

The Board of  
The Ohio State University at Lima  
May 15, 2014

Ms. Grothouse called the meeting to order at 4:01 p.m. with the following members present: Deborah Ellis, Karen Grothouse, Mark Haushalter, Dr. Susan Hubbell, Earl Recker, Doug Reinhart and Eva Yarger. Joel Althaus and Nicole Gray were absent. Appointed members Dr. Mark Kleffner and Kayla Schneider were present; Chad Metzger was absent. Dean Rose and Ms. Schleeter attended in their official capacity.

APPROVAL OF MINUTES: Dr. Hubbell moved and Mr. Haushalter seconded the motion that the reading of the March 6, 2014 minutes be waived and approved as previously distributed. The motion unanimously carried.

CONSIDERATION OF FINANCIAL CONDITION: Mr. Phelps presented a written and verbal report of the financial condition for the period ending April 30, 2014. Income is at 90.4% of budget and reflects tuition from Summer Session 2013, Autumn Semester 2013 and Spring Semester 2014 tuition. State subsidy was less than what was budgeted as the final numbers have changed since the budget was submitted. Enrollment for Autumn Semester was up by 22 students and Spring Semester was slightly down. The campus also received \$125,000 from The Office of Academic Affairs in Columbus to offset the loss of tuition due to the absence of a tuition increase this year. Revenue for the remainder of the year will be comprised mostly of State Share of Instruction (\$568,500) and the second half reimbursement from our co-located partner, Rhodes State College (approximately \$120,000).

Expenses are at 77.0% of budget, and are within or under budgeted projections. This trend should continue as the year progresses, and we continue to search for ways to lower expenses. Supplies & Services are over budget because of a couple of projects that were needed (Galvin Exterior Repairs - \$34,000 and the repair of a vehicle due to an accident (\$15,000)). The major difference between FY'14 and FY'13 in the Transfers Out category is due to the FCOB transfer that had not occurred at this time last year. Unfortunately, the estimated transfer was \$26,000 more than we had anticipated, so we will be over budget in this category.

Both income and expenses are less than the budgeted projections and should continue to follow that pattern as the year continues. Unfortunately, despite strong efforts by all areas in cutting costs, we will still end the year with a deficit of approximately \$500,000.

The budgeted deficit is being dealt with in a variety of ways, and the hope is that by the end of May 2014 there will be a path forward in dealing with it using a 5-year approach to our budget forecasting. Mr. Reinhart asked Mr. Phelps what trends the campus had seen in the last five years regarding subsidies. He replied that the campus had received 20-30% less in state subsidies over the course of the last five years. Dr. Kleffner suggested that one way to help with the deficit would be to find donors willing to fund the campus scholarships that are handed out each year rather than the current practice of taking that money from our operational budget.

Mr. Phelps stated that the campus would be looking at different ways to cut costs to bring our budget back in line. He noted that the Regional Campus Cluster would be taking a closer look at the franchise fee the campus pays for the Fisher College of Business program in the hopes it can be renegotiated. He also indicated that he will soon start a program cost analysis project that focuses on what the campus collects in tuition vs. what we pay in instructional costs for each program. This information will be used to inform strategic planning. Ms. Grothouse

inquired whether a working group meeting could be scheduled so that important issues could be discussed among board members and key community leaders. Dr. Hubbell offered that the board retreat might be a good venue for this kind of meeting. Ms. Ellis moved and Dr. Hubbell seconded the motion that the attached statement of financial condition be accepted. The motion was unanimously approved.

BOARD COMMITTEE REPORT: None

DEPARTMENTAL REPORT: None

FACULTY ASSEMBLY REPORT: Dr. Kleffner informed the group of the ongoing activities of campus faculty. He reported that seven faculty members received either a faculty professional leave or special assignment during the upcoming academic year. Dr. Kleffner reported that Ivo Herzog, Professor of Mathematics, had recently been awarded a Fulbright Distinguished Chair grant for the 2014-15 academic year. Dr. Kleffner also reported that the Faculty Assembly constitution and bylaws had been revised and would be presented to the Faculty Assembly for their adoption at a special Faculty Assembly meeting and luncheon on May 22. Dr. Kleffner continued by mentioning that a group of first year physics students, under the direction of Dr. Tony Shoup, took second place in the Engineering Education Innovation Center's Advanced Energy Vehicle (AEV) Showcase on Mon., April 21. Dr. Kleffner finished by noting that Ed Valentine, Associate Professor of Art, will be the featured artist for Envoy Enterprises in New York City with a solo exhibition, Ed Valentine – "Paintings 1997-2014. The exhibit will be on display May 18-June 22.

STUDENT REPRESENTATIVE REPORT: Ms. Schneider reported on the various activities that students had been involved in during Spring Semester. Among the many events were a family movie night with a showing of the movie "Frozen", Springfest Activities, a quidditch match and an Earth Day celebration on the Quad with a luncheon hosted by Student Senate. She also reported that student efforts to raise money for Pelotonia yielded \$400 for the cause, with students sponsoring a bake sale and a fundraiser at Bob Evans restaurant. Ms. Schneider continued by reporting that the men's baseball team had recently placed fourth in the ORCC Conference, with one member making the All-Conference Team. She updated the group on the formation of a new student organization, the Boo Radley Club, whose purpose is to perform random acts of kindness while encouraging others to do the same. Ms. Schneider finished her report by announcing that the new Student Senate President for the 2014-2015 academic year would be Skylar Alexander.

DEAN AND DIRECTOR'S REPORT: Dean Rose provided the following campus update:

- Dean Rose asked board members to examine the next year's roster and committee assignment materials in their folders and report any changes that need to be made. He asked that they volunteer for an additional committee assignment and report that, along with any roster changes to Ms. Schleeter.
- Dean Rose provided a short update on the strategic planning process, noting that a lot of effort had gone into the process and faculty and staff should be commended for their efforts. He stated that the subcommittee reports and their recommendations would be ready for the next dean and director's review.
- Dean Rose reported that this year's awards luncheon, held on April 18 in the Reed Hall Cafeteria, was a success. He reported that this year's event was attended by forty-nine

students, various faculty and staff. Sixty-five student awards were handed out as well as four faculty awards.

- Dean Rose extended his thanks to the board for their welcoming nature and help during his interim year as Dean and Director.

OLD BUSINESS: None

NEW BUSINESS:

Motion was made by Dr. Hubbell, second by Mr. Reinhart to elect Joel Althausser, Nicole Gray and Mark Haushalter for a second term on The Board of The Ohio State University at Lima beginning on July 1, 2014 and ending on June 30, 2017.

Motion was made by Mr. Reinhart, seconded by Mr. Haushalter and unanimously approved to elect Deborah Ellis as Chair of The Board of The Ohio State University at Lima for a term beginning on July 1, 2014 and ending on June 30, 2015.

Motion was made by Ms. Ellis, seconded by Ms. Yarger and unanimously approved to elect Dr. Susan Hubbell as Vice Chair of The Board of The Ohio State University at Lima for a term beginning on July 1, 2014 and ending on June 30, 2015.

Motion was made by Dr. Susan Hubbell, seconded by Deborah Ellis and unanimously approved to recognize Kayla Schneider for her excellent service as Student Representative on The Board of The Ohio State University at Lima for 2013-2014.

Motion was made by Dr. Susan Hubbell, seconded by Mr. Reinhart and unanimously approved to recognize Karen Grothouse for her excellent service as Chair of The Board of The Ohio State University at Lima for 2013-2014.

ADJOURNMENT: Mr. Recker moved and Mr. Haushalter seconded the motion that the meeting be adjourned. The motion was unanimously approved and Ms. Grothouse declared the meeting adjourned at 4:47 p.m.

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Deborah Ellis, Chair  
The Board of The Ohio State University at Lima  
October 9, 2014

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Lori A. Schleeter, Secretary  
The Board of The Ohio State University at Lima  
October 9, 2014

## Summary of Financial Condition – Period ending April 30, 2014

### Definitions

**Transfers In:** payments to Lima from other OSU departments for services such as Disability Services, Student Life (Huntington Affinity Agreement), and a one-time payment from OAA to cover the unrealized income had we instituted a 2% tuition

**Tuition:** all payments for student-related fees (Instructional fees, general fees, fines/penalties, application/acceptance fees, and lab fees)

**Subsidy:** state share of instruction payments

**Investment:** interest paid on fund equity balance

**Sales:** miscellaneous sales, federal indirect costs, Rhodes State College payments

We are **83.3%** through the year, so when comparing actual to budgeted, keep that percent in mind as we go through the analysis.

### Income

Overall, income is at **90.4%** of budget, and includes SU'13, AU'13 and SP'14 tuition. Subsidy is less than we had budgeted, because the final numbers changed since the original budget was submitted. AU'13 Enrollment was up by 22 students and SP'14 was down slightly. We also received the \$125,000 from OAA to offset the loss of tuition due to no tuition increase (shown in Transfer In row). Revenue for the remainder of the year will be comprised mostly of State Share of Instruction (\$568,500) and the second half reimbursement from RSC for the cost share (about \$120,000).

### Expenses

Expenses are at **77.0%** of budget, and are within or under budgeted projections. This trend should continue as the year progresses, and we continue to search for ways to lower expenses. Supplies & Services are over budget because we had a couple of projects that were needed (Galvin Exterior Repairs - \$34,000 and the repair of a vehicle due to an accident (\$15,000)). The major difference between FY'14 and FY'13 in the Transfers Out category is due to the FCOB transfer that had not occurred at this time last year. Unfortunately, the estimated transfer was \$26,000 more than we had anticipated, so we will be over budget in this category.

### Summary

Both income and expenses are less than the budgeted projections and should continue to follow that pattern as the year continues. Unfortunately, despite strong efforts by all areas in cutting costs, we will still end the year with a deficit of \$500,000 or so.

The budgeted deficit is being dealt with in a variety of ways, and the hope is that by May 2014 we will have a path forward about how to deal with it using a 5-year approach to our budget forecasting. More will follow as plans get developed.