

**WRIGHT STATE UNIVERSITY
BOARD OF TRUSTEES
OFFICIAL PROCEEDINGS OF THE
THREE HUNDRED AND TENTH MEETING**

June 2, 2016

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**WRIGHT STATE UNIVERSITY
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THREE HUNDRED AND TENTH MEETING**

June 2, 2016

I. CALL TO ORDER

The meeting of the Wright State University Board of Trustees was called to order by Mr. Michael Bridges, chair, on Thursday, June 2, 2016, 8:00 a.m., in the Wright Brothers Room. Dr. Robert J. Sweeney, secretary to the Board of Trustees, called the roll:

Present

Michael Bridges
Eloise Broner
Douglas Fecher
Anuj Goyal
William Montgomery
Grace Ramos

Absent

Laurence Klaben
C.D. Moore

II. CONFLICT OF INTEREST STATEMENT

Mr. Bridges read the following Conflict of Interest Statement:

It is of utmost importance to ensure that all university decisions are free from any real or perceived conflicts of interest.

Therefore, please be mindful of all obligations with which you have been charged as a Trustee of Wright State University; and take the steps you deem appropriate to perform your duties fairly and impartially.

III. PROOF OF NOTICE OF MEETING

Mr. Bridges reported that this meeting was called by written notification and a quorum was present.

IV. ANNOUNCEMENTS

Mr. Peter Cheng, assistant vice president for university audit and consulting services, briefly addressed the Board and outlined the departments under consideration for internal audit and the estimated hours needed to complete the task during the time period spanning 2016-2018. The Board tentatively

accepted his proposal, subject to review by the Compliance and Audit Committee in Fall of 2016.

V. SPECIAL EXECUTIVE SESSION

In accordance with the Ohio Open Meetings Law, the Board, after a majority quorum, determined to hold a Special Executive Session by offering the following resolution:

RESOLUTION 16-52

RESOLVED that the Wright State University Board of Trustees agreed to hold Special Executive Session on Thursday, June 2, 2016, and be it further

RESOLVED that pursuant to the Ohio Revised Code 121.22 (G), the following issues may be discussed in Executive Session:

- Personnel Matters

Mr. Bridges moved for approval. Dr. Goyal seconded, and the motion was unanimously approved by roll call vote.

VI. RECESS

The meeting was recessed at 8:14 a.m. The Board will reconvene in Public Session in the Apollo Room at 8:30 a.m.

VII. RECONVENE IN PUBLIC SESSION-CALL TO ORDER

The meeting of the Wright State University Board of Trustees was called to order by Mr. Michael Bridges, chair, on Thursday, June 2, 2016, at 8:36 a.m. in the Apollo Room, Student Union. Dr. Sweeney, secretary to the Board of Trustees, called the roll:

Present

Michael Bridges
Eloise Broner
Douglas Fecher
Anuj Goyal
William Montgomery
Grace Ramos
Ryan Pignatiello

Absent

Laurence Klaben
C.D. Moore
Hailey Billing

VIII. CONFLICT OF INTEREST STATEMENT

Mr. Bridges read the following Conflict of Interest Statement:

It is of utmost importance to ensure that all university decisions are free from any real or perceived conflicts of interest.

Therefore, please be mindful of all obligations with which you have been charged as a Trustee of Wright State University; and take the steps you deem appropriate to perform your duties fairly and impartially.

IX. PROOF OF NOTICE OF MEETING

Mr. Bridges reported that this meeting was called by written notification and a quorum was present.

X. REPORT OF THE CHAIR

1. Termination

RESOLUTION 16-53

WHEREAS, the Board has reviewed the recommendations of the Hearing Board and of the President, and

WHEREAS, the Board has considered statements from Dr. Shajoun Wang's lawyer, therefore be it

RESOLVED that pursuant to the university collective bargaining agreement with AAUP-WSU, the Board approves the termination of Dr. Shajoun Wang for substantial and manifest neglect of duty, effective June 2, 2016.

Mr. Bridges moved for approval. Mrs. Broner seconded, and the motion was unanimously approved by roll call vote.

• **Remarks from Chairman Bridges:**

Trustee Bridges reported on recent activities undertaken by the Board of Trustees to position Wright State University for continued growth and success.

The Board is developing a plan for Policy and Governance Renewal to review, update, and revise as appropriate high-level governance policies covering university operations. This plan is critical to better address the growing complexity of university operations as Wright

State continues to grow in stature as a public research university. When the Plan for Policy and Governance Renewal is complete, the Board will release it publically and provide updates on its implementation during future sessions.

A presidential Search and Screening Advisory Committee (SSAC) has been appointed by the Board to begin the process of searching for Wright State's 7th president to succeed President Hopkins upon his June 2017 retirement. Mr. Fecher, vice chair of the Board of Trustees, will chair the SSAC which is made up of a broad cross section of the university community which includes trustees, faculty, administrative and classified staff, students, alumni, Wright State Foundation, Council of Deans, President's Cabinet, retirees as well as community leaders. The Board has established a website for the search committee where interested parties can find updates on the process.

At our last public session, the Board endorsed a plan from Dr. Hopkins to strengthen and improve Wright State's compliance functions and authorized the creation of a Director of University Compliance position to oversee university-wide compliance efforts. Dr. Hopkins' implementation plan for the new "University-Wide Compliance Program" was based on recommendations from a recent university compliance assessment performed by an outside firm; Protiviti. Today, we are releasing Protiviti's full assessment report and interested parties can locate it on the Board of Trustees' website.

As chairman of the Board, I have appointed an ad hoc committee to review and offer recommendations regarding the university's use of affiliated entities in the pursuit of our mission. Affiliated entities are an important tool that can be used to leverage and improve success but such entities must be thoughtfully created and performance regularly reviewed. The committee, under the direction of Trustee Moore, is currently conducting work to draft an affiliated entity policy for Board consideration as appropriate.

Today, the President will be reporting on the progress of his goals for 2016. Substantial progress has been made on many of them and we will be hearing about that progress.

Wright State's primary mission is to educate and to develop leaders for the community, the state and the world. Mr. Bridges highlighted

the leadership efforts of several Wright State students including a relief effort for Ecuadorian earthquake victims and the construction of a customized mobility cart for a two-year-old child battling a brain tumor and epilepsy.

Wright State University has also enjoyed many successes over the past school year as the result of the hard work of many people. I would like to thank Dr. Hopkins for his leadership this past year. While we acknowledge the challenges Wright State faces as a growing public research university, including our financial challenges, we should also take pause to congratulate all those working tirelessly to help achieve Dr. Hopkins vision of Wright State being the “Best University For the World.”

XI. REPORT OF THE PRESIDENT

President Hopkins outlined all ten of his goals and their status to date. Goals presented to the President by the Board span a calendar year, making this update reflective of five months of progress.

1. Institute and finalize a comprehensive university compliance program.

As mentioned earlier, the Board has approved Dr. Hopkins’ implementation plan for a University-Wide Compliance program and the creation of a compliance council. The university is moving through the process to begin an internal search for the Director of University Compliance.

2. Stand up a contracting organization.

Many contracts move through the university in multiple ways. In April, a report was presented to the Board leadership outlining recommendations for the use of internal resources to strengthen and enhance the processing, control and oversight of contracts. The Board leadership is considering these recommendations for appropriate action.

3. Hire a general counsel and brief the Board six months later on the effectiveness of the General Counsel’s office.

Mr. Larry Chan, vice president for legal affairs and general counsel was hired in March. He will begin preparation of a comprehensive review of the General Counsel’s office and its needs for presentation to the Board in September.

4. Prepare the University in the best way possible for transition to the next President.

Dr. Hopkins is deeply committed to this process and pledged to do everything possible to work with the Board to insure a smooth transition.

5. Arrange for a University-wide operational review by an outside firm in preparation for the presidential transition in 2017.

The commission of an outside operational review is a common practice in presidential transitions. Dr. Sudkamp, President Hopkins and Vice President Ulliman are working to prepare a request for proposal (RFP) to identify this outside firm. The operational review is targeted to begin in the fall.

6. Develop a Financial Remediation Plan to improve the University's overall financial condition.

Mr. Ulliman and Dr. Hopkins will be presenting the elements of the Financial Remediation Plan at today's Budget Workshop. The plan will be fully operational by June 30, 2016.

7. Perform a review of all affiliated entities and work with the Board to strengthen control policies over each organization to include the expressed purpose of each, updated operations agreements and the limitations of authority, makeup of board of directors, etc.

Mr. Chan and outside counsel have worked to draft a document that has been presented to the ad hoc Affiliated Entities Committee led by Trustee Moore for their evaluation and approval. Once the Affiliated Entity Policy receives full Board approval, the administration will immediately begin working with the Board to review every single affiliated entity associated with Wright State University to ensure focus on mission compatibility and financial sustainability.

8. Identify and secure outside funding by December 31, 2016 for 100% of the expenses for the 2016 Presidential Debate.

Progress in securing donations has been made and momentum is building. To date, the University has received \$500,000 in cash and expects to close verbal commitments at the end of June for \$700,000 more. Charge backs to provide services to the media covering the Debate should yield approximately \$1 million dollars. Another \$1.5 million from in-kind donations is anticipated from

local and statewide businesses providing needed services to support the delivery of the event.

9. Complete successfully the Rise. Shine comprehensive campaign by raising \$150 million dollars by December 2016.

Dr. Hopkins recognized publically the campaign efforts of Ms. Becky Cole and her team. On April 19th during Tom Hanks' visit, it was announced that the Rise. Shine campaign met its goal. Fund raising has continued, and will continue until December, with today's total at \$155 million raised. The majority of the funds given (98%) come with donor restrictions on the use of the money. This means that the dollars must be used according to donor wishes and cannot be reallocated for any other purpose such as addressing the university's budget shortfall.

Results of the campaign include 6 additional endowed professorships and 348 new designated scholarships for students. This campaign is unique nationally in that over 30 thousand donors made contributions of which 16,728 are first-time givers. This influx of new supporters will help set the stage for the future as universities like Wright State continue working to identify external funding and alternative revenue streams, especially unrestricted donor support.

One final comment. Part of the funding for recent facilities upgrades and construction projects like the NEC and the Student Success building came from \$13 million in donor pledges to the Rise. Shine campaign. This pledged money was "borrowed" from the University's reserve accounts during the construction phase to cover expenses; and now as donor pledges are being fulfilled, the funds received will be returned to the reserves.

10. Finalize our housing negotiations by December 31, 2016.

On June 30, 2017, the 25-year agreement with our private housing partner will expire. While the agreement was representative of the times, it is no longer in line with current best practices. Negotiations, led by Mr. Greg Sample, are underway to create a new relationship that is more favorable to Wright State University.

This is not the first time that Wright State has faced budget challenges. In 2009, amidst the fallout from the Great Recession, Vice President Matt Filipic presented a plan for budget remediation; the plan was executed; and in 2011 Wright State emerged stronger from the experience.

Today, we again gather to discuss budget challenges and the need for budget remediation. Wright State is not the only institution in this situation with six of our sister institutions faced with realignment of base budgets over the last three years.

In crafting this budget remediation plan, its guiding principles, and timeline, every effort was made to make sure that the impact on people would be minimized. Difficult decisions were made in the context of preserving academic excellence, maintaining an innovative and entrepreneur focused university, and one that will shine as the “Best University For the World.”

We cannot go backward with the expectation that once this storm passes we return to “normal.” Seeking alternative revenue streams, eliminating duplication of efforts, and stopping some things that no longer serve Wright State’s needs will be the new normal in this environment of flat state support. There will be challenges in balancing revenue with expenses.

Much as we hope to avoid it, eliminating some things will have an impact on people. In 2009, attrition and a voluntary incentive program played a part in realigning the budget. Those tools are, again, going to play a part of our focus moving forward to minimize the impact on people. Our goal with this budget remediation process is to eliminate our dependence on reserves to balance the budget. Over the next two years, we will phase out the use of reserves, balance our expenses with revenue, and again emerge as a stronger university.

XII. BUDGET PRESENTATION

Mr. Jeff Ulliman, vice president and chief financial officer, reviewed the Current Funds Budget for Fiscal Year 2017. The University’s yearly budget is developed with the primary purpose of supporting Wright State’s Mission, Vision, and Strategic Plan’s goals.

Mr. Ulliman reviewed industry and institutional data, key financial metrics and summarized the proposed 2017 University Budget. Challenges include

unfunded expenses in personnel, student wages, adjunct/overloads, financial aid, fee waivers and utilities. Revenue shortfalls are predicted in investment income, tuition, and State Share of Instruction (SSI).

To meet the current budget shortfall of \$31,200 million, Wright State is anticipating an increase in enrollment and auxiliary revenue combined with budget reductions in the area of personnel through the use of strategic hiring funding and personnel attrition. In addition, targeted spending cuts are planned. The budget remediation plan calls for an elimination of the use of reserves over the next two years to balance the budget. Expenses exceeding budget will be reduced by 2/3 in 2017 and the remaining 1/3 in 2018. Personnel attrition will be a component of the phase out.

The Board was asked to approve the following resolutions.

1. Current Funds Budget for 2017

RESOLUTION 16-55

WHEREAS, the university's current funds budget has been developed capitalizing on fiscal stewardship to deliver student success and drive economic development; and

WHEREAS, comprehensive planning and consultation within the university and with key stakeholders has been accomplished; and

WHEREAS, state funding is projected to be flat; and

WHEREAS, enrollment levels are anticipated to increase slightly; and

WHEREAS, the state budget proposal does not allow for undergraduate tuition increases; and

WHEREAS, Wright State University has developed a budget to guide operations including a financial remediation plan reducing expenditures to support the university's Mission, Vision and Values during the fiscal year beginning July 1, 2016; and

WHEREAS, said budget includes an array of other rates and fees and auxiliary fees, in addition to tuition; therefore be it

RESOLVED that the President may allow expenditures within projected income levels, may limit the expenditures of funds within any given category, may transfer funds within the major budget categories, and take such other actions, as may be in the interest of the university; and be it further

RESOLVED that the university's current funds budget as described in the accompanying schedules and tables now before the Board of Trustees be and hereby are approved.

Mr. Fecher moved for approval. Dr. Goyal seconded, and the motion was unanimously approved by roll call vote.

2. Student Fee Increase

RESOLUTION 16-56

WHEREAS, the Wright State University Board of Trustees is given the statutory authority and responsibility to assess tuition and fees; and

WHEREAS, tuition and fees must be sufficient to fund a quality educational experience; and

WHEREAS, the state budget proposal does not allow for undergraduate tuition increases; therefore be it

RESOLVED that Main Campus full-time and part-time undergraduate tuition will not be increased over those for summer semester 2016; and be it further

RESOLVED that Lake Campus full-time and part-time undergraduate tuition for all students for fall semester 2016 will not be increased over those for summer semester 2016; and be it further

RESOLVED that Main Campus and Lake Campus full-time and part-time undergraduate non-resident fees for all students for fall semester 2016 be increased over those for summer semester 2016 by approximately 3%; and be it further

RESOLVED that Main Campus and Lake Campus full-time and part-time graduate tuition and non-resident fees for all students for fall

semester 2016 be increased over those for summer semester 2016 by approximately 3%; and be it further

RESOLVED that professional fees and non-resident fees for the School of Professional Psychology and the Doctor of Nursing Practice students for fall semester 2016 be increased over those for summer semester 2016 by approximately 3%; and be it further

RESOLVED that professional fees for the Boonshoft School of Medicine for all students for fall semester 2016 will not be increased over those for spring semester 2016; and be it further

RESOLVED that non-resident fees for the Boonshoft School of Medicine for all students for fall semester 2016 will not be increased over those for spring semester 2016; and be it further

RESOLVED that this resolution supersedes Resolution 15-42 dated June 4, 2015

Dr. Goyal moved for approval. Mr. Montgomery seconded, and the motion was unanimously approved by roll call vote.

XIII. Academic Affairs Committee

Provost Sudkamp presented the Affordability and Efficiency Report to the Board for their review. The State of Ohio requires the submission of this report by July 1, 2016.

1. Affordability and Efficiency Report

The Board accepted the Affordability and Efficiency report for review and will consider the following resolution for approval at their June 6, 2016 meeting.

RESOLUTION 16-

WHEREAS, Am. Sub. H. B. No. 64, Section 369.550 requires that the Board of Trustees of each state institution of higher education shall develop an efficiency review of the institution based on the recommendations of the Ohio Task Force on Affordability and Efficiency; and

WHEREAS, the review considers:

- (1) Efficiencies;
- (2) Academic Processes;

- (3) Policy Reforms; and
- (4) Cost Savings, Redeployment of Savings and Tangible Benefits to Students; and

WHEREAS, not later than July 1, 2016, the Board of Trustees of each state institution of higher education shall submit the report required under this section to the Chancellor of the Ohio Department of Higher Education; and

RESOLVED that the attached Wright State University Affordability and Efficiency Report dated May 20, 2016, as submitted to this meeting be, and the same hereby is endorsed.

- **Request for Review of New Degree Programs**

Provost Sudkamp discussed the steps in the approval process to implement new undergraduate or graduate degree programs. The process begins with the sponsoring unit, proceeds to the curriculum committee, and after development of a business plan is approved by the college and presented to either Faculty Senate or the Graduate Council (dependent of degree type) for their approval.

The next steps include approval by the Provost, presentation to the Board of Trustees for their review and approval and finally submission to the Ohio Department of Education for approval. Wright State has two new programs under consideration for fall. The B.S. in Biochemistry and Molecular Biology and the M.S. in Organizational Studies programs were presented to the Board for their future consideration.

2. B.S. Degree in Biochemistry & Molecular Biology

The Board accepted the proposal for review and will consider the following resolution for approval at their June 6, 2016 meeting.

RESOLUTION 16-

WHEREAS, Wright State University is proposing a new undergraduate major in providing a B.S. in Biochemistry and Molecular Biology within the Department of Biochemistry and Molecular Biology in the College of Science and Mathematics and the Boonshoft School of Medicine; and

WHEREAS, establishing the B.S. in Biochemistry and Molecular Biology will enhance the opportunities for students to complete STEM degrees at Wright State; and the curriculum for the B.S. in Biochemistry and Molecular Biology was guided by the standards set forth by the

American Society for Biochemistry and Molecular Biology; and a market analysis showed a growing need for graduates with expertise in these disciplines; and

WHEREAS, the program has been approved by the Faculty Senate and the Provost; therefore be it

RESOLVED that the B.S. in Biochemistry and Molecular Biology, as submitted to this meeting be, and the same hereby is endorsed.

The Board accepted the proposal for review and will consider approval at their June 6, 2016 meeting.

3. M.S. in Organizational Studies

The Board accepted the proposal for review and will consider approval of the resolution at their June 6, 2016 meeting.

RESOLUTION 16-

WHEREAS, Wright State University is proposing a new M.S. in Organizational Studies program within the Department of Leadership Studies in Education and Organizations in the College of Education and Human Services; and

WHEREAS, establishing the M.S. in Organizational Studies will complement the existing Ph.D. in Organizational Studies and meet the needs of students seeking graduate credentials in this discipline; and

WHEREAS, the program has been approved by the Graduate Council, Faculty Senate and the Provost; therefore be it

RESOLVED that the M.S. in Organizational Studies, as submitted to this meeting be, and the same hereby is endorsed.

XIV. Adjournment

The meeting adjourned at 10:44 a.m.