

**WRIGHT STATE UNIVERSITY
BOARD OF TRUSTEES
OFFICIAL PROCEEDINGS OF THE
THREE HUNDRED AND THIRTY-SECOND MEETING**

June 8, 2017

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**WRIGHT STATE UNIVERSITY
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THREE HUNDRED AND THIRTY-SECOND MEETING**

June 8, 2017

I. CALL TO ORDER

The meeting of the Wright State University Board of Trustees was called to order by Mr. Douglas Fecher, chair-elect, on Thursday, June 8, 2017, 7:31 a.m. in the Wright Brothers Room, Student Union. Mr. Larry Chan, secretary to the Board of Trustees, called the roll:

Present

Michael Bridges
Eloise P. Broner
Douglas Fecher
Sean Fitzpatrick
Anuj Goyal
Bruce Langos
William Montgomery
Grace Ramos

Absent

C.D. Moore (phone in)

II. PROOF OF NOTICE OF MEETING

Mr. Fecher reported that the meeting was called by written notification and a quorum was present.

Mr. Fecher stated that the Wright State University Board of Trustees is a public body subject to the Ohio Open Meetings Act. It operates on a fixed agenda available to those attending the meeting. Persons wishing to address the Board in its public session should submit a written request to the Board of Trustees' office 72 hours in advance of the meeting in order to be placed on the agenda. However, all persons address the Board at the invitation of the Board and are subject to time limitations and other guidelines established to maintain the good order of the meeting.

III. CONFLICT OF INTEREST STATEMENT

Mr. Fecher read the Conflict of Interest reminder:

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.

IV. EXECUTIVE SESSION

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

RESOLUTION 17-84

RESOLVED that the Wright State University Board of Trustees agreed to hold an Executive Session on Thursday, June 8, 2017; at 7:33 a.m., and be it further;

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

- Purchase of sale of real estate
- Contract bargaining

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

V. RECESS

The meeting adjourned at 8:30 a.m.

VI. RECONVENE – ROLL CALL

The Wright State University Board of Trustees reconvened on Thursday, June 8, 2017, 8:39 a.m., in the Apollo Room, Student Union. Mr. Chan called the roll:

Present

Michael Bridges
Eloise P. Broner
Douglas Fecher
Sean Filtzpatrick
Anuj Goyal
Bruce Langos
William Montgomery
Grace Ramos

Absent

Jordan Large
C.D. Moore
Ryan Pignatiello

Mr. Fecher stated that the Wright State University Board of Trustees is a public body subject to the Ohio Open Meetings Act. It operates on a fixed agenda available to those attending the meeting. Persons wishing to address the Board in its public session should submit a written request to the Board of Trustees'

office 72 hours in advance of the meeting in order to be placed on the agenda. However, all persons address the Board at the invitation of the Board and are subject to time limitations and other guidelines established to maintain the good order of the meeting.

VII. REPORT OF THE CHAIR

A. Vice Chair's Comments:

Mr. Fecher thanked everyone for coming to this important meeting of the Wright State University Board of Trustees and offered the following comments.

Before I get started, I would like to introduce Wright State's newest trustee, Mr. Bruce Langos, who has been appointed to fill the unexpired term of former trustee Nina Joshi. Mr. Langos is a former executive at NCR and current executive director of Criminal Intelligence, a Dayton technology firm. He was sworn in earlier this week and is a voting member of the board.

I am also pleased to announce that the Governor appointed a new student trustee, Austin T. Rains, a rising MBA student who will begin his term on our Board July 1, 2017. We are excited to welcome both Bruce and Austin to the Wright State Board.

Today the Board will consider several items and conclude with a presentation of the 2017-2018 proposed budget for discussion and vote. The budget discussion will include an opportunity for audience members to address the board and ask questions. Our order of business today includes:

1. A proposal from the Administration on reduction in workforce for classified staff.
2. A proposal for the Board to grant a limited waiver of attorney/client privilege to the Ohio Inspector General in order to conduct a comprehensive and full investigation into referrals made as a result of the Plante Moran report released in April.
3. A proposal to adopt a Financial Governance Policy as developed by the Finance Committee with input from the university community.
4. A proposal to approve a contract for \$520,000.00 for professional services for the Nutter Center which was discussed at the May 19th Finance Committee meeting. As a reminder, 100% of these funds will be recouped through event contracts at the Nutter Center.

5. Finally, two proposals required for adopting a 2018 budget: The first is a resolution to approve a current funds budget for 2018. The second is a resolution to approve a student fee increase for non-resident and graduate students.

With regards to the budget process: I want to thank members of the Wright State community for their interest in, and input into, the budget proposal first introduced at the Finance Committee meeting on May 19th. A great deal of work has gone into fine-tuning the budget and preparing it for today's presentation. There have been some changes to the budget from that first proposal; most notably that the number of full-time positions currently filled and targeted for elimination will be reduced to 57 positions from the 71 positions discussed at the Finance Committee Meeting in May.

I also want to acknowledge the difficulty of this budget process given the University's current financial situation. Wright State University is forecasted to end this fiscal year with total reserves of between \$26 and \$29 million dollars. This level of reserves is too low to maintain minimum financial ratios required by the State of Ohio through Senate Bill Six. The university has no choice but to align its revenues and expenses and build a surplus for rebuilding reserves. This budget is the first step in that direction but it is not the last stop on the journey.

While a budget for any organization is a financial representation of a strategic plan, Wright State University today does not, in my opinion, have a comprehensive strategic plan with measurable objectives. Involving the campus community in forming such a plan should be our top priority for the coming year. Indeed, incoming President Schrader has shared with me that one of her most important agenda items is to lead a process for establishing priorities and charting strategies for the future. In that regard, today's budget is more of a spending plan that starts us on the road to recovery and prepares us for an in depth strategic planning process which will purposefully inform funding priorities of future budgets.

With regards to this budget, the Administration has been asked to meet the following objectives:

1. Produce a balanced budget with a minimum of \$5 million surplus to begin the process of restoring reserves.
2. Maintain instructional and educational components of our mission as the highest priorities.
3. Create and maintain a strong culture of fiscal accountability.

4. Sustain prioritization and review processes to ensure continuous efficiency and effectiveness.

The Administration was also asked that the budget be realistic, conservative, and honest. Accordingly, spending in all business units will be reduced with approval of this budget, including spending on athletics even as the budget for Athletics was for the first time set at an honest and accountable level given our current status as a Division I school. I know this is a point of great debate on our campus, as it rightfully should be, and in my view a welcome conversation in our strategic deliberations this coming year.

In addition, this is an important point to note – this is indeed a working budget - and an honest budget. Where the budget process in the past has been largely an exercise in producing a budget that balances on paper, it did not always recognize the true cost of what we have built here at the university. Moreover, because of this, past budgets have set unrealistic expectations and were not accountable. We simply cannot tolerate these types of budget tactics and this budget being presented today – no matter how agreeable it is to you – is at the very least a realistic assessment of what every cost center should reasonably spend. This allows us to hold budget managers accountable for meeting spending targets and further allows consequences for unapproved spending of university resources, two critical components of responsible financial management.

I also want to thank those of you who participated in this budget process. Although the process will continue to evolve, I am pleased that we have made progress by providing a draft budget on May 19th, which allowed the Board to hear feedback from the community before voting. All comments received on the budget through the June 5th deadline have been forwarded to the Trustees, and today we have made all the budget comments available on the University's website. I appreciate the candidness and the respect with which these comments were offered.

I want to finish my opening comments by saying this. Our arrival here at this point in history is unfortunate. Many mistakes were made that brought us here ... mistakes in judgment, mistakes in decision-making, poor oversight and control, poor planning, and lack of stewardship of resources, all of which are elements of leadership at the highest levels. It is time to put these issues behind us and repair this University. Moreover, while we in leadership owe an apology for what got us here, we must, as a campus community, put just as much energy into cultivating the future. The past is an unpleasant memory, and while we must learn from our mistakes, that learning goes for naught if not made to build a stronger, more trusting, more collegial, and more productive future.

In the end, the one thing that has not changed is the quality of the people who make up Raider country – our students, our faculty, our staff, and all

the stakeholders in this room. And, to our students, we owe you nothing less than a fulfilling and life changing educational experience so you can live the life you want to live.

B. Financial Governance Policy

Wright State's Financial Governance Policy was last reviewed and revised in 2003. Thought of as the University's "guardrails", this policy provides financial governance oversight in areas such as debt management, minimum reserve levels, cash flow, spending, liquidity and financial strength. After a lengthy review process with input from the campus community and other key stakeholders, the Finance Committee presented the Financial Governance Policy draft 3.0 dated April 28, 2017 to the full Board for approval.

RESOLUTION 17-85

**Board of Trustees Approval of the
University Financial Governance Policy**

WHEREAS, The University is experiencing a number of financial challenges;

WHEREAS, The University and the Board of Trustees desire to reduce the scope of such challenges and place the University in a position of being able to maintain a sound fiscal footing going forward into the future; and

WHEREAS, The University, in order to realize the objective of maintaining a sustained sound fiscal footing into the future, has formulated a Financial Governance Policy.

NOW THEREFORE,

BE IT RESOLVED, that the Trustees hereby approve the Financial Governance Policy and direct the University Administration to adopt and implement the Policy as of the date of the Board's approval.

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

C. Policy on Reduction in Workforce for Classified Staff

The trustees heard presentations from representatives for the University administration, legal, and classified staff regarding a proposed change to the policy on the reduction in workforce for classified staff.

- **Ms. Shari Mickey-Boggs, associate vice president and chief human resources officer**

Ms. Mickey-Boggs provided an overview of a proposed Wright State policy change on reduction in workforce for classified (non-bargaining unit) staff. The current policy relies on retention points that roughly equate to seniority and is outdated as it views employees as “interchangeable” parts that can be easily shifted around. “Bumping”, the seniority displacement process triggered by a reduction in workforce, can result in lost productivity and lead to an antagonistic work environment. Ultimately, the least senior employee in the lowest classification would receive a two-week notice of layoff as outlined in the current policy.

The new policy under consideration would provide three potential actions for classified employees that have their positions eliminated. Affected classified employees could:

1. Accept notice on the same basis as Unclassified Staff, namely, one week per completed year of service with a minimum of 4 weeks and a maximum of 24 weeks.
2. Accept a vacancy in their current classification if one is available.
3. Accept a layoff and be placed on a recall list for one year.

Ratification of the proposed policy would provide employees and management greater flexibility over the current classified layoff process, minimize disruption and lost productivity, and ensure that employees without the requisite seniority would not be laid off with only two weeks’ notice.

The University began this change process under the leadership of President McCray and followed guidelines developed by the Inter-University Council of Ohio (IUC), which included:

- consultation with Classified Staff Advisory Council (CSAC) leadership
- communication to classified staff and their supervisors of the proposed change
- establishment of an informational website
- a 30-day anonymous comment period
- three small group forums (only 3 due to not hitting capacity in forums); and
- discussions with both Cabinet and Council of Deans.

Feedback from the forums included one with split sentiment, one with significant support for the change, and one with overwhelming support against the change. During the 30-day comment period, 97 individuals (64 classified employees and 33 supervisors) submitted comments. This represents 25% of the classified staff. A significant majority of the classified comments were against the change while supervisor comments were overwhelming in support of the change.

Consistent themes among classified staff opposing the change included the timing of the implementation before proposed position eliminations and the lack of current university vacancies. In deference to these concerns, the motion was presented to the Board with an effective implementation date of September 1, 2017.

- **Mr. Larry Chan, vice president for Legal Affairs and general counsel**

Mr. Chan outlined the legal basis for the Wright State Board of Trustees to adopt the University's own set of rules regarding classified staff.

HB 187, the Civil Service Reform Bill, is a 97-page bill passed by the Ohio General Assembly that became effective on July 1, 2007. HB 187 encompasses many areas related to civil service employees regarding status, layoffs, and employee discipline. In addition, it reflects 10 years of legislative discussions and public hearings about ways to reform state laws on civil service employment.

One small, but significant, part of the codified bill addresses state universities and grants the boards of trustees of state supported colleges and universities the authority to adopt rules and to carry out Human Resources functions related to classified employees but, subject to Department of Administrative Services rules at RC§ 124 until trustees adopt rules. These sections, RC §124.15(F)(1) and RC §124.15(F)(2) give the Board of Trustees the authority to adopt rules regarding classified staff if the University has observed all the requirements for adopting the University's own rules distinct from RC § 124 Department of Administrative Services rules.

Wright State has followed the process and met those standards by holding the three forums and the 30-day anonymous comment period.

- **Mrs. Dawn Banker, representative from Wright State's Classified Staff Advisory Council**

Mrs. Banker read the following comments on behalf of the members of the Classified Staff Advisory Council:

Thank you, members of the Board, Mister chairman, Dr. McCray. I have been asked by the members of the Classified Staff Advisory Council to address you today on the issue of our so-called "bumping rights", but we believe that we also speak for the majority of the classified staff, who, when surveyed by our colleagues in unclassified staff, stated by a total of 3 to 1 that they were in favor of keeping these rights.

You have been told that it is a complex issue. We do not believe that it is true. This is how we see this issue.

For decades, classified staff have worked with the promise of seniority or bumping rights in cases of job abolishment. Under the same rules that gave us those rights, we were restricted in the amount of vacation time that we could earn to less than half of other staff at this university and our job classifications were more rigidly structured than other staff at Wright State. This was the trade-off, right or wrong, that we were given and that we accepted.

Now, we are told that our seniority rights are unfair to people who have not worked here as long as others have. That they will disrupt the workings of the university so much that they must be abolished. In fact, we were told that "those rights were okay until we realized that you would actually get to use them".

In answer to those three arguments, we say this: doing what is right is not always painless or convenient. The University benefitted for years from our acceptance of the conditions of employment stated earlier. The administration and human resources have asked you to take away our seniority rights, but can they make up for years of disparate treatment when they do so? Can they give us back

weeks of lost vacation time? The University had 10 years since the passing of House Bill 187 to rescind these rights and chose not to do so. No other public university in Ohio has used HB 187 to completely rescind those rights from their staff.

After the upcoming layoffs, there will be approximately 200 classified staff members who qualify under the ORC as civil service. Many of these employees have given 2-3 decades of service to the university. They are not asking for special treatment. They are asking to finish their careers here under the same rules that they have always been employed.

Whatever you think of the idea of 'bumping rights', abolishing them with no consideration for the promises made in the past is not the message the board should send. Doing so tells long-term employees that they can expect, and should expect, no loyalty from this university.

Mr. Fecher, in a recent interview about athletics, you stated: "After doing the required study, we may decide to make a change in athletics. To do it in 90 days in response to our current financial situation ... I would rather take more time to study it in the context of what priorities do we want the university to have?"

Doesn't the classified staff at this university at least deserve the same consideration? We ask that you vote no, or at least table this motion, until an equitable solution that includes grandfathering existing classified employees under the old rules can be reached.

Thank you for your time.

The trustees discussed whether or not there was any manner in which classified staff would accept a change in bumping rights and what, if any, financial impact the change would create given the current budget situation. Trustee Langos offered observations on the disruption that could come about from the short and long-term effects of bumping on productivity, morale, worry about job security and the placement of individuals into positions that were not their choice or within their learned skill set.

From this discussion, Trustee Fitzpatrick made a recommendation to remove the September 1, 2017 effective date for the proposed policy. With the support of Mr. Langos, a motion was made to alter the resolution

before the Board to become effective immediately. A roll call vote to strike the effective date of September 1, 2017 from the resolution and change the effective date to June 8, 2017, was taken of the Board and passed by a 5 to 3 majority.

The following amended resolution was presented to the Board for approval.

Classified Rules Revision-Reduction in Workforce

RESOLUTION 17-86

WHEREAS, the 126th Ohio General Assembly enacted H.B. 187 which revises Ohio's civil service laws; and

WHEREAS, H.B. 187 authorizes Ohio's public universities to adopt and implement policies and procedures applicable to civil service employees; and

WHEREAS, Wright State University as an Ohio public university is granted the authority to implement policies and procedures that are applicable to civil service employees that satisfy the requirements of Ohio Revised Code 124; and

WHEREAS, Wright State University, through its Board of Trustees, granted to the President or his/her designee(s) the authority to adopt and implement these policies and procedures in accordance with Ohio Revised Code 111.15 and H.B. 187 on February 1, 2008;

WHEREAS, Wright State University's Cabinet and Council of Deans aspire for greater alignment of unclassified and classified policies and procedures in support of a single staff model; and

WHEREAS, the President's designee has met the provisions of H.B. 187 to amend the Ohio Revised Code and adopt the change attached, and incorporate the change into University Policies;

THEREFORE BE IT RESOLVED THAT:

The attached procedures shall be administered under the applicable provisions of the Ohio Revised Code Chapter 124 and H.B. 187 to be effective and implemented immediately.

Mr. Fitzpatrick moved for approval. Mr. Montgomery seconded, and the motion was approved 5-3 by roll call vote.

D. Limited Waiver of Privilege on Investigation Materials

Mr. Fecher gave background information relative to the following resolution.

The Board of Trustees requested that the administration forward referrals to the appropriate Ohio investigative authorities following the release of the Plante Moran report in April. Out of these referrals, the Ohio Inspector General has requested a waiver of attorney-client privilege for several types of materials pertinent to their investigation.

RESOLUTION 17-87

**Board of Trustees to Authorize a Limited
Waiver of the Attorney-Client Privilege Attached to Materials
Provided to the Ohio Attorney General's Bureau of Criminal
Investigation in Early 2015 Related to U.S. Attorney Investigation
Into H-1B Visa Fraud**

WHEREAS, The Ohio Attorney General's Bureau of Criminal Investigation (BCI) took possession of files, records, computers, flash drives, and other equipment or material from the University in early 2015 for delivery to the U.S. Attorney's office in conjunction with its criminal investigation into H-1B visa fraud that may have taken place at the University;

WHEREAS, such equipment and materials continue to remain in the possession of the BCI pending the U.S. Attorney's office investigation;

WHEREAS, The Ohio Inspector General's office has requested access to such equipment and materials in the course of conducting its own investigation into related matters; and

WHEREAS, The Board of Trustees desires, and intends to cooperate with the Ohio Inspector General's investigation and authorize a limited waiver of the attorney-client privilege attached to such materials.

NOW THEREFORE,

BE IT RESOLVED, that the Trustees hereby authorize a limited waiver of the attorney-client privilege that is attached to the files, records, computers, flash drives and other equipment or material that was taken into possession by BCI from the University in early 2015.

Mr. Fecher moved for approval. Mr. Bridges seconded, and the resolution was unanimously approved by roll call vote.

E. Contracts for Approval \$500,000 and Above

The following contract was presented to the Board for approval.

<u>Vendor</u>	<u>Description of Services</u>	<u>2016-2017 Contract Amount</u>	<u>Previous Contract Amount</u>	<u>Term of Contract</u>
IATSE Int'l Alliance Theatrical	Professional Service for the Nutter Center	\$520,000	N/A	7/1/16-6/30/17

RESOLUTION 17-88

WHEREAS, in order for the University to conduct business on an on-going basis, and provide products and services in a timely manner, purchases must be made; and

WHEREAS, these expenditures may exceed \$500,000, therefore be it

RESOLVED that authorization be granted for the accompanying contract now before the Board of Trustees be, and hereby is approved.

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

- **Report of Expenditures \$250,000 to \$499,999**

The following expenditure was reported to the Board. No Board action was required.

<u>Vendor</u>	<u>Description of Service</u>	<u>P.O. Amount</u>
Western Ohio Educational Foundation	Residence & Housing	\$345,730

VIII. PRESENTATION OF THE 2017-2018 UNIVERSITY BUDGET

Mr. Jeff Ulliman, vice president for Business and Fiscal Affairs and CFO, provided an update on institutional data and trends affecting the FY 2018 University budget.

Overall, Midwest states have fallen below the US average for funding from state and local appropriations and remain more reliant on net tuition dollars. Wright State's amount of state appropriations per dollar of gross tuition has decreased 79% from \$2.14 in 1980 to \$0.46 in 2016. As state support decreases, students are seeing increases in tuition.

Wright State's undergraduate tuition, however, is among the most affordable in Ohio. Expenses, however, have tracked with the state average, which contributes to a gap between revenue and expenses.

Enrollment has declined from its peak in 2011 and projections for FY2018 include a decrease in enrollment of 5.39%. Initial estimates and projections also forecast a decrease in State Share of Instruction (SSI) support for FY 2018.

Ohio's biennial operating budget is making its way through the legislature and becomes effective on July 1, 2017. Expectations are the total pool for SSI funding will remain flat and ongoing restrictions on implementing undergraduate tuition and fee increases will continue.

Mr. Ulliman reviewed the FY 2017 remediation plan which included \$19.7 in targeted spending cuts, the implementation of the Voluntary Retirement Incentive Plan (VRIP), the elimination of 23 positions, an unrealized projected increase in enrollment, an estimated \$8M in attrition savings and the planned use of reserves to balance the budget. Remediation factors that subsequently affected the 2016-2017 budget included a \$10M enrollment shortfall, unrealized net debate revenue, the elimination of investment income due to a decrease in reserves, and the need to begin rebuilding reserves.

The FY 2018 budget was developed using four objectives; namely, to prioritize the academic and instruction mission of the University, to deliver a balanced budget that would allocate a distribution of \$5M to begin restoring reserves, to create and maintain a strong culture of accountability, and to review processes to ensure continuous efficiency and effectiveness.

During the planning phase for the FY 2018 budget, the colleges, divisions and units went through a series of exercises to reduce personnel and operations by a 5% and a 15% target. After much work and discussion, the University wide savings identified amounted to almost \$31M and included measures such as department mergers, centralized support for marketing and IT, reduction or

elimination of stipends, and the elimination of Parents Weekend, the Presidential Lecture Series, the Common Text, and the Weekend Intervention Program. In addition, a total of 57 currently filled positions and 119 vacant positions were identified for elimination and 13 employees are facing a reduction in their FTE status.

The budget for the upcoming academic year was developed based on the following assumptions:

- Based on preliminary FY18 Ohio Department of Higher Education (ODHE) projections, SSI funding will remain flat
- A 5% decline in overall student credit hours is projected by Enrollment Management
- Instruction and General fees are based on the enrollment projection and an increase of 3% in graduate fees
- Non-Resident Tuition includes a 3% price increase and a volume decrease of approximately 20%
- Room and Board will each increase by 3%
- No Increase is budgeted for Salaries and Wages
- Benefits rates are calculated using FY17 Department of Health and Human Services negotiated rates

The FY 2018 Current Unrestricted Funds Budget presented to the Board by Mr. Ulliman was a balanced budget that did not rely on the use of reserves. The budget included a comparison between FY 2017 and FY 2018. Highlights of the revenue comparison showed a decrease of \$900,000 in SSI, a decrease of \$9.5 million in student fees (based on lower projected enrollment), a decrease in federal support, and a slight decrease in other sources of revenue. On the expense side, approximately \$50 million has been trimmed from University expenditures since 2017 with a significant portion of that reduction in personnel and operating expenses. The FY2018 budget also included a plan to begin restoring fund balances (reserves) by approximately \$6 million.

The University has both restricted and unrestricted reserve funds. Restricted reserves are earmarked to pay creditors and other external agencies such as the federal government for loan monies advanced to our students. Unrestricted reserves include carryforward dollars, renewal and replacement funds and unrestricted fund balances. Year-end projections for 2017 anticipate the need for \$50M in restricted reserves. Year-end bank and investment balances are projected at \$31 million.

The Ohio Department of Higher Education monitors the financial health of Ohio's colleges and universities using a Senate Bill 6 ratio. Three ratios make up the Senate Bill 6 ratio composite score. They include:

- Primary Reserve Score: a measure of the strength of the reserves as a means of meeting operating expenses (weighted at 50% of the score).
- Viability Score: also a measure of reserve strength but as a means of servicing debt payments (weighted at 30% of the score).
- Net Income Ratio Score: a measure of change in net position, or net income/loss as a percent of total revenues (weighted at 20% of the score).

The composite score of the three ratios can range from zero to five with higher scores representing stronger financial health. A score of 1.75 or lower for two consecutive years results in an institution being placed on fiscal watch. Wright State's fall 2016 composite score was 2.1, however due to the drop in reserves, it is projected to drop to .8 in fall 2017. This .8 score would become "year one" towards the possibility of entering fiscal watch.

The adoption and full execution of the FY 2018 budget being proposed would most likely result in a Senate Bill 6 score of 1.4 in fall of 2018. While better, this score is still below the threshold of 1.75 and would result in a declaration of fiscal watch by the Chancellor of Ohio. Once fiscal watch is declared, the University would have 90 days to develop a plan to restore the Senate Bill 6 score to a 2.4 score within three fiscal years.

Wright State is currently in contact with state officials and holding conversations related to its financial circumstances. To enhance the efforts to rebuild reserves, additional expense reduction options are being explored. These measures include potential consolidations and mergers of colleges and/or service units, the elimination of duplicative services, and the assessment of vacant positions for continued need and strategic purpose. Also being reviewed is the pricing and structure of health care costs, the delivery of campus and student services, and relationships with third party partners and vendors. Non-core assets and operations are being evaluated and prioritized to see if they can be achieved by alternative methods at a lower cost.

Mr. Ulliman reminded everyone that we cannot continue to make cuts to gain financial health but instead must concentrate on increasing revenue with enrollment and retention enhancement. Everyone must strictly adhere to the budget being presented today while continuing to support students and provide them with an exceptional education and college experience. The entire campus community has a stake in helping Wright State emerge in a stronger, more sustainable and truly strategic way.

Board Questions and Discussions:

Mr. Fecher offered the following comments.

As Wright State moves forward, it is important to consider our strategic plan and its effect on decision-making. We have a plan today and I wonder how many people know it, know what it says, or have seen it, know what it calls for, or what

targets it sets. Our current plan says, “We are going to be all things to all people” and accomplish this using one of the lowest cost basis for tuition in Ohio. Trying to do everything and be everything has led to a lot of spending and that is how we got into financial difficulties today. The University needs a new long-term strategic plan that will guide our decision-making on priorities such as enrollment and on major programs such as research and athletics. This plan, along with the answer to two very important questions (“Why do it?” and “What Value does it bring to the University?”) would help the University define and align priorities and support future decision-making. No one likes today’s budget but it is an honest budget in that it is balanced, covers current spending needs and is not reliant on reserves.

Mr. Langos cautioned against a fate of “death by a thousand cuts” and expressed concern that previously approved budgets historically did not meet revenue projections and consistently exceeded expenses thus triggering further cuts. He proposed delaying the passage of the proposed budget for further development and suggested the implementation of a parallel budget with built in “levers” (predefined steps to increase revenue or decrease expenditures) based on an incremental timeline for review. He and interim President McCray both agreed that the \$30 million in reductions built into the FY2018 budget was probably not sufficient to address the need.

Mr. Fitzpatrick supported the passage of the proposed budget as a necessary starting point and asked if the \$1.6 million increase for Athletics was an attempt to augment their need or instead to allow for additional spending. The proposed Athletic budget offered would centralize support traditionally received from different units across campus and would cover actual historic expenditure levels. The new Athletics budget has been established at \$11.6 million, which reflects a reduction of \$200 thousand due to the elimination of the Swimming and Diving teams.

The Trustees held a discussion in reference to the recent elimination of the Swimming and Diving program. Reviewed were maintenance issues and repair costs to maintain the pool, the program elimination process, the impact on students, and alternative ways to fund the \$200,000 cost.

This led to a discussion of University-wide deferred maintenance. Estimates of deferred maintenance were offered by Mr. Sample of \$30 to \$40 million and Dr. McCray of \$50 million.

Audience Questions and Concerns:

Mr. Fecher, Board Chair Elect, invited the audience to address questions to the Board, Dr. McCray or Mr. Ulliman. To maintain the good order of the meeting, each person was allocated two minutes and one question with one follow-up question.

A large number of representatives and interested parties were present on behalf of the Wright State Men's and Women's Swimming and Diving Team including team members, parents, coaches, alumni and concerned community members. Numerous requests were made for the administration and the Board to consider reversing a previously announced decision eliminating the Wright State Swimming and Diving program. After hearing all the concerns, the Trustees held a discussion on what implications the passage of the Current Funds resolution associated with the budget would have on the team.

It was decided that passage of the Current Funds resolution as presented would be an acceptance of the decision to eliminate the team. A question was asked whether there was a way to direct the Athletic Director to review that decision and find the funds to maintain the program. Further discussion ensued on the role of the Board in managing department decisions. Ultimately, it was decided to offer a motion directing the University President to work with the Athletic Director to determine if, while staying within the \$11.6 million Athletic Budget, there are methods to avoid elimination of the Swimming and Diving Team.

The following resolution captures and clarifies the discussion of the directives of the Board:

A. BOARD DIRECTIVE FOR THE PRESIDENT

The Board of Trustees to Direct Interim President McCray to Recommend a Review of the Athletic Department's Budget to determine whether Measures can be taken to maintain the Swimming and Diving Team within the Athletic Department's existing \$11.6 million dollar budget

RESOLUTION 17-89

WHEREAS, the University has undertaken remediation measures to reduce its budget in Fiscal Year 2017-2018 to support the University's Mission, Vision and Values; and

WHEREAS, among other Academic and Administrative units the Athletic Department has formulated a budget to undertake remediation measures consistent with other units at the University; and

WHEREAS, the remediation measures undertaken by the Athletic Department have resulted in the elimination of the Swimming and Diving program at Wright State for Fiscal Year 2017-2018; and

WHEREAS, the Board has directed the President to recommend a review of the Athletic Department's budget to determine whether measures can be taken to maintain the Swimming and Diving program within the Athletic Department's existing \$11.6 Million Dollar budget for Fiscal Year 2017-2018, by June 30, 2017;

NOW THEREFORE,

BE IT RESOLVED, that the President recommend a review of the Athletic Department's budget to determine whether measures can be taken to maintain the Swimming and Diving Team program within the Athletic Department's existing \$11.6 Million Dollar budget for Fiscal Year 2017-2018, by June 30, 2017.

Mr. Fecher motioned for approval. Mr. Bridges seconded, and the motion was unanimously approved by roll call vote.

B. CURRENT FUNDS BUDGET

The following resolution relative to the University's budget was presented to the Board for approval.

RESOLUTION 17-90

FY 2018 Current Funds Budget

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

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

WHEREAS, state funding is projected to decrease slightly; and

WHEREAS, enrollment levels are anticipated to decrease moderately; and

WHEREAS, the current 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, 2017; 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. Mrs. Broner seconded and the motion was approved 7-1 by roll call vote.

C. STUDENT FEE INCREASE

The following request for student fee increases was presented to the Board for approval.

RESOLUTION 17-91

FY2018 Student Fee Increase

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 current 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 2017; and be it further

RESOLVED that Lake Campus full-time and part-time undergraduate tuition for all students for fall semester 2017 will not be increased over those for summer semester 2017; 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 2017 be increased over those for summer semester 2017 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 2017 be increased over those for summer semester 2017 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 2017 be increased over those for summer semester 2017 by approximately 3%; and be it further

RESOLVED that professional fees for the Boonshoft School of Medicine for all students for fall semester 2017 will not be increased over those for spring semester 2017; and be it further

RESOLVED that non-resident fees for the Boonshoft School of Medicine for all students for fall semester 2017 will not be increased over those for spring semester 2017; and be it further

RESOLVED that this resolution supersedes Resolution 16-56 dated June 2, 2016.

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

IX. ADJOURNMENT

The meeting was adjourned at 11:55 a.m.