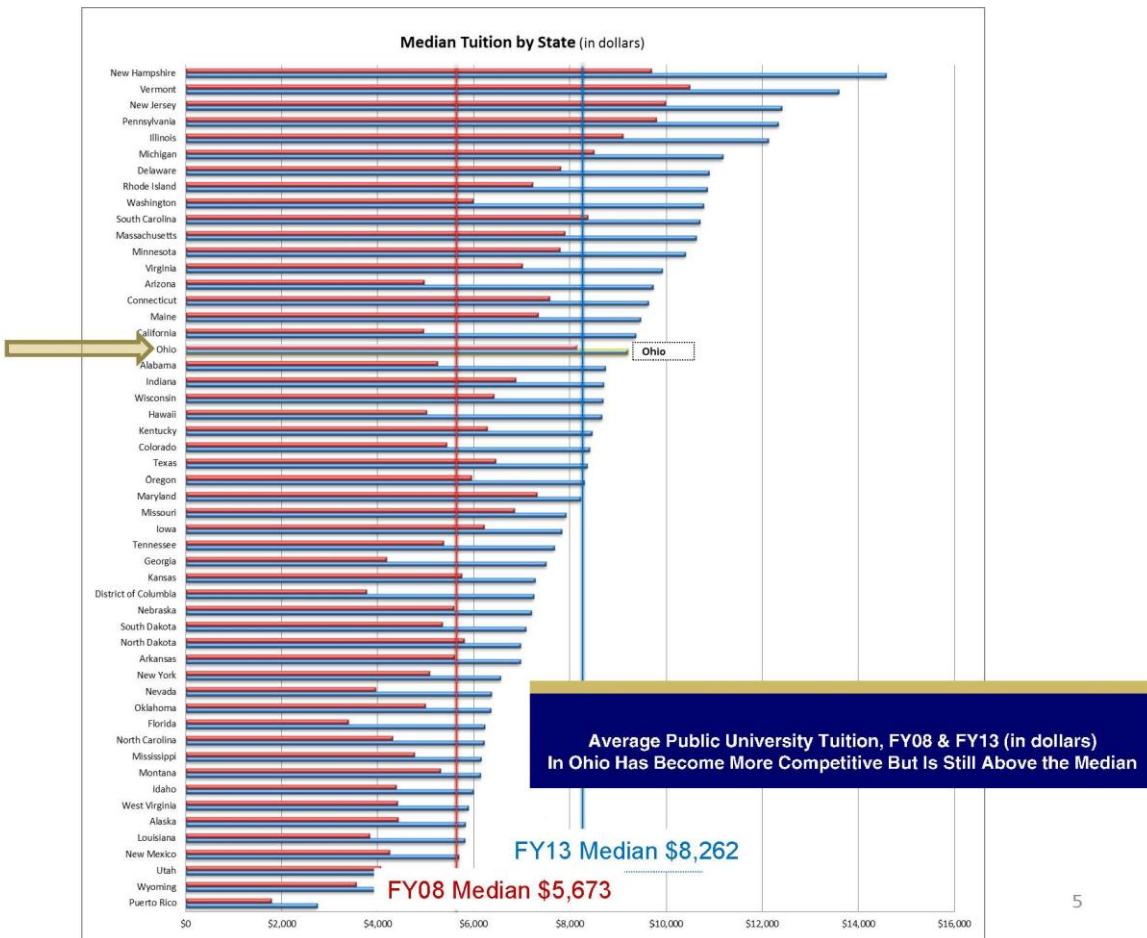
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Slide 4



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Slide 5



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2. Provost's Report

Dr. Sherman said he recognized that the great work of The University of Akron occurs as a result of the outstanding performance of our faculty and staff. He said that, as the University becomes more accountable, it will become more accomplished.

Dr. Sherman said we are accountable for when courses are offered. Working with the deans, the department chairs and school directors, he said, we now are offering more courses across all hours of the day, all days of the week, in particular on Fridays, where we serve 8,000 more students because of managing the course offering schedule.

We are becoming more accountable for who teaches our courses, he said. We reported that for this spring we have 4 percent more student credit hours of instruction taught by full-time faculty, saving us an estimated \$500,000. We have worked with the chairs, the directors and the deans to develop a strong rationale for each faculty member and her or his work load, resulting in the adjustment of the work load for about 150 faculty members for the next academic year, he said.

Dr. Sherman said we are being accountable by clarifying what it means to be a part-time instructor and standardizing that part-time instructors can teach at maximum eight credit hours per semester. He said we are expanding the potential pool of part-time instructors by conversations with Stark

State College and other universities in the region and, as a result, deans have come up with innovative strategies to improve the quality of instruction by developing a framework and an accountability structure for the potential appointment of temporary, full-time instructors. They will teach 12 credits per semester, assuring that we will be able to cover classes, he said.

We are accountable for achieving distinction by having executed this year the initial inaugural funding of two projects, Biomimicry and the Licensing/Commercialization Proof of Concept projects that came forward from faculty from multiple colleges and departments across the University, Dr. Sherman said. This, too, became an accountability structure from the perspective of framing the budget, as we have reduced this year's allocation by \$1 million to help with the budget solution, he said. We also have decided to defer the second-year, \$2-million allocation, anticipating that it would be a high priority for reinstatement, he said.

Dr. Sherman said we are becoming accountable for the excellence of our academic programs. For example, this year, we asked departments to update all the data associated with the academic program reviews. He said he has received preliminary action plans by the Academic Program Review Committee, chaired by Dean Midha, and now is asking the various academic units to respond to those preliminary, actionable recommendations. On receipt of those responses, he said, he will complete his analysis over the coming weeks and anticipates discussing the preliminary results of that analysis with Trustees in June. He said he plans to use the governance process next year to execute on decisions to invest, maintain, disinvest, sunset or reconfigure academic programs.

We are becoming accountable for student academic success by implementing the Pathways strategy, a component of which the Board would be asked to act on with regard to our admission requirements, Dr. Sherman said. That will change the academic profile of the student body and, as that profile changes and we invest more in student success, retention and degree completion will rise, he said. This also will create an opportunity for Akron to collaborate on dual-admission and dual-enrollment with Stark State College, Lorain County Community College, Tri-C and

Lakewood Community College to create pathways for students who do not start at the University, he said. Once those students are successful at community colleges, they will be admitted into an academic program at Akron, he said. The Board also would be asked to act on a resolution requiring faculty to provide performance indicators to all students in 100- and 200-level courses so that remediation and advising can occur sooner in a semester, Dr. Sherman said, adding that he looks forward to working with the Faculty Senate to apply such principles as appropriate to all University courses.

Dr. Sherman said we are becoming accountable for assuring the quality of the academic programs by the Faculty Senate recently establishing a minimum threshold for completion of a baccalaureate degree at 120 credits. That action will come forward at the June Board meeting and will be accompanied next year by a process to reform our general-education curriculum, he said.

Dr. Sherman concluded saying, "I started with, 'We are accomplished because of the quality and the outstanding work of our faculty and our staff.' Speaking of accomplishment, this weekend we will graduate 3,000 students with about 1,800 students participating in graduation ceremonies. The accomplishment of our faculty and our staff is reflected in a wonderful way in the video you are about to see." (Where Are You Going? video—*see page 1*)

Dr. Sherman thanked University Communications and Marketing for producing the video and reiterated the remark, "As we are an accountable institution, we are an accomplished institution."

3. Next Regular Meeting

The Board's next regularly scheduled meeting is Wednesday, June 19, 2013 in the Student Union, Board Room 339, with an executive session to begin at 7:30 or 8 a.m. and the public session to begin no earlier than 9 a.m.

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