

**Faculty Budget Priority Committee  
AY2018-19 Activity Summary**

**Members**

Travis Doom (Faculty President), Sherrill Smith (CoNH), John Gallagher (CECS), Dan Krane (Faculty Vice President), Jeremy Schumm (SOPP), Nimisha Patel (CEHS), Burhan Kawosa (RSCOB / Chair), Martin Kich (LAKE), Sean Wilson (2018) (COLA), Ryan Mast (Sept-Oct) Eric Bennet (Oct-) (BSOM), Dawn Wooley (COSM)

Faculty Budget Priority Committee Charge: The Committee will be responsible for:

- a. Requesting information from the university budget director and the university administration regarding university income and expenditures and all other items of budgetary concern, including projected and actual budget reports.
- b. Examining all fiscal affairs of the university.
- c. Recommending fiscal priorities to the Faculty Senate and university administration.

The chair of the Budget Priority Committee shall attend the Board of Trustee's Finance and Audit Committee meetings.

Faculty Budget Priority Committee Membership: The Committee shall be comprised of the Faculty President, Faculty Vice President, and one (1) faculty member from each college or school with Faculty Senate constituency representation selected by the Senate Executive Committee.

**September 17, 2018:**

**Member Attendance**

Travis Doom	Faculty President
Dan Krane	Faculty Vice President
John Gallagher	CECS
Nimisha Patel	CEHS
Sean Wilson	COLA
Sherrill Smith	CONH
Dawn Wooley	COSM
Burhan Kawosa (Chair)	RSCOB
Michelle Schultz	SOPP

**Guest Attendance**

Walt Branson	VP and CBO
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- VP Branson provided a financial update to the committee.
  - FY 18 ended with an estimated \$10.1 million surplus of which \$6 million will be added to reserves.
  - Based on fall enrollment to date, tuition revenue for FY19 is projected to be approximately \$2.5 m below budgeted amount.
  - Horan estimates an 11% increase in claims from calendar year 18 to calendar year 19. That is an approximately \$1.6 m shortfall for calendar year 19. This creates an estimated \$0.8 m shortfall in the FY19 budget.
  - Tuition revenue shortfall plus projected increases in health benefit costs lead to a projected \$3.3m shortfall in FY19.
  - At this point, no cuts are planned for FY19. However, reduction to budget FY20 is a strong possibility. This will be evaluated in January 2019 after Spring 2019 enrollment is determined.
  - Colleges/Departments should receive Summer 18 funds as planned.
- The committee reviewed recent Affordability & Efficiency report
- The committee agreed that its members have access to the same KPI dashboards for academic units that are available to chairs and deans. The request was made to the chairs of the Program Effectiveness Review Committee and access was granted.
- The committee agreed on inviting Dennis Andersh, Greg Sample and Bob Grant during academic year 18-19.

**October 15, 2018:**

**Member Attendance**

Travis Doom	Faculty President
Dan Krane	Faculty Vice President
Eric S Bennett	BSOM
John Gallagher	CECS
Nimisha Patel	CEHS
Sean Wilson	COLA
Sherrill Smith	CONH
Burhan Kawosa (Chair)	RSCOB
Michelle Schultz	SOPP

**Guest Attendance**

Walt Branson	VP and CBO
Dennis Andersh	WSRI/WSARC
Rufus Smith	WSRI

- Dennis Andersh WSARC/WSRI presentation followed by Q&A. Eric Bennett and Burhan Kawosa will conduct follow up meetings with Dennis Andersh and Ebi Maki (WSARC CFO) and report to the committee. **See Appendix A**
- Discussed issues regarding Time to Application Decision for potential graduate students
- VP Branson provided an oral financial update to the committee.

**October 22, 2018:**

**Member Attendance**

Travis Doom	Faculty President
Dan Krane	Faculty Vice President
Eric S Bennett	BSOM
John Gallagher	CECS
Nimisha Patel	CEHS
Sean Wilson	COLA
Sherrill Smith	CONH
Dawn Wooley	COSM
Burhan Kawosa (Chair)	RSCOB
Jeremy Schumm	(Michelle Schultz as alternate) SOPP

**Guest Attendance**

Walt Branson	VP and CBO
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- Received presentation from Shari Mickey-Boggs, AVP Human Resources **See Appendix B**  
  
A 5-level plan for staff premiums was requested from the FBPC and Shari Mickey-Boggs agreed to provide that information by mid-December
- VP Branson provided an oral financial update to the committee.

**November 19, 2018**

**Member Attendance**

Travis Doom	Faculty President
Dan Krane	Faculty Vice President
Eric S Bennett	BSOM
John Gallagher	CECS
Nimisha Patel	CEHS
Sean Wilson	COLA
Sherrill Smith	CONH
Dawn Wooley	COSM
Burhan Kawosa (Chair)	RSCOB
LaTrelle Jackson	SOPP

- Received report from RSCOB, CONH and CEHS regarding Time to Application Decision for potential graduate students. Recommendations from committee are pending receipt of reports from other colleges.
- VP Branson provided an oral financial update to the committee.

**November 26, 2018:**

**Member Attendance**

Travis Doom	Faculty President
Eric S Bennett	BSOM
John Gallagher	CECS
Nimisha Patel	CEHS
Sean Wilson	COLA
Sherrill Smith	CONH
Dawn Wooley	COSM
Burhan Kawosa (Chair)	RSCOB
Michelle Schultz	SOPP

**Guest Attendance**

Walt Branson	VP and CBO
John Shipley	Interim Associate Vice President
Megan Faragher	LAKE Senate EC
Laura Luehrmann	COLA Senate EC
Michael Raymer	CECS Senate EC

John Shipley, who is serving as the Interim Associate Vice President in the Controller's Office, made an educational presentation covering some accounting and finance topics relevant to understanding the university's budget and financial statement.

## Appendix A



# WSRI and WSARC Faculty Senate Budget Committee Updates October 15, 2018

Dennis Andersh  
WSRI Executive Director  
WSARC CEO





# WSRI Financial Results June 30, 2018

## Summary of WSRI-WSARC and WSRI-RSP Financials



<b>WSRI / WSARC Consolidated Income Statement</b>			
<b>FOR THE PERIOD ENDING 30-JUN-2017</b>			
<b>DIVISION</b>	<b>WSARC</b>	<b>WSRI</b>	<b>CONSOLIDATED</b>
<b>Revenue</b>			
Contract & Grant Revenue	20,048,161	13,600,192	33,648,353
Commercial Revenue	409,001	0	409,001
	<b>20,457,162</b>	<b>13,600,192</b>	<b>34,057,354</b>
<b>DIRECT COSTS</b>			
Direct Labor	2,966,705	6,178,195	9,144,900
Travel	130,890	233,491	364,381
Maintenance & Supplies	196,192	549,478	745,670
Subcontract Costs	13,480,883	4,422,380	17,903,263
Other Direct Cost	760,412	121,868	882,280
	<b>17,535,083</b>	<b>11,505,412</b>	<b>29,040,494</b>
<b>COST OF OPERATIONS</b>			
Fringe benefits	994,202	0	994,202
Overhead*	1,895,479	2,007,253	3,902,732
General & Admin	1,073,053	87,528	1,160,581
	<b>3,962,735</b>	<b>2,094,781</b>	<b>6,057,515</b>
<b>GROSS PROFIT FROM OPERATIONS</b>	<b>(1,040,656)</b>	<b>0</b>	<b>(1,040,656)</b>
<b>OTHER INCOME/EXPENSE</b>	56,267	0	56,267
Other Unallowable Exp/Income	(126,838)	0	(126,838)
<b>NET INCOME BEFORE TAXES</b>	<b>(857,550)</b>	<b>0</b>	<b>(857,550)</b>
<b>*Depreciation Expense</b>	<b>637,167</b>	<b>0</b>	<b>637,167</b>
<b>Operating Income (Excluding Depreciation)</b>	<b>(220,383)</b>	<b>0</b>	<b>(220,383)</b>



## 2018 Major Loss Contributors

WSU Rent Costs that were  
Waived by WSARC \$205K

- WSU MKT – \$68K
- WSRI/RSP – \$137K

Projects Losses - \$439K (\$350K  
of this loss is due to prior year  
depreciation expense that we  
are not charging to customers)

## Error in depreciation dating back to 2009. (\$350K)

- Increased depreciation costs  
for FY18. It should have  
been higher in FY17 and  
before, but rather than  
reopening previous years, we  
booked the cost in FY18.

Organization: 1 Consolidation				
WSRI/WSARC - 2018 YTD - PD12				
	07/01/17 06/30/18	Budget	Actual As A Percent of Revenue	Variance
<b>Revenue</b>				
Contract & Grant Revenue	34,268,108.39	28,309,654.80		5,958,453.59
Commercial Revenue	295,267.00	0.00		295,267.00
Rental Income	320,087.79	401,703.60		-81,615.81
Interest Income	104,348.23	57,999.60		46,348.63
<b>Total Revenue</b>	<b>34,987,811.41</b>	<b>28,769,358.00</b>	<b>100.00%</b>	<b>6,218,453.41</b>
<b>Program Services</b>				
Direct Labor	5,313,956.84	7,015,022.40	15.19%	-1,701,065.56
Travel	319,103.90	416,530.80	0.91%	-97,426.90
Subcontractors	22,262,109.44	15,125,779.20	63.63%	7,136,330.24
Other Direct Costs	\$1,271,958.26	936,648.00	3.64%	335,310.26
<b>Total Program Svcs</b>	<b>29,167,128.44</b>	<b>23,493,980.40</b>	<b>83.36%</b>	<b>5,673,148.04</b>
<b>Support Services</b>				
Overhead	3,600,918.29	2,875,130.40	10.29%	725,787.89
G&A	2,279,686.98	1,675,749.60	6.52%	603,937.38
Rental Expense	425,746.56	409,201.20		16,545.36
Other	158,770.01	300,296.40	0.45%	-141,526.39
<b>Total Support Svcs</b>	<b>6,465,121.84</b>	<b>5,260,377.60</b>	<b>18.48%</b>	<b>1,204,744.24</b>
<b>Total Expenses</b>	<b>35,632,250.28</b>	<b>28,754,358.00</b>	<b>101.84%</b>	<b>6,877,892.28</b>
<b>Change in Net Assets</b>	<b>-644,438.87</b>	<b>15,000.00</b>		
<b>Add Depreciation</b>	<b>903,691.94</b>	<b>765,311.00</b>		
<b>Change in Net Assets After Deprectxn Adj</b>	<b>259,253.07</b>	<b>780,311.00</b>		



<b>WSRI Consolidated Income Statement</b>			
<b>FOR 2018 ENDING June 30, 2018</b>			
<b>DIVISION</b>	<b>WSARC</b>	<b>RSP</b>	<b>CONSOLIDATED</b>
<b>Revenue</b>			
Contract & Grant Revenue	28,720,428	5,547,680	34,268,108
Commercial Revenue	295,267	0	295,267
Rental Revenue	320,088	0	320,088
Interest Revenue	104,348	0	104,348
	<b>29,440,131</b>	<b>5,547,680</b>	<b>34,987,811</b>
<b>Expenses-Prgrm Svcs</b>			
Direct Labor	4,159,186	1,154,771	5,313,957
Travel	305,287	13,817	319,104
Subcontract Costs	18,351,667	3,910,443	22,262,109
Other Direct Cost	1,210,595	61,363	1,271,958
Total Prgrm Svcs	<b>24,026,735</b>	<b>5,140,393</b>	<b>29,167,128</b>
<b>Support Services</b>			
Overhead	3,600,918	0	3,600,918
G&A	1,880,503	399,184	2,279,687
Rent Expense	425,747	0	425,747
Other	158,770	0	158,770
Total Support Svcs	<b>6,065,938</b>	<b>399,184</b>	<b>6,465,122</b>
<b>Total Expenses</b>	<b>30,092,673</b>	<b>5,539,577</b>	<b>35,632,250</b>
<b>Change in Net Assets</b>	<b>(652,542)</b>	<b>8,104</b>	<b>(644,439)</b>
<b>Depreciation Expense</b>	<b>903,692</b>	<b>0</b>	<b>903,692</b>
<b>Change in Net Assets (Excluding Depreciation)</b>	<b>251,150</b>	<b>8,104</b>	<b>259,253</b>



## Balance Sheet as of June 30, 2018 Pre-ATIC Building Sale

Consolidation Balance Sheet - 2018 YTD - PD12		
6/30/2018		
<b>Current Assets</b>		
Cash		5,486,607.05
Billed Receivables		4,801,718.22
Unbilled Receivables		2,751,111.90
Long Term Receivables		0.00
Prepaid Expenses		60,352.00
Other Receivable		21,444.66
Property & Equipment		4,066,853.82
Other Assets		300,000.00
<b>Total Assets</b>		17,488,087.65
<b>Current</b>		
Accounts Payable		8,031,900.02
Accrued Salaries		0.00
Accrued Leave Payable		0.00
Other Current Liabilities		4,995,145.16
		14,980,779.39
<b>Long-Term Liabilities</b>		
Other LT Liabilities		91,518.24
		91,518.24
<b>Stockholders Equity</b>		
Prior Year Retained Earnings		4,369,524.23
<b>Total Liabilities and Assets</b>		17,488,087.65

### **ATIC (Separate 501c.3)**

- New Management Agreement approved and signed December 13, 2016.
  - Extracted WSARC from previous Shared Services Agreement that created the \$1.4M in debit.
    - ATIC did not pay WSARC for Labor, Fringe, OH and G&A
- ATIC licensed ATIC Educational Classes, Logo, Brand to WSARC December 13, 2016.
  - We are currently providing the ATIC classes at WSRI. This has produced limited positive cash flow.
- Promissory Note from ATIC to pay back \$1.4M owed to WSARC December 13, 2016.
  - ATIC is paid up currently and they were paying at a rate of \$2500 a month (\$30K/Yr).
  - The Promissory Note was unsecured, even though we attempted to secure it. Banks would not approve it.
- ATIC currently owes WSARC, as of August 31, 2018, \$1.291M (Note + Interest).
- The ATIC Building was sold and the sale was complete on Sept 25, 2018.
  - The sales price did not cover all the outstanding ATIC financial obligations.
  - The WSARC executive board approved writing off the current ATIC receivable in FY18, however, we will continue to pursue multiple options to recover as much as possible.
- WSARC Repayment to WSU.
  - WSARC/ATIC due bill to WSU as of June 30, 2017 was \$829K.
    - Fully paid up obligation for FY17. Paid \$215K in FY17.
    - Paid \$50K by Dec 31, 2017 and Paid \$150K FY18 on May 31, 2018.
      - » Met FY18 Obligations.
    - Paid \$50K on Oct 9th and will pay \$150K by June 30, 2018 by paying \$50K quarterly.
    - WSARC currently owes WSU \$580K.
- WSARC will continue payment of \$200K+per year to WSU going forward.
  - WSARC will use MVRF \$300K payment for this due bill when WSU receives those funds.
  - Cash and fees from WSARC operations was the primary source in the past to make these payments and will continue to be the source of funds to pay this due bill going forward.



Organization: 1 Consolidation				
WSRI/WSARC - 2018 YTD - PD12				
	07/01/17 06/30/18	Budget	Actual As A Percent of Revenue	Variance
<b>Revenue</b>				
Contract & Grant Revenue	34,244,405.30	28,309,654.80		5,934,750.50
Commercial Revenue	295,267.00	0.00		295,267.00
Rental Income	320,087.79	401,703.60		-81,615.81
Interest Income	103,188.00	57,999.60		45,188.40
<b>Total Revenue</b>	<b>34,962,948.09</b>	<b>28,769,358.00</b>	<b>100.00%</b>	<b>6,193,590.09</b>
<b>Program Services</b>				
Direct Labor	5,313,569.49	7,015,022.40	15.20%	-1,701,452.91
Travel	319,297.02	416,530.80	0.91%	-97,233.78
Subcontractors	22,250,500.61	15,125,779.20	63.64%	7,124,721.41
Other Direct Costs	\$1,270,504.33	936,648.00	3.63%	333,856.33
<b>Total Program Svcs</b>	<b>29,153,871.45</b>	<b>23,493,980.40</b>	<b>83.39%</b>	<b>5,659,891.05</b>
<b>Support Services</b>				
Overhead	3,600,918.29	2,875,130.40	10.30%	725,787.89
G&A	2,269,240.88	1,675,749.60	6.49%	593,491.28
Rental Expense	425,746.56	409,201.20		
Other	128,561.94	300,296.40	0.37%	-171,734.46
Bad Debt Expense (ATIC)	1,320,126.35	0.00		1,320,126.35
<b>Total Support Svcs</b>	<b>7,744,594.02</b>	<b>5,260,377.60</b>	<b>22.15%</b>	<b>2,484,216.42</b>
<b>Total Expenses</b>	<b>36,898,465.47</b>	<b>28,754,358.00</b>	<b>105.54%</b>	<b>8,144,107.47</b>
<b>Change in Net Assets</b>	<b>-1,935,517.38</b>	<b>15,000.00</b>		
Add Depreciation	903,691.94	765,311.00		
<b>Change in Net Assets After Deprectn Adj</b>	<b>-1,031,825.44</b>	<b>780,311.00</b>		

**ATIC Write Off  
\$1.291M + \$30K  
of other ATIC  
expenses.**



WSRI Consolidated Income Statement			
FOR 2018 ENDING June 30, 2018			
DIVISION	WSARC	RSP	CONSOLIDATED
<b>Revenue</b>			
Contract & Grant Revenue	28,720,428	5,523,977	34,244,405
Commercial Revenue	295,267	0	295,267
Rental Revenue	320,088	0	320,088
Interest Revenue	103,188	0	103,188
	<b>29,438,971</b>	<b>5,523,977</b>	<b>34,962,948</b>
<b>Expenses-Prgrm Svcs</b>			
Direct Labor	4,159,186	1,154,383	5,313,569
Travel	305,287	14,010	319,297
Subcontract Costs	18,351,667	3,898,834	22,250,501
Other Direct Cost	1,210,595	59,909	1,270,504
Total Prgrm Svcs	<b>24,026,735</b>	<b>5,127,136</b>	<b>29,153,871</b>
<b>Support Services</b>			
Overhead	3,600,918	0	3,600,918
G&A	1,880,503	388,738	2,269,241
Rent Expense	425,747	0	425,747
Other	128,562	0	128,562
Bad Debt Expense (ATIC)	1,320,126	0	1,320,126
Total Support Svcs	<b>7,355,856</b>	<b>388,738</b>	<b>7,744,594</b>
<b>Total Expenses</b>	<b>31,382,592</b>	<b>5,515,874</b>	<b>36,898,465</b>
<b>Change in Net Assets</b>	<b>(1,943,621)</b>	<b>8,104</b>	<b>(1,935,517)</b>
<b>Depreciation Expense</b>	<b>903,692</b>	<b>0</b>	<b>903,692</b>
<b>Change in Net Assets (Excluding Depreciation)</b>	<b>(1,039,929)</b>	<b>8,104</b>	<b>(1,031,825)</b>





## Balance Sheet as of June 30, 2018 **Final After ATIC Write-off**

Consolidation Balance Sheet - 2018 YTD - PD12		
6/30/2018		
<b>Current Assets</b>		
Cash		5,486,607
Billed Receivables		3,528,688
Unbilled Receivables		3,218,726
Long Term Receivables		0
Prepaid Expenses		60,352
Other Receivable		3,396
Property & Equipment		4,066,854
Other Assets		300,000
Total Assets		16,664,623
<b>Current</b>		
Accounts Payable		8,031,900
Accrued Salaries		0
Accrued Leave Payable		0
Other Current Liabilities		5,462,760
		14,980,779
<b>Long-Term Liabilities</b>		
Other LT Liabilities		91,518
		91,518
<b>Retained Earning</b>		
Prior Year Retained Earnings		3,078,445
Total Liabilities and Assets		16,664,623

Adjustment  
in Receivable

Adjustment  
in Fixed  
Assets



WSARC Due To/From WSU As of 06/30/2018		WSARC Due To/From WSU As of 08/31/2018	
WSARC due to WSU	2,992,679	WSARC due to WSU - Salary/Travel/Fringe	1,694,743
WSARC Due to WSU for ATIC* Bills	1,225,774	WSARC due to WSU - Subcontracts	373,658
WSARC paid to date to WSU for ATIC* Bills	(594,969)	WSARC Due to WSU for ATIC* Bills	1,225,774
		WSARC paid to date to WSU for ATIC* Bills	(594,969)
ABC classes income to pay off balance over 5 years starting 2017		ABC classes income to pay off balance over 5 years starting 2017	
<b>Subtotal due to WSU</b>	<b>3,623,484</b>	<b>Subtotal due to WSU</b>	<b>2,699,206</b>
YTD18 WSU Marketing Rent	0	YTD18 WSU Marketing Rent - Invoiced & Paid	
YTD18 WSRI Building/Shared Svs	10,964	YTD18 WSRI Building/Shared Svs - Invoiced & Paid	
<b>Rent due from WSU</b>	<b>10,964</b>	<b>Rent due from WSU</b>	<b>0</b>
<b>Subtotal due to WSU</b>	<b>3,612,520</b>	<b>Subtotal due to WSU</b>	<b>2,699,206</b>
<b>WSU Contracts - Invoiced and due from</b>	<b>446,626</b>	<b>WSU Contracts - Invoiced and due from WSU</b>	<b>209,603</b>
<b>Net due to WSU</b>	<b>3,165,894</b>	<b>Net due to WSU</b>	<b>2,489,603</b>



# FY19 Performance to Date



FY2019 Proposed			
	WSARC	WSRI	CONSOLIDATED
<b>CONTRACT REVENUE</b>			
Contract & Grant Revenue	\$30,453,588	\$713,694	\$31,167,282
	<b>30,453,588</b>	<b>713,694</b>	<b>31,167,282</b>
<b>DIRECT COSTS</b>			
Direct Labor	6,123,469	554,990	6,678,459
Travel	516,531	0	516,531
Subcontract Costs	17,425,778	0	17,425,778
Other Direct Cost	1,136,098	0	1,136,098
Service Centers	80,672	0	80,672
	<b>25,282,548</b>	<b>554,990</b>	<b>25,837,537</b>
<b>COST OF OPERATIONS</b>			
Overhead	2,931,048	0	2,931,048
General & Admin	2,239,992	158,704	2,398,697
	<b>5,171,040</b>	<b>158,704</b>	<b>5,329,744</b>
<b>GROSS PROFIT FROM OPERATIONS</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>OTHER INCOME</b>			
Other Income*	100,000	0	100,000
Intrest Income	40,616		
Fee for Athena	186,950		186,950
Other Expenses	(100,000)	0	(100,000)
	<b>227,566</b>	<b>0</b>	<b>227,566</b>
<b>OTHER EXPENSES</b>			
Other Unallowable Exp**	69,343	0	69,343
WSRI Expenses not covered by WSU	158,704		158,704
	<b>228,048</b>	<b>0</b>	<b>228,048</b>
<b>NET INCOME BEFORE TAXES</b>	<b>(482)</b>	<b>0</b>	<b>(482)</b>
Depreciation	488,585		488,585
<b>Income excluding Depreciation</b>	<b>488,103</b>		<b>488,103</b>



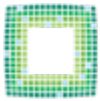
# Combined WSRI/WSARC and WSRI/RSP Income Statement

Aug 2018

Organization: 1 Consolidation				
WSRI/WSARC - 2019 YTD - PD2				
	08/01/18 08/31/18	Budget	Actual As A Percent of Revenue	Variance
<b>Revenue</b>				
Contract & Grant Revenue	4,174,477.29	4,597,486.05		-423,008.76
Commercial Revenue	77,572.00	0.00		77,572.00
Rental Income	9,628.00	0.00		9,628.00
Interest Income	8,613.00	0.00		8,613.00
Total Revenue	4,270,290.29	4,597,486.05	100.00%	-327,195.76
<b>Program Services</b>				
Direct Labor	905,377.21	774,828.86	21.20%	130,548.35
Travel	24,136.35	69,421.76	0.57%	-45,285.41
Subcontractors	2,036,436.17	2,601,671.44	47.69%	-565,235.27
Other Direct Costs	\$290,276.01	199,229.46	6.80%	91,046.55
Total Program Svcs	3,256,225.74	3,645,151.52	76.25%	-388,925.78
<b>Support Services</b>				
Overhead	652,472.00	566,559.71	15.28%	85,912.29
G&A	334,315.55	435,813.05	7.83%	-101,497.50
Rental Expense	21,033.00	-13,333.00		34,366.00
Other	56,024.00	253,596.56	1.31%	-197,572.56
Total Support Svcs	1,063,844.55	1,242,636.32	24.91%	-178,791.77
Total Expenses	4,320,070.29	4,887,787.84	101.17%	-567,717.55
Change in Net Assets	-49,780.00	-290,301.79		
Add Depreciation	77,171.00	91,000.00		
Change in Net Assets After Deprectn Adj	27,391.00	-199,301.79		



Consolidation Balance Sheet - 2019 YTD - PD2		
8/31/2018		
<b>Current Assets</b>		
Cash		3,560,061.00
Billed Receivables		3,035,779.00
Unbilled Receivables		1,938,004.00
Long Term Receivables		0.00
Prepaid Expenses		81,898.00
Other Receivable		26,171.00
Property & Equipment		3,989,683.00
Other Assets		300,000.00
Total Assets		12,931,596.00
<b>Current</b>		
Accounts Payable		5,518,291.00
Accrued Salaries		-2,428.00
Accrued Leave Payable		16,365.00
Other Current Liabilities		4,385,623.00
Prior Year Retained Earnings		3,013,745.00
Total Liabilities and Assets		12,931,596.00



## Approved 2019 vs. Actual YTD 2019 Rates – PD3 2019

### Approved 2019 Provisional Rates

	Company		Client		G&A
Multiplier	3.56		2.49		
Rate	73.05%		21.30%		21.32%

### 2019 PD3 YTD Provisional Rates

	Company		Client		G&A
Multiplier	3.45		2.50		
Rate	70.60%		23.30%		19.50%

### Our Stretch Goal for FY19

#### Rates

	Company		Client		G&A
	61.44%		18.74%		21.01%



- **Agreement had to be drawn up from scratch and in is in the process of review at WSU.**
  - Working to complete by Oct 15, 2018.
- **Statement of WSU services provided to WSARC.**
  - HR (Business partner, Analyst, Talent Management and Employment Compensation).
  - Employee in and out processing.
  - Procurement.
  - Travel Support.
  - WSU Payroll.
  - CATS Department Support for IT services provided at the National Center for Medical Readiness (NCMR) Budget Staff.
  - Career services.
  - Graduate school.
  - Insurance, general liability in support of NCMR.
  - Police security support in response to alarm notices at NCMR.
  - Facilities support for NEC rooms that WSRI is currently using.
  - Marketing and communications.
  - Organizational leadership and diversity training and workshops (Stephanie Goodwin).
- **Statement of WSARC services provided to WSU**
  - Assist WSU FSO in the maintenance of facility clearance and personnel security clearance needs.
  - ISSM support to CATS team on NIST 800-171 compliance.
  - Hosting REDCAP application support for The Boonshoft School of Medicine.
  - AEOC Emergency Center operations within the WSARC building at 4035 Colonel Glenn Highway, Beavercreek, OH.
  - NCMR support to WSU campus Police training activities.



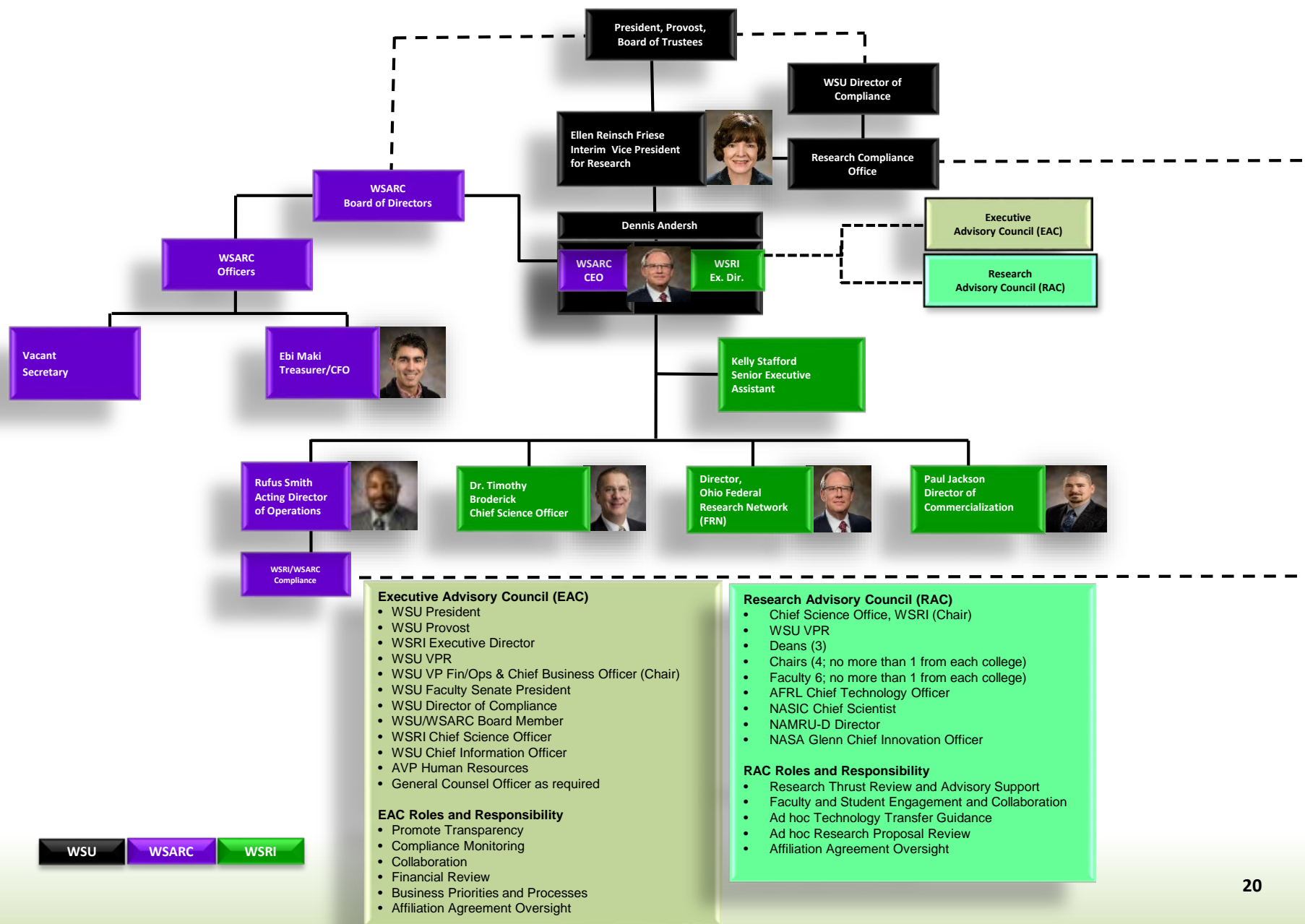


## Follow-up to Faculty Senate Action Items

The recommended next steps and timelines are summarized below.

The next steps are:

1. Implement the WSRI Research Advisory Council (RAC) and Executive Advisory Council (EAC) by March 30, 2018.
2. Use the WSRI Research Advisory Council to review and recommend FY19 WSRI goals, objectives and metrics for success. Focus will be on Faculty and student involvement in WSRI research activities.
3. Use the Executive Advisory Council to quarterly review WSRI research and the WSARC operational performance. Complete 1st review by 30 March 2018.
4. Implement new WSRI/WSARC Independent Research and Development (IRAD) program in March 2018.
5. Re-Establish monthly opportunity reviews for impending State and Federal research grants and contracts. Hold first meeting by March 21, 2108 and monthly thereafter.
6. Provide briefings to Deans, Chairs and Faculty as desired to openly discuss WSRI/WSARC's past, present state, and our new way forward. Complete as needed.
7. The Faculty Senate would re-evaluate the objectives and shared metrics on each of these steps identified above. Complete by January 2019.



- **WSARC Board of Directors**

- The Board of Directors shall have general supervision and charge of the property, affairs, and finances of the Corporation. Without limiting the generality of the foregoing, the Directors shall elect the officers of the Corporation.

- **WSRI Executive Advisory Council**

- Ensuring there is continuous focus and improvement in the working relationships between WSRI and the WSU Research Enterprise (RE) including review of business performance and processes;
- Aligning WSRI and WSU RE efforts to become a world class research capability, with innovative ways of capturing research opportunities that meet the shared mission and are in full compliance with applicable state and federal regulations;
- Helping to share and providing a consistent message in communicating with customers, particularly the government research mission at Wright Patterson Air Force Base (WPAFB), other stakeholders across Ohio, and the RE notably the faculty, staff and students of WSU; and
- Ensure that WSRI is working in accordance with the affiliation agreement between WSU and WSARC.

- **WSRI Research Advisory Council**

- The RAC will operate and function as an advisory committee serving the needs of the WSU Research Enterprise (RE) by providing input and recommendations for joint WSU/WSRI research.
- The RAC Team will work with the WSRI Chief Science Officer and the WSRI Executive Director (ED) to provide guidance regarding research opportunities within federal agencies, state organizations, and industry.
- The RAC will review and recommend the pursuit of funding, the commercialization of developed technologies and the engagement of Wright State University (WSU) faculty, staff and students within the framework of the affiliation agreement between WSU and WSARC.

*Note: The WSU Research Enterprise is defined as the faculty and staff that support the increase of externally funded research, scholarly activities, and other sponsored programs*

The RAC will be comprised of 19 members with the Chair, including:

- Chief Science Office, WSRI (Chair):
- WSU Vice President of Research:
- Deans (3)
  
- Chairs (4; no more than 1 from each college):
  
- Faculty 6; no more than 1 from each college):
  
- AFRL Chief Technology Office or their Designee:
- NASIC Chief Scientist or their Designee:
- NAMRU-D National Aerospace Medical Research Laboratory Director or their Designee:
- NASA Glenn Chief Innovation Officer or their Designee:

Dr. Timothy Broderick

Ms. Ellen Reinsch Frieze

Dr. Joseph Keferl

*Dean Education & Human Services*

Dr. Brian Rigling

*Acting Dean Engineering & Computer Science*

Dr. Doug Leaman

*Dean, Science & Mathematics*

Dr. Jason Deibel

*COSM Chair of Physics*

Dr. Eric Bennett

*Chair & Professor, Cell Biology &*

*Physiology*

Dr. Arijit Sengupta

*Associate Dean & Professor of MIS, RSCOB*

Dr. Jaime E Ramirez-Vick

*CECS Chair Biomedical, Industrial &  
Human Factors Engineering*

Dr. Valerie Stoker

*COLA Master of Humanities Program*

*Dr. Jeremiah Schumm*

*School of Professional Psychology*

Dr. Sherry Farra

*College of Nursing and Health*

*Dr. Mike Raymer, Computer Science & Engr*

*Dr. Ion Juvina , Psychology*

*Dr. Hamed Attariani, Lake Campus*

*Dept. of Mechanical & Materials Engr*

TBD

Mr. Curt Rowland

Dr. Richard Arnold

TBD

**Composition**

The Council will be comprised of up to 11 voting members who shall be:

- WSU President: Dr. Cheryl Schrader
- WSU Provost: Dr. Susan Edwards
- WSRI Executive Director: Mr. Dennis Andersh
- WSU Vice President of Research: Ms. Ellen Reinsch Frieze
- WSU Vice President for Finance and Operations and Chief Business Officer (Chair): Mr. Walt Branson
- WSU Faculty Senate President: Dr. Travis Doom
- WSU Director of Compliance: Ms. Kelli Tittle
- WSU / WSARC Board Member: Lt. Gen. (Ret) C.D. Moore
- WSRI Chief Science Officer: Dr. Timothy Broderick
- AVP Human Resources: Ms. Shari Mickey-Boggs
- WSU Chief Information Officer (CIO): Mr. Craig Woolley
- General Counsel's Office (as required).

## **WSRI Meetings with WSU**

### **▪ Executive Advisory Council First Meetings**

- Held 1st meeting on March 7, 2018
- Meeting 2nd Held Sept 25, 2018
- Next Meeting– January 14, 2019 9:00-11:00 267 UH

### **▪ Research Advisory Council Meeting**

- First Meeting was held on April 4th
- Second Meeting was held September 13, 2018
- Next Meeting October 24, 2018
- Following Meetings Potentially Monthly

### **▪ WSU Wide Opportunity Reviews –**

- Held meetings March 14th, March 28th, March 29th, April 4th, July 5th, August 14th, Sept 25th and Sept 28th
- 711<sup>th</sup> HPW Tour and Visit across all Colleges, VPR, and the President
- Next Opportunity Review – TBD pending RAC follow-up meeting regarding new format

### **▪ Export Controlled Opportunity Review**

- Held on April 12th at WSRI 2-4 p.m.
- Next Opportunity Review is TBD WSRI

### **▪ Briefings to Deans and Colleges as Requested**

- CECS Dean Klingbeil January 11th
- SOPP on February 8<sup>th</sup>
- COLA on March 14<sup>th</sup>
- COLA Dean Carron October 4th



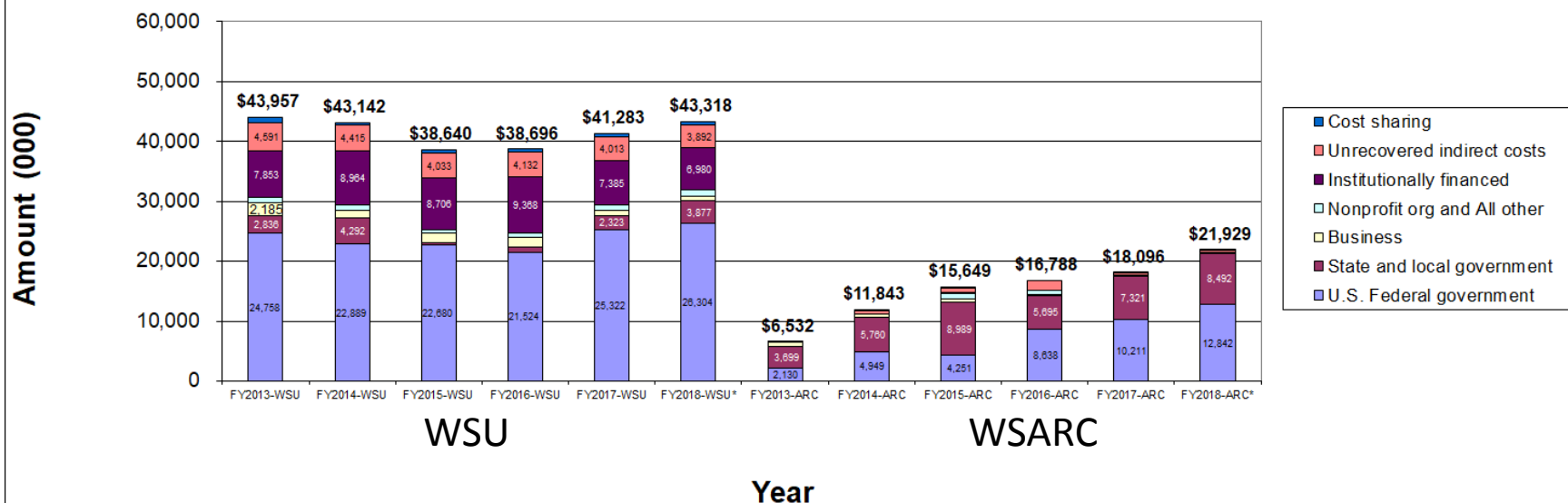
# WSRI FY18 Scorecard Final

GOALS / EXPECTATIONS	ACHIEVEMENT	FY18 Est	FY17
<b>GOAL 1: Accelerate basic scientific research into innovative solutions that address critical challenges</b>			
Grow AFRL business by more than 15% in FY18.	ACHIEVED	\$ 13,485,056.32	\$ 7,896,351.89
Grow DARPA/ONR/IARPA/OSD/NAMRU/NASA by more than 20% in FY18 (\$5M a year is base from FY17).	ACHIEVED	\$ 5,679,417.06	\$ 2,438,242.49
Grow Industry Sponsored Research to achieve a funding level of at least \$1M per year including SBIR and STTR Funding (\$0.6 M is base for FY17).	NOT ACHIEVED	\$ 557,000.00	\$ 567,000.00
Grow WSU Faculty Sponsored Research by 15% (Base is currently \$1M per year).	ACHIEVED	\$ 2,197,000.00	\$ 1,510,000.00
<b>GOAL 2: Enhance commercialization programs to expand University research.</b>			
Launch at least two new startup companies based on University concepts and technologies addressing unmet commercial needs.	ACHIEVED	5	
Develop at least \$1M in multi-tiered funding sources to support promising commercializable concepts and technologies.	NOT ACHIEVED	\$ 250,000.00	
Generate sustainable funding sources as follow-on to the DOD OEA grant to support the regional commercialization ecosystem.	ACHIEVED	ESP Award and OEA Extended	
Establish pathways to identify and support WSRI and faculty commercializable research and secure at least 2 funded I-Corps Teams (NSF, Ohio, OFRN...).	ACHIEVED	5 Faculty Supported	
Establish or partner on Entrepreneurial Competitions for faculty and Students, using AFRL and community judges, leveraging VC/Seed sponsorship and invitee lists.	PARTLY ACHIEVED	Hugh Supported	
Provide tailored entrepreneurial training, mentoring programs, and partnerships to support University researchers.	ACHIEVED	OFRN Did Many	
Implement recommendations from the 2017 VPR&GS 360 review.	NOT ACHIEVED	360 Plan on Hold	
<b>GOAL 3: Provide a Responsive, Customer-Focused, Compliant, and Transparent R for D Process as the Ohio Federal Research Network Executive Agent.</b>			
Secure State Funding for the Ohio FY18-19 Operational Budget ~\$7M.	ACHIEVED	\$6.9M	
Secure Federal Matching Funding for the FY-18 Defense Budget ~\$10M.	ACHIEVED	\$10M	
Provide agile and responsive services in support of the OFRN and related entities.	ACHIEVED	ODHE Very Pleased	
Create Integrated Challenge Problems with National focus with at least 1 to 1 matching funds from National Sponsors.	ACHIEVED	Round 3	
OFRN win at least \$75M (Total funding) of New Awards Statewide.	ACHIEVED	Won \$96M thus far	Won \$32M
<b>GOAL 4: Act in the best interest providing contracting services to federal and state research programs at Wright State University, Wright State Research Institute, and related entities.</b>			
The Affiliation Agreement and related Standard Operating Procedures are critical and will be a focus to complete no later than the end of Q2.	ACHIEVED	Signed 23 Oct 17	
Budget plan execution for FY18 will be overseen by the WSARC Board Finance Committee is a must.	ACHIEVED		
Must meet Client and Company Site FY18 OH/GA rates.	NOT ACHIEVED	Overrunning Rates. Will Bill Actual in June.	
Must pay University in 60 days or less after invoicing.	PARTLY ACHIEVED	Did all but 2. Missed by a week max.	
Must pay back at least \$200K in FY18 for the Advanced Technical Intelligence Center.	ACHIEVED	Paid \$200K Total by 31 May 2018	
Must recoup at least another \$1.0 M of RDCAP Funding in FY18.	NOT ACHIEVED	Contract delays. Only Recovered \$200K	
Establish agile and responsive automated workflows in the areas of Finance, Contracts, Security and Human Resources accessible by WSU and WSRI personnel which improve communication and reduce workload while ensuring transparency and compliance with applicable law, regulation or other guidance.	PARTLY ACHIEVED	In works	
Provide DFARS Compliant ITAR support as required to WSU.	ACHIEVED	Met Requirements	
Provide Secret, Top Secret and TS/SCI facilities for WSU and WSRI.	ACHIEVED	Ongoing Efforts	
<b>GOAL 5 Strategic Goal: Creation of an Executive Advisory Council (EAC) and the Research Advisory Council (RAC) comprised of WSU and WSRI faculty, staff and administrators.</b>			
This goal is to be implemented after the Affiliation Agreement between WSU and WSARC is finalized and approved.	ACHIEVED	Complete 23 Oct	
The EAC and RAC will assist the WSARC CEO/WSRI Executive Director to assess the overall research directions of the WSU research enterprise and the part WSRI plays in supporting these directions and meeting its own Mission and Vision goals.	ACHIEVED	Complete by Apr 5	
The EAC and RAC will assist with prioritization of WSRI efforts with respect to the needs of the US Air Force and other federal agencies, the pursuit of funding from other state and federal agencies, the commercialization of developed technologies and the engagement of WSU faculty, staff and students within the Institute's operational framework.	ACHIEVED	Ongoing Efforts	
ACHIEVED			
PARTLY ACHIEVED			
NOT ACHIEVED			

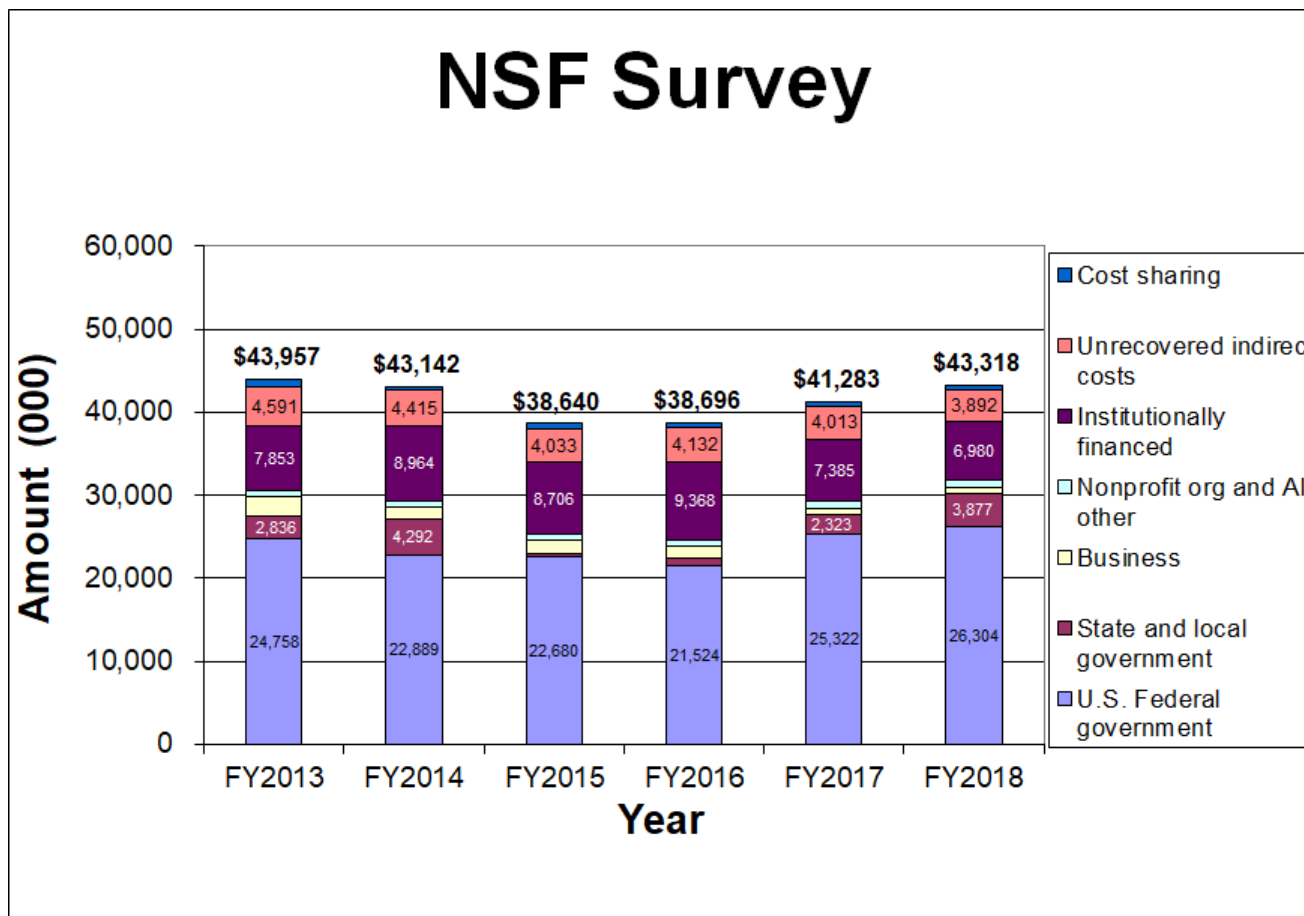




## NSF Survey



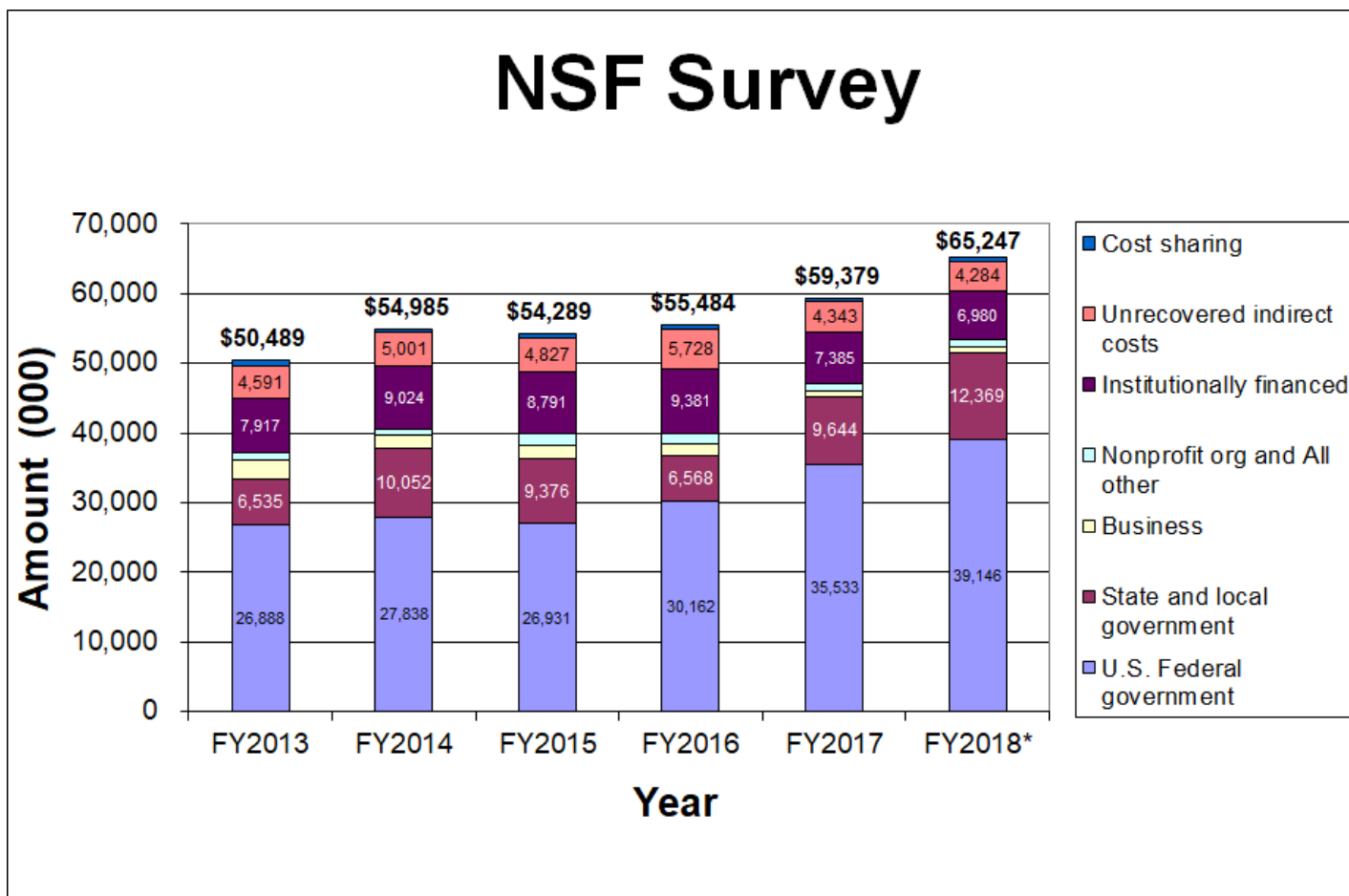
	FY2013-ARC	FY2014-ARC	FY2015-ARC	FY2016-ARC	FY2017-ARC	FY2018-ARC*
U.S. Federal government	2,130	4,949	4,251	8,638	10,211	12,842
State and local government	3,699	5,760	8,989	5,695	7,321	8,492
Business	592	401	436	52	120	141
Nonprofit org and All other	47	9	994	794	79	35
Institutionally financed	64	60	85	13	-	-
Unrecovered indirect costs	-	586	794	1,596	330	393
Cost sharing	-	78	100	-	35	27
Totals	\$ 6,532	\$ 11,843	\$ 15,649	\$ 16,788	\$ 18,096	\$ 21,929



	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
U.S. Federal government	24,758	22,889	22,680	21,524	25,322	26,304
State and local government	2,836	4,292	387	873	2,323	3,877
Business	2,185	1,356	1,547	1,561	810	721
Nonprofit org and All other	804	821	662	712	932	991
Institutionally financed	7,853	8,964	8,706	9,368	7,385	6,980
Unrecovered indirect costs	4,591	4,415	4,033	4,132	4,013	3,892
Cost sharing	930	405	625	526	498	553
Totals	\$ 43,957	\$ 43,142	\$ 38,640	\$ 38,696	\$ 41,283	\$ 43,318



# Herd Data for WSU and WSARC Combined

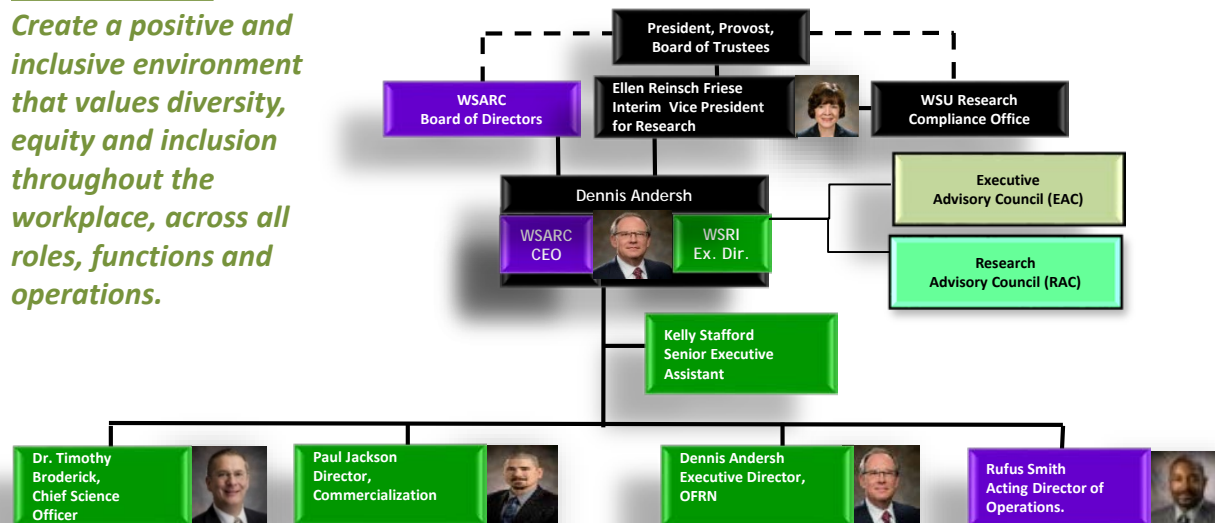


	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018*
U.S. Federal government	26,888	27,838	26,931	30,162	35,533	39,146
State and local government	6,535	10,052	9,376	6,568	9,644	12,369
Business	2,777	1,757	1,983	1,613	930	861
Nonprofit org and All other	851	830	1,656	1,506	1,011	1,027
Institutionally financed	7,917	9,024	8,791	9,381	7,385	6,980
Unrecovered indirect costs	4,591	5,001	4,827	5,728	4,343	4,284
Cost sharing	930	483	725	526	533	580
Totals	\$ 50,489	\$ 54,985	\$ 54,289	\$ 55,484	\$ 59,379	\$ 65,247



**New GOAL 5:**

*Create a positive and inclusive environment that values diversity, equity and inclusion throughout the workplace, across all roles, functions and operations.*



**GOAL 1:**

*Accelerate basic scientific research into innovative solutions that address critical challenges.*

**GOAL 2:**

*Enhance commercialization programs to expand University research.*

**GOAL 3 :**

*Provide a responsive, customer-focused, compliant, and transparent R for D process as the Ohio Federal Research Network Executive agent.*

**GOAL 4 :**

*Act in the best interest providing contracting services to federal and state research programs at Wright State University, Wright State Research Institute, and related entities.*

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## **WSRI / WSARC Goals/Objectives:**

### ***GOAL 1: Accelerate basic scientific research into innovative solutions that address critical challenges.***

Objective 1: Collaborate to advance scientific discovery and national security capability.

Objective 2: Protect, restore, and augment human health and performance.

Objective 3: Promote recognition of Wright State research and researchers.

Objective 4: Deliver high impact research results to clients and sponsors.

### ***GOAL 2: Enhance commercialization and entrepreneurship programs to expand University research.***

Objective 1: Collaborate to enhance the regional commercialization and entrepreneur ecosystem.

Objective 2: Establish a mentor/partnership with WSU faculty to establish pathways to identify and support faculty commercialization funding.

Objective 3: Establish a mentor/partnership with WSU faculty to establish pathways to identify and support faculty commercialization funding.

### ***GOAL 3: Provide a Responsive, Customer-Focused, Compliant, and Transparent R for D Process as the Ohio Federal Research Network Executive Agent.***

Objective 1: Facilitate University and Industry Collaborations in support of the research requirements of key Federal Entities located across Ohio.

- Create Integrated Challenge Problems with regional and national focus with matching funds from regional and national sponsors.
- Develop Project, Contracting and Technical Management leadership for All OFRN funded projects and challenge grant projects.
- Tie into Regional commercialization ecosystems where possible.

Objective 2: Establish Aggressive Business Development model wherein OFRN supports enhancing the procurement skills of university researchers as well as takes the lead for initiatives that integrate key players across the state, regional and nation.

- Establish pathways to identify and support Statewide Industry Sponsored research and to secure access to key university assets.

Objective 3: Foster and promote systems of systems engineering educational and research opportunities for students and faculty alike – skill sets that will make our college graduates more work place ready and in turn strengthen our state's national competitiveness.

Objective 4: Take the lead in working to gain recognition for OFRN as a key requirements-driven, solutions-oriented partner for the US Government

- For example: UARC, MSERC, S&T Center, MSERC, etc.

### ***GOAL 4: Act in the best interest providing contracting services to federal and state research programs at Wright State University, Wright State Research Institute, and related entities.***

Objective 1: Provide support for the completion of a broad range of federal, state, and industry grants and contracts.

Objective 2: Ensure that the research enterprise of Wright State University is based on research performed by faculty, staff, and students from all of WSU's academic and research units, colleges, and schools.

- Establish pathways to meet and discuss research focus areas and opportunities with Faculty, Staff and Students.

Objective 3: Provide applied research services to the University and Research Institute that include business development, cost recovery and accounting, adherence to Federal Acquisition Regulations support for large contracts, security support, and compliance to ITAR-performance based contracts.

Objective 4: Accurately document the nature and scope of the affiliation between Wright State University and the Wright State Applied Research Corporation.

### ***GOAL 5: Create a positive and inclusive environment that values diversity, equity and inclusion throughout the workplace, across all roles, functions and operations.***

Objective 1: Develop and Deploy a WSRI code of professional conduct.

Objective 2: Improve workplace diversity and culture of Inclusion over the next 12 months through through professional development programming, resources, equitable hiring and operational practices.



***GOAL 1: Accelerate basic scientific research into innovative solutions that address critical challenges.***

- Grow overall direct labor business by more than 20% in FY19 and grow overall by more than 5% in FY19 (\$5.6M a year is direct labor base from FY18, \$34M a year is total revenue base from FY18.)
- Grow Tech Warrior and related data analytics efforts and win a new \$49M follow-on sustainment contract.
- Win Follow-on Effort for AFRL Human Machine Teaming Contract.
- Grow WSU Faculty Sponsored Research by 10% (Base is currently \$2M per year).

***GOAL 2: Enhance commercialization programs to expand University research.***

- Generate sustainable funding sources as follow-on to the DOD OEA grant to support the regional commercialization ecosystem.
- Establish pathways to identify and support WSRI and faculty commercializable research and secure at least 1 funded I-Corps Teams (NSF, Ohio, OFRN...) and 1 TVASG Funded Project.
- Provide tailored entrepreneurial training, mentoring programs, and partnerships to support University researchers.

***GOAL 3: Provide a Responsive, Customer-Focused, Compliant, and Transparent R for D Process as the Ohio Federal Research Network Executive Agent.***

- Secure State funding for the Ohio FY20-21 Operational Budget ~\$10M and WSRI captures more than 20% of the funding.
- Secure Federal matching funding for the FY-19 Defense Budget ~\$10M and Ohio Entities win >50% of this funding.
- Provide agile and responsive services in support of the OFRN and related entities.
- Create Integrated Challenge Problems with National focus with at least 1 to 1 matching funds from National Sponsors.
- OFRN win at least \$100M (total funding) of New Awards Statewide.
- Secure Federal support and funding for a UARC or similar University Lead Structure for OFRN in FY20.

***GOAL 4: Act in the best interest providing contracting services to federal and state research programs at Wright State University, Wright State Research Institute, and related entities.***

- Update the Affiliation Agreement and related Standard Operating Procedures by the end of Q2.
- Budget plan execution for FY19 will be overseen by the WSARC Board Finance Committee is a must.
  - Must reduce Client and Company Site FY19 OH/GA rates below currently asserted FY19 rates.
  - Must pay University in 60 days or less after invoicing.
  - Must pay back at least \$200K in FY19 for the Advanced Technical Intelligence Center.
- Must recoup at least another \$0.73 M of RDCAP Funding in FY19.
- Establish agile and responsive automated workflows in the areas of Finance, Contracts, Security and Human Resources accessible by WSU and WSRI personnel which improve communication and reduce workload while ensuring transparency and compliance with applicable law, regulation or other guidance.
  - Provide DFARS Compliant ITAR support as required to WSU.
  - Provide Secret, Top Secret and TS/SCI facilities (classified comms, fax, xerox, etc) for WSU and WSRI.

***GOAL 5: Create a positive and inclusive environment that values diversity, equity and inclusion throughout the workplace, across all roles, functions and operations.***

- Develop and Deploy a WSRI code of professional conduct. by the end of Q1.
- Improve workplace diversity and develop a culture of inclusion over the next 12 months through professional development programming, resources, equitable hiring and operational practices, measured by employee satisfaction survey provided by WSU Team.

## Key Personnel

Dr. Tim Broderick – DARPA

Mr. Todd Norell – DARPA, IARPA

Dr. Brad Minnery – IARPA

Mr. Bruce Howard – DARPA, IARPA

Dr. David Gross – AFRL, NASIC

Dr. Mike Cox – DARPA

Mr. David Malek – AFRL

Dr. Alan Boydstun – AFRL, NASIC

Dr. Ali Reiter – DARPA

Dr. Matt Molineaux - ONR

Dr. Bruce Howard – DARPA, IARPA

Dr. Jim Schmitz – AFRL, NASIC

## Current Customers

Air Force Research Laboratory

Air Force Office of Scientific Research

National Air and Space Intel Center

National Science Foundation

Office of Naval Research

DARPA

Army Research Office

Office of the Secretary of Defense

IARPA

Air Force Special Operations Command

Classified Customers

## Research Focus Areas

Human Performance

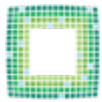
Cognitive & Social Sciences

Autonomy/HMT

Live, Virtual and Constructive

Embedded Systems

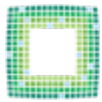
**By expanding and diversifying our research portfolio through customer engagement, focused research proposals & partnering with faculty and students, we can attract talent to the region and University.**



## Examples of Faculty Engagement (explored/pursued but not funded)

Sponsor	Opportunity	WSU Partners	Teamed	Discussed	Facilitated
<b>AFOSR</b>	Open BAA	Hitzler, Raymer, Doran		<b>X</b>	
<b>AFRL</b>	KAGLR (pre-solicit)	Hitzler, Doran	<b>X</b>		
<b>AFRL</b>	Human Perform Sensing	Harel, Houpt, Juvina, Gallimore		<b>X</b>	<b>X</b>
<b>AFRL-AFOSR</b>	Human-Machine Teaming COE	Gallimore, Doran, Hitzler, Raymer, Houpt, Harel, Juvina	<b>X</b>		
<b>ARO</b>	MURI	Harel	<b>X</b>		
<b>DARPA</b>	ElectRx	Raymer, Cool, Boivin, Kadakia	<b>X</b>		
<b>DARPA</b>	Comm with Computers	Hitzler		<b>X</b>	
<b>DARPA</b>	Explainable AI	Doran, Raymer, Hitzler	<b>X</b>		
<b>DARPA</b>	Causal Exploration	Houpt, Hitzler	<b>X</b>		
<b>DARPA</b>	AIDA	Hitzler		<b>X</b>	<b>X</b>
<b>DARPA</b>	URSA	Fuchs	<b>X</b>		
<b>IARPA</b>	BETTER*	Hitzler			<b>X</b>
<b>IARPA</b>	Office-wide BAA*	Doran, Raymer, Hitzler		<b>X</b>	
<b>IARPA</b>	CORE3D	Wischgoll		<b>X</b>	
<b>NSF</b>	Minds, Machines & Motors	Fendley, Ganapathy		<b>X</b>	
<b>NSF</b>	Instrumentation Grant	Ganapathy	<b>X</b>		
<b>ONR</b>	AI for the Naval Domain*	Doran, Raymer, Hitzler, Wischgoll		<b>X</b>	
<b>USAMRMC</b>	PNTx	Lober, Boivin	<b>X</b>		
<b>DHS</b>	School-Age Trauma Training	Ferra, Pringle, Gebhart, Keferl		<b>X</b>	
<b>FDA</b>	Medical Events Sequence Aggrigation and Simulation*	Dong	<b>X</b>		





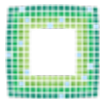
## Examples of Faculty Engagement

Current Contracts	Sponsor	PI	Faculty	Duration (in years)
Lapses of Attention Predicted in Semi-structured Ecological Settings	ONR	Minnery	Juvina, Harel	2
Maximizing the Collective Intelligence of a Network Using Novel Measures of Socio-Cognitive Diversity Sponsor	ARO	Minnery	Sheth, Shalin	3
Human Centered Big Data	Ohio Federal Research Network	Minnery	Wischgoll, Raymer, Doran, Hitzler	2
Hybrid Forecasting Competition	IARPA	Raymer, Minnery	Juvina, Ganapathy	4
Precision High-Intensity Training through Epigenetics	ONR	Broderick	Kadakia, Markey, Craig, Raymer	5
Mission-Directed Learning Environment	AFRL	Malek	Ganapathy	2
Regional LVC Enterprise	Ohio Federal Research Network	Malek	Ganapathy	2
ACE-EM	AFRL	Schmitz	Sharma, Barton	2
AMT and Trust in Automation	AFRL	Norell	Elbasiouny	2
Trust Calibration and Human-Machine Teaming	AFRL	Cox	Schneider	1
MRC Cert Annual Conference	Ohio Department of Health	Norell	Gebhart	0.25
Goal-driven Agile Teams and Environments (GATE)	DARPA	Cox	Juvina	1
Citation and funding network analytics for enhanced air force – academia collaboration	AFRL	Norell	Raymer	1

- **92** Students/GRAs Employed on various WSRI programs from 2011 to present.
- **13** Students/PhD GRAs currently employed by WSRI.
  - 4 PhD GRAs
  - 9 Student Employees
- **3** students hired into full time positions as extensions of these student employment positions.
- **4** student employees transitioned from student employment to GRA positions upon entering WSU graduate programs.
- **2** post graduate students graduated with a WSRI employee as a faculty advisor.

In addition to the 92 WSRI students:

- WSRI hired/supported **101** Image Truthing employees from 2011 to 7/2017. At the time of transition back to CECS, there were **12** student employee truthers working the program.
- WSRI hired/supported **314** ATR Center summer interns from 2010 to 2017.
- WSRI Hired and support **47** summer interns for the Summer At the Edge program from 2011 to 2013.
- WSRI Hired and supported **14** summer interns for the GRILL program in year 2014-2015.
- WSRI Hired and supported **8** Wright Scholars program participants in 2013.
- In total there have been **576** students supported in student employment, graduate research assistantships, and summer internships through WSRI from 2011 to 2017.



## Current Students Supported

Graduate Research Assistants				
Name	Supervisor	Program	Program of Study	Advisor
Zohreh Dannenhauer	Dr. Mike Cox	Goal Driven Autonomy	Computer Science	Dr. Mike Cox
Shravya Kondrakunta	Dr. Mike Cox	GATARS	Computer Science	Dr. Mike Cox
Venkatsampath Gogineni	Dr. Mike Cox	MIDLE	Computer Science	Dr. Mike Cox
Shreyansh Bhatt	Dr. Brad Minnery	Socio-cognitive Diversity	Computer Science	Amit Sheth

Student Employees Supported			
Name	Supervisor	Program	Program of Study
Deanna Baber	Bill Harchick	NCMR	Mass Communication
Danielle Brown	Dr. Mike Cox	Goal Driven Autonomy	Computer Science
Emma Neuss	Rufus Smith	Operations	Social Work
Gabrielle Soto-Vera	Rufus Smith	Operations	Business/HR Management
Jordan Umphrey	Rufus Smith	Operations	Rehabilitation Counseling
Olivia Kriel	Rufus Smith	Operations	HR Management
Shashwata Sinha	Valarie Stabler	ABC	Consultant
Kalista Harleman	Ebi Maki	Finance	Accountancy
Kyle Min	John Owen	OEA	Finance/Marketing
Victoria Underwood	John Owen	OEA	International & Comparative Politics



## Examples of RAC Suggested Research Focus Areas

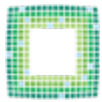
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- Artificial Intelligence and Machine Learning.
- Disaster Response Research Training and Education.
- Integrated Sensor Technologies with Health Care and Human Performance.
- Data Analytics and Data Mining.
- Autonomous Systems.
  
- We plan to create working groups as part of the opportunity reviews going forward.
  
- IRAD RFP release to Faculty is currently pending further RAC discussions on Research Topic Focus Areas.
  
- Next RAC is schedule for 24 October 2018.



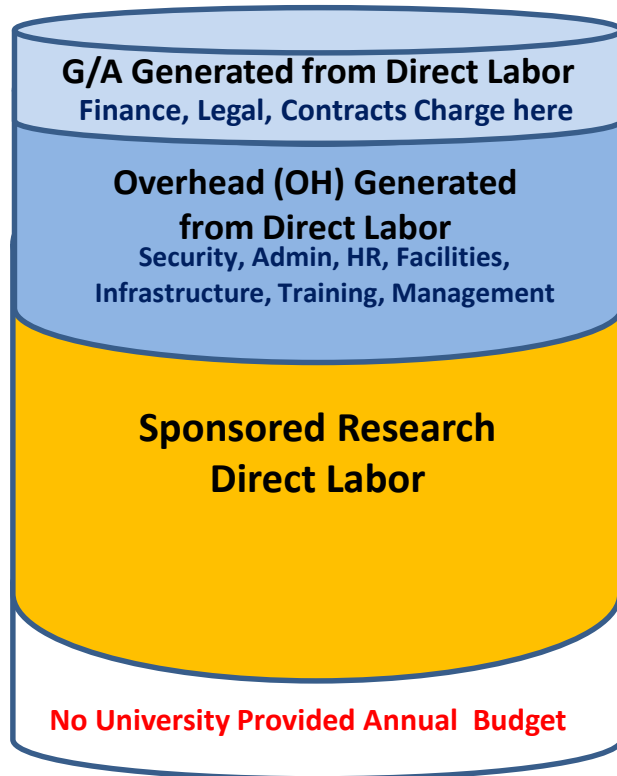
- **Overall Plan Approved in March 2018 (See Attached).**
- **WSARC has Budgeted \$100K for Faculty and Student IRAD Programs in FY19 and will budget a similar funding in FY20.**
- **We decided to wait for roll out of program until the RAC approves plan going forward.**
  - RAC Suggested at the last meeting to create research focus across campus and then we will focus opportunity meetings on these focus areas.
    - Next meeting is October 24 to develop a list of research focus areas.
  - Plan to roll out request for IRAD White Papers on Topics related to RAC approved topics in November 2018.
- **Plan to award 4 to 6 IRAD research projects through RSP by 31 December 2018 with a period of performance of 6 months.**
- **FY20 RFP will then be rolled out by March 2019 with grant awards in June 2019 following a similar RAC prioritization of research topics.**





# Contract Funding Model versus Base Budget Funding Model

## WSRI Contract Funding Model (Applied Contract Research Primarily)



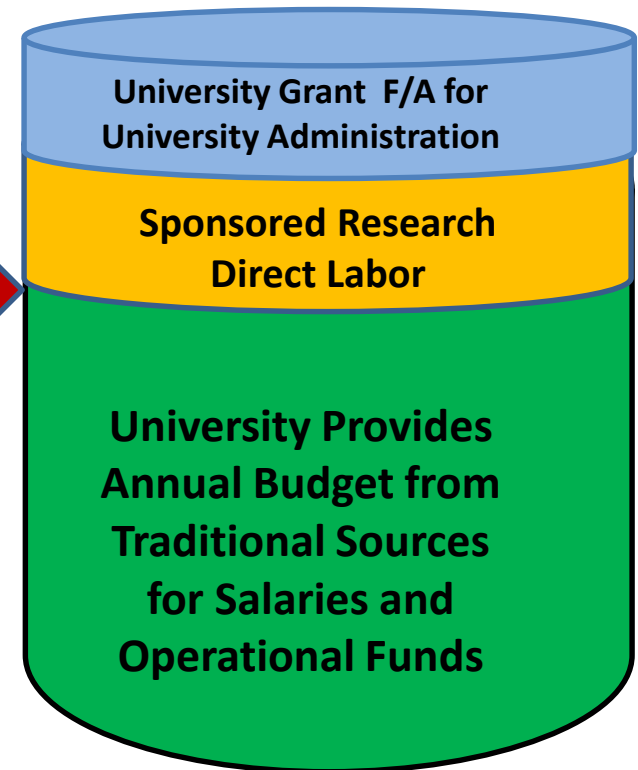
**Financial Firewall**  
Created by always subcontracting instead of direct funds transfer.



Both Entities get their full F/A or OH/GA

## University Base Budget Funding Model

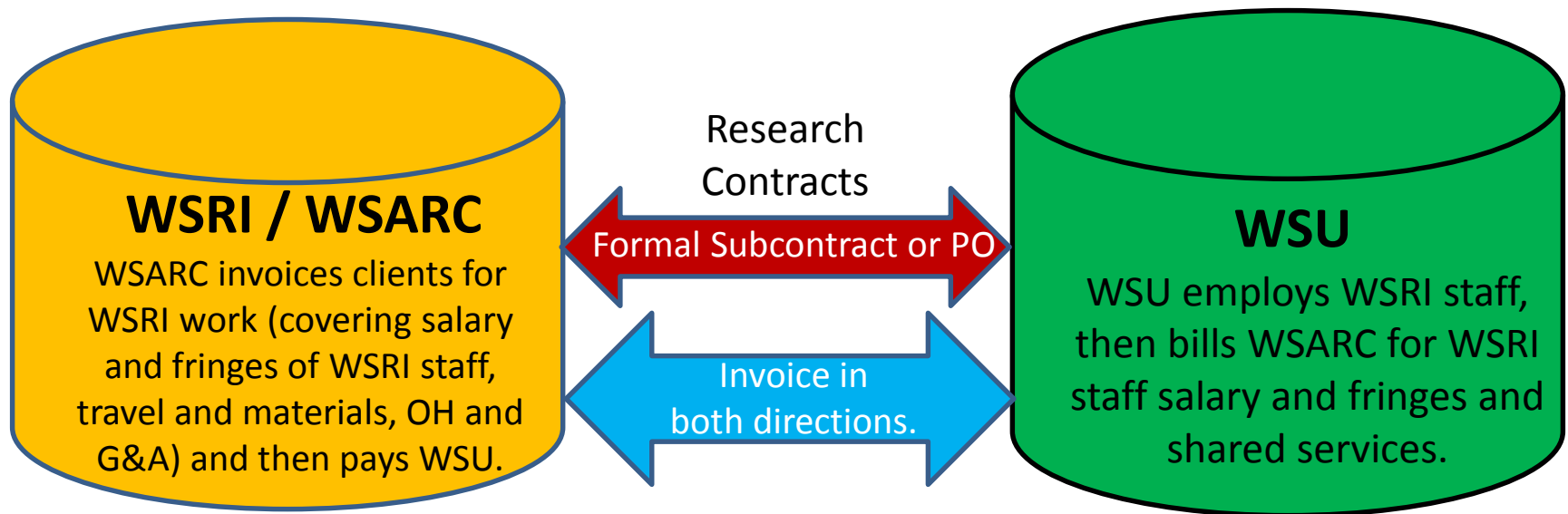
(Basic and Applied Grant Research)





Both Entities then get their full F/A or OH/GA

Faculty gets full Research Credit for Tenure and Other  
Performance Metrics



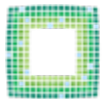
WSU Invoices WSARC for Shared Services, Wright Buy Purchases, Pcard, Travel, Salary and Fringe of WSRI Staff, and WSU staff costs where appropriate

WSARC then Pays WSU in <60 days.

WSARC Invoices University for WSU related costs such as WSRI indirect allocations for contract or grant work (no formal subcontract) still being done directly through RSP. This diminishes each year.

WSU pays WSARC when invoiced.





## Deficiencies fixed and not reported in FY18 Preliminary BKD Audit.

- Except for segregation of duties which is common in a small organization.

### Material Weakness

- Unrecorded Bank Account – Resolved as of 10/31/2017
- Consolidations & Business Combinations – See FAP Policy 110 (SAR) & 500 (Account Reconciliation)
  - Transactions with Miami Valley Research Foundation – Resolving
- Evaluating of Guarantees – See FAP Policy 110 (SAR) & 500 (Account Reconciliation)
  - Mound Laser/Resonetics – working with PNC bank to resolve
- Evaluating Collectability of Notes Receivable - See FAP Policy 410 (AR)
  - ATIC - Resolving
- Amounts Due to Wright State University – Monthly Review of accounts with WSU

### Significant Deficiencies

- Information Technology General Controls – WSR IT has a process in place to review and grant access
  - Segregation of Duties – Costpoint
  - Access Review – Costpoint
  - Configuration Management – Costpoint
  - Vendor Management – Costpoint
  - System Migration – Costpoint
- Approval of Cash Disbursements - See FAP Policy 110 (SAR)

### Deficiencies

- Bank Account Reconciliations - Monthly Review of Accounts - See FAP Policy 500 (Account Reconciliation)
- Fixed Assets Accounting - See FAP Policy 110 (SAR), 300 (CAR), 310 (RE), & 320 (Capital Assets)
- Segregation of Duties – See Process Flowchart and Accounting Close Process
- Journal Entry Approval - See Accounting Close Process
- Physical Access - WSR Security has implemented security procedures to follow
- Offsite Backup Storage - WSR IT is in process of procuring new vendor including Backup Storage
- Accounts Payable Cutoff - See Accounting Close Process and FAP Policy 500

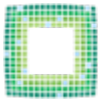


### **Composition of WSARC Board of Directors:**

At all times, the number of elected Directors independent of, and unrelated to, WSU will exceed the number of Directors who are related to WSU.

The WSARC Code of Regulations currently provides that the Board of Directors of WSARC will consist of the following:

- The President of WSU, or their designee;
- Two individuals appointed by the President of WSU;
- A representative of the WSU Board of Trustees appointed by the Chair of that Board; and
- A maximum of nine elected Directors who are independent of, and unrelated to, WSU.



## Board Members

### Permanent Members

- Dr. Cheryl Schrader, President
  - Appointed by WSU and Board of Trustees
    - Ms. Ellen Reinsch Frieze, Acting VP of Research
    - Dr. Margaret Dunn, Dean of Boonshoft School of Med
    - Board of Trustees
      - Lt. Gen. (Ret) C.D. Moore (Dayton Aerospace)

### Elected Members

- External
  - TBD (TBD)
  - Al Wofford (CDO Technologies)
  - Lloyd Fields (Bastech)
  - Mary Margret Evans (Former DOD AT&L Executive)
  - Roger Furrer (BradyWare, LLC)
  - Tawnya Darlington (Former PricewaterhouseCooper LLP)
  - Jorge Gonzalez (former LCMC Engineering Director)
  - Gayle Rominger (Former YSI Executive)
  - TBD Former DC OSD Executive

## Officers

- CEO & President: Dennis Andersh
- Chair: Lloyd Fields
- Vice Chair: Gayle Rominger
- Secretary: Elizabeth Wiesman
- Treasurer: Ebi Maki

Terms are 3 years.



## Committees

### **Executive Committee**

- Mr. Lloyd Fields (Chair)
- Gayle Rominger (Vice Chair)
- Mr. Roger Furrer
- Lt. Gen. (Ret) C.D. Moore
- Ms. Tawnya Darlington
- Mr. Dennis Andersh
  
- Ms. Suzanne Sumner (Outside Counsel)

### **Board Search and Governance Committee**

- Lt. Gen. (Ret) C.D. Moore (Chair)
- Mr. Al Wofford
- Ms. Mary Margaret Evans
- Mr. Jorge Gonzalez
- Mr. Dennis Andersh
  
- Ms. Suzanne Sumner (Outside Counsel)

### **Finance Committee**

- Mr. Roger Furrer (Chair)
- Ebi Maki CFO
- TBD
- Mr. Al Wofford
- Dr. Margaret Dunn
  
- Ms. Suzanne Sumner (Outside Counsel)

### **Audit Committee**

- Ms. Tawnya Darlington (Chair)
- Ms. Mary Margaret Evans
- Ms. Elizabeth Wiesman
- Ebi Maki CFO
  
- Ms. Suzanne Sumner (Outside Counsel)

- **WSARC Affiliation Memorandum of Agreement (MOA) Was Submitted on Oct 7, 2016.**
  - Final University Affiliation Policy Approved and Signed Oct 23, 2017.
  
- **Affiliation Entity Status:**
  - Advratech (LLC)
    - Company Sold on Sept 30, 2016.
      - DaytaOhio received \$100K from sale.
      - Terminated WSARC Agreement with Advratech on Sept 30, 2016.
      - **Business Closed out.**
  
  - DaytaOhio Holdings Inc. (C Corp)
    - DaytaOhio formally dissolved effective February 15, 2018 (notice of dissolution from Ohio Secretary of State was not received until March 12, 2018).
  
  - Regional STEM Collaborative Corp LLC
    - RSC LLC dissolved September 30, 2016.
  
  - NCMR (501c3)
    - Dissolved Corporation effective Dec 1, 2017.



- **Other Entity Status.**

- Miami Valley Research Park

- WSARC contributed \$300K to WSU in 2014 to sustain the Research Park Operations.
    - Reclassified the \$300,000 Note Receivable on the Balance Sheet to Other Assets consistent with similar presentation within the WSU Foundation statement.
    - Anticipating \$300K payment over the next 12 months.
    - **Completed New Letter of Agreement Between WSU and WSARC.**

- WSARC Loan Guaranty for Mound Laser and Photonics Center

- Guarantor of mortgage on the building for approximately \$2,700,000.
      - WSU CFO had agreed that if this defaults that this is a WSU expense.
    - **PNC has released WSARC and WSU as the Loan Guarantor.**

## Appendix B



# Medical Cost & Trends

Human Resources

Fall 2018

Update to Faculty Senate Budget  
& Planning Committee



WRIGHT STATE  
UNIVERSITY



# Agenda

- 2017 Cost Drivers & Key Changes for CY18
- Medical Vendor ITN
- 2019 Plan Design for Staff & NBUF
- Comparison AAUP and Staff & NBUF Plan features

# What WSU Pays as Self-Insured

## Fixed Costs- ~7.8%

- Administration Fees
- Stop Loss
- Healthcare Reform Fees

## Variable Costs- ~92.2%

- Medical Claims
- Pharmacy Claims



## Expected vs Actual\*

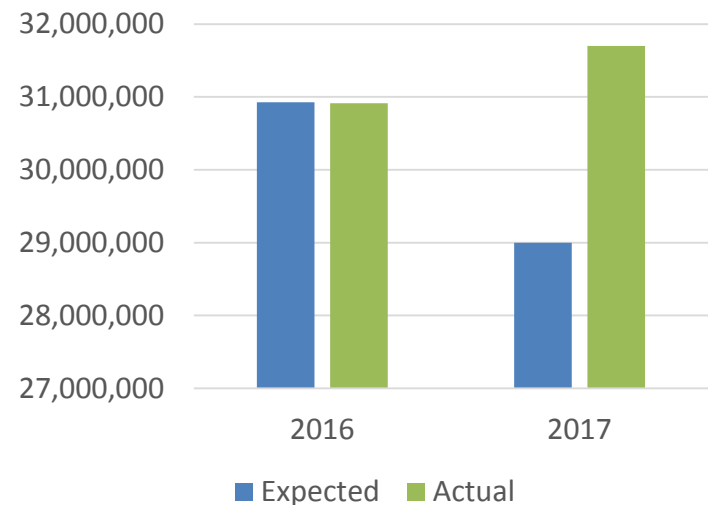
Source: Horan and Associates, Inc.

Calendar Year	Expected Plan Cost	Actual Plan Cost	Difference
2016	\$30,912,075	\$30,927,008	\$ 14,933
2017	\$29,023,415**	\$31,702,652	<b>\$2,679,237</b>

\* Does not include costs for Health Savings Account nor savings for Pharmacy Rebates.

\*\* Expectation was lower than 2016 due to headcount reduction after the Voluntary Retirement Incentive Program (VRIP).

Calendar Year Actual	Health Savings Account	Pharmacy Rebates
2016	\$1,222,450	(\$767,411)
2017	\$1,013,933	(\$1,074,489)
Savings	(\$208,517)	(\$307,078)



## Why such an increase?

### 1. High Cost Claims



### 2. Specialty Drugs



Example: Harvoni, Hep C drug

## High Cost Claims

Claim Level	2016	2017	YTD Aug 2018
\$150,000	7	6	2
\$175,000	4	3	1
\$200,000	4	5	2
\$250,000	0	2	0
\$300,000	0	1	0
\$400,000*	1	5	2
Total	16	22	7

\*Stop Loss would kick in

\$2,240,026 more in 2017

## Specialty Drugs

Drug	Drug Use/Indication	Paid Increase
HUMIRA PEN	Arthritis & Crohn's Disease	\$250,209
XYREM*	Loss of Muscle Control (also Narcolepsy)	\$150,199
TECFIDERA	Multiple Sclerosis	\$113,074
SPRYCEL*	Leukemia	\$ 94,800
MEKINIST	Skin Cancer	\$ 86,349
<b>TOTAL</b>		<b>\$694,631</b>

\*Earliest possibility for generic is 2023 and 2020

Newer example: New Drug to treat Blindness, Luxturna

## University Spend Per Employee

### CY 2015

Plan	Amt. Per Enrolled Employee
PPO 90/10	\$15,219
PPO 80/20	\$ 9,872
HDHP	\$12,031 w/HSA \$13,891

### CY 2016

Plan	Amt. Per Enrolled Employee
PPO 90/10	\$17,596
PPO 80/20	\$9,557
HDHP	\$12,508 w/ HSA \$14,000

### CY 2017

Plan	Amt. Per Enrolled Employee
PPO 90/10	\$19,155
PPO 80/20	\$11,484
HDHP	\$13,434 w/HSA \$15,002

## Renewals

2.9M

CY 2018

3M

CY 2019



# Cost Containment Strategy



No cost increases on the university side and look for efficiencies.

## 2018 Key Changes for all Employees

1. Expanded Stop Loss Insurance to include pharmacy in addition to medical claims

## 2018 Key Changes for Staff & NBUF

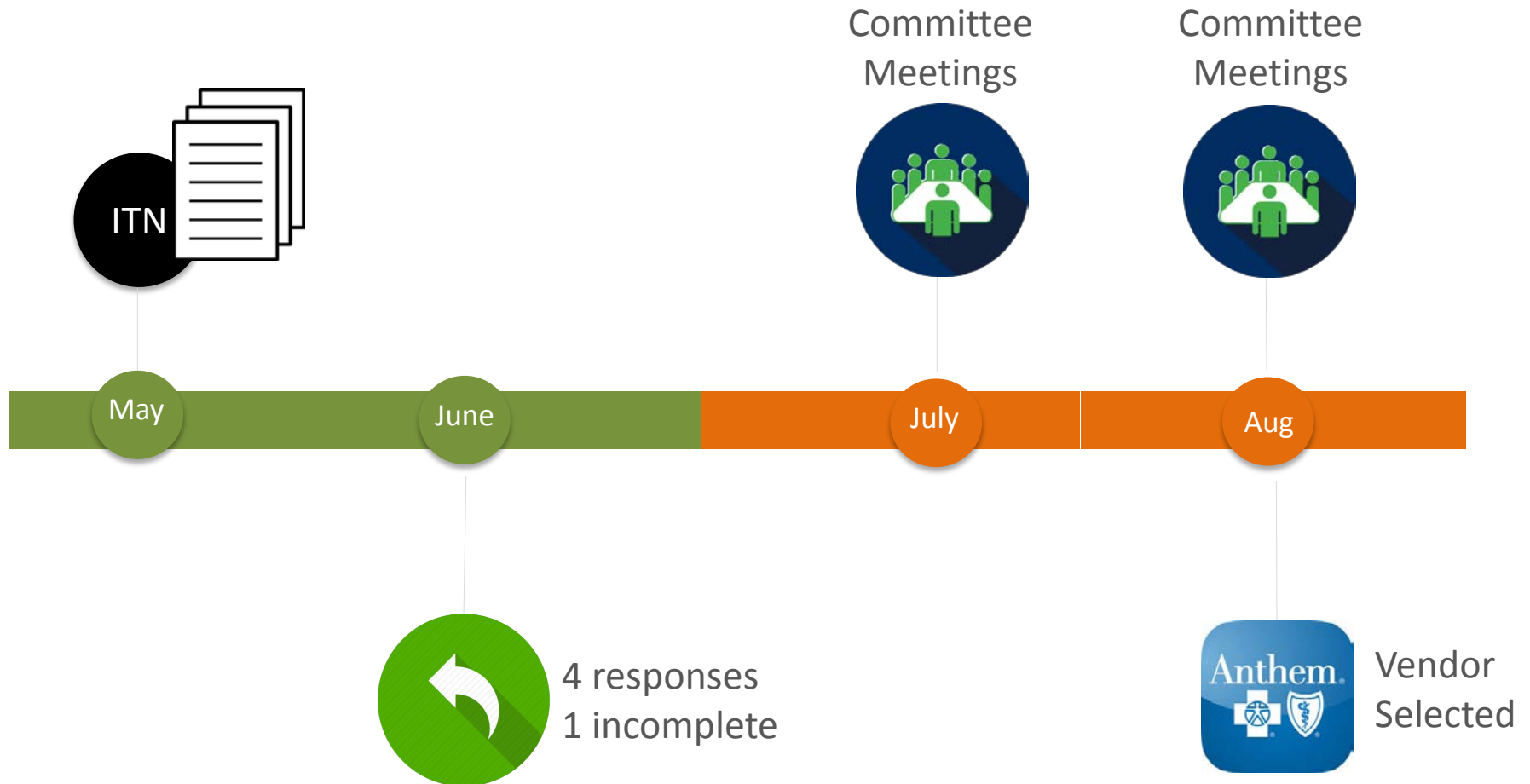
1. Eliminated the PPO 90/10 plan
2. Increased deductibles and out-of-pocket maximums on the PPO 80/20 plan
3. Added a fourth pharmacy tier for PPO 80/20, specialty drugs
4. Domestic Partner (same and opposite sex) coverage will end on December 31, 2018
5. Added two coverage levels: employee + spouse and employee + child(ren)
6. Implemented a new premium structure: 4 coverage levels, 20% cost share and 3 salary tiers
7. Reduced WSU's contribution to the health savings account
8. Eliminated Healthy Rewards
9. Implemented a waiting period – New employees healthcare coverage is now effective the first day of the following month

# Agenda

- 2017 Cost Drivers & Key Changes for CY18
- **Medical Vendor ITN**
- 2019 Plan Design for Staff & NBUF
- Comparison AAUP and Staff & NBUF Plan features

# WRIGHT STATE UNIVERSITY

## Timeline: Medical Renewal May – August 2018



## DAILY NEWS

No. 48,725

THE BEST SELLING NEWSPAPER IN THE WORLD

Today's Edition

National - World - Business - Lifestyle - Travel - Technology - Sport - Weather

### **WSU negotiates favorable contract terms with Anthem**

- Improved pharmacy costs
- Rx rebates increased
- Admin fees fixed for 3 yrs.
- Wellness incentives increased to \$60k
- Stop loss improved pricing by 1.9%
  - Adding “return of premium” coverage
- \$3 PEPM for an Anthem Program Offering
  - Castlight becoming Anthem Engage January 1st



# Agenda

- 2017 Cost Drivers & Key Changes for CY18
- Medical Vendor ITN
- **2019 Plan Design for Staff & NBUF**
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## Cost Drivers & Key Considerations for 2019 Plan Design



Benefits represent around 18% of our total unrestricted budget, of which **medical is the primary controllable cost.**



A \$2.2 million inflation cost increase expected for 2019.  
**Cost cannot be fully absorbed by the university.**



Premiums will be targeted with a approximate **20% average cost share.**



The **ER utilization for non-emergency visits** continues to increase.



**Significant expected pharmacy increases** influenced by the expansion of specialty drugs.

## Benefit Expenditures


Category	FY15	FY16	FY17	FY18	%
Medical *	\$24M	\$25M	\$27M	\$26M	46%
Retirement	\$27M	\$27M	\$26M	\$23M	41%
Other Benefits (Medicare, dental, fee remission, life, etc.)	\$7M	\$8M	\$9M	\$7M	13%
<b>Total Benefits</b>	<b>\$58M</b>	<b>\$60M</b>	<b>\$62M</b>	<b>\$56M</b>	<b>100%</b>
Benefits as a % of unrestricted budget				<b>19.4%</b>	

\* Reduced by employee premiums





## Cost Share-Medical Premiums

Yr.	Employee Cost Share	WSU Cost Share
2014	15.5%	84.5%
2015	16.2%	83.8%
2016	16.0%	84.0%
2017	15.0%	85.0%
Target for 2018	20.0%	80.0%
Target for 2019 	19.5%	80.5%



## 2019 Pharmacy Plan Design

Staff & NBUF: PPO 80/20 and HDHP



Transitioning from Anthem's National Formulary to their **Essential Drug List**.

Why?

Pharmacy continues to increase, everyone seeking ways to influence.

Goal is to offer a list of drugs approved by FDA, reviewed by physicians, and deemed acceptable to be offered by several employers.

What will occur. Specific drugs might:

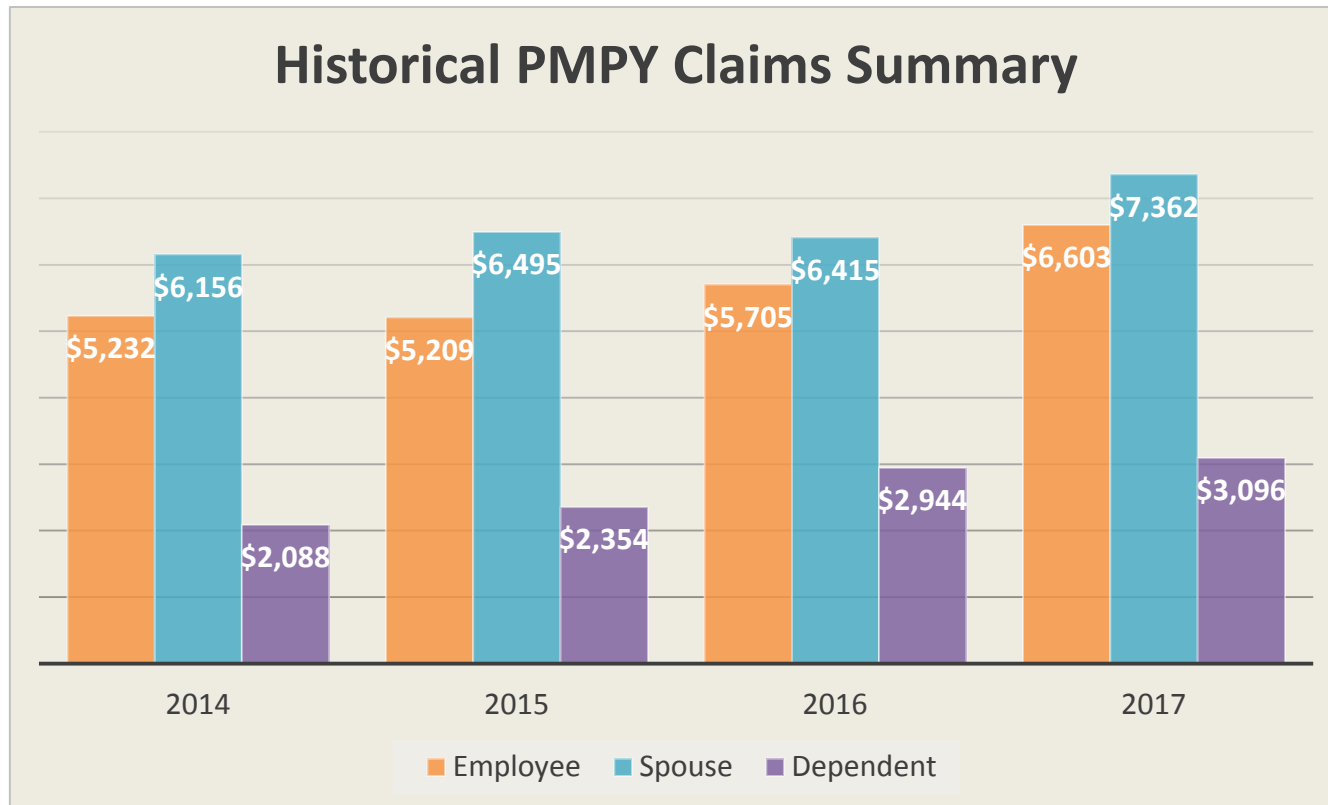
- Move to over the counter
- Change tiers
- May no longer be available, if an alternative is available

Expected disruption 10%

## Medical and Pharmacy Claims:

Employee, Spouse and Dependents

**Spouses cost the university more than its employees.**



## Medical Premiums

Staff & NBUF



### Spousal added fee program

- Employees pay an extra premium to cover a spouse regardless of the spouse's employment status
- Market for Spouse Surcharges range is \$75 to \$140 per month
- Spousal added fee will be implemented by the Salary Tiers
  - Tier 1 \$32
  - Tier 2 \$50 (WSU fee target)
  - Tier 3 \$68

## 2019 Key Changes for Staff & NBUF

1. Increased copays for the PPO 80/20 plan
  - a) Specialty Physician Copay increased by \$5 (\$35 to \$40)
  - b) Urgent Care Copay increased by \$10 (\$40 to \$50)
  - c) Emergency Room Copay (*waived if admitted*) increased by \$100 (\$200 to \$300)
2. Moving to a new pharmacy formulary – Essential Drug List
3. Slight reduction in Employee Cost Share from 20% to 19.5%
  - a) Average premium increase 5.2%
4. Introduced a Spousal Added Fee for Employee + Spouse and Employee + Family coverages
  - a) Cost is by salary tier: \$32 / \$50 / \$68

# Agenda

- 2017 Cost Drivers & Key Changes for CY18
- Medical Vendor ITN
- 2019 Plan Design for Staff & NBUF
- **Comparison AAUP and Staff & NBUF Plan features**

## 2019 Plan Offerings

PPO 90/10	Staff & NBUF	AAUP
Offered	No	Yes

PPO 80/20	Staff & NBUF	AAUP
Deductibles (single / family)	\$800 / \$1,600	\$250 / \$500
Out-of-pocket Maximums (single / family)	\$4,000 / \$8,000	\$1,750 / \$3,500
Deductibles & Out-of-pocket Maximums	Non-Embedded	Embedded
Specialty Care Physician Copay	\$40	\$25
Urgent Care Copay	\$50	\$40
Emergency Room Copay (waived if admitted)	\$300	\$200
Pharmacy Drug List	Essential	National
Prescriptions: - Retail (30 day)	Tier 1 Generic Tier 2 Brand Formulary Tier 3 Non-Formulary Tier 4 Specialty	\$10 20%, Max \$50 40%, Max \$80 25%, Max \$200
Prescriptions: - Mail Order (90 day)	Tier 1 Generic Tier 2 Brand Formulary Tier 3 Non-Formulary Tier 4 Specialty	\$25 20%, Max \$125 40%, Max \$200 N/A

**Non-Embedded:** For employee + child(ren), employee + spouse and employee + family, only the family deductible and OOPM applies. For employee only coverage, the single deductible and OOPM applies.

**Embedded:** For employee + 1 and employee + 2 or more, each covered family member has an single and a family deductible and OOPM. Once either deductible is met co-insurance applies.



## 2019 Plan Offerings

HDHP	Staff & NBUF	AAUP
Co-insurance (after deductible)	10%	0%
Out-of-pocket Maximums (single / family)	\$3,000 / \$6,000	\$2,000 / \$4,000
HSA Employer Contribution (single / family)	\$500 / \$1,000	\$1,000 / \$2,000

	Staff & NBUF	AAUP
Coverage Levels	Employee Employee + Child(ren) Employee + Spouse Employee + Family	Employee Employee + 1 Employee + 2
Additional Dependents	-- --	Domestic Partner (same and opposite sex) Older Adult Child (age 27-28)
Spousal Added Fee	\$32 / \$50 / \$68	--



## 2019 Healthcare Plans – Employee Cost Share

Plan	<u>Staff &amp; NBUF</u>		<u>AAUP</u>	
	Salary Tiers (1 - 3)	Employee Cost Share	Salary Tiers (2 - 5)	Employee Cost Share
Medical	< \$47k	13.1%	< \$50k	9.9%
Medical	\$47k - \$75k	19.5%*	\$50k - \$74k	12.4%
Medical	> \$75k	26.0%	\$75k - \$99k	15.0%
Medical	--	--	> \$100k	17.4%
Dental	All	20%	Bundled with Medical	
Vision	All	20%	Bundled with Medical	

\*Target remains 20% but determined a 5% premium increase was appropriate

## What's Happening

1. Projected 2019 healthcare inflation: **Staff & Non-BUFM-5% to premium**
  - Medical - 7.8%
  - Rx – 11%
2. ITN/RFP for healthcare and stop loss insurance **Complete-Anthem selected**
  - Previous ITN in Summer 2013
3. Formed a Medical Advisory committee **Will be continuing in CY19**
  - (HR, Finance, USAC, CSAC, AAUP, Faculty Senate)
4. Negotiated with HORAN for a one-time savings of \$15,000 in FY18 **Complete**
5. Negotiated with Delta Dental for a one-time savings of \$15,000 for FY19 **In process**
6. IUC partnership with all 14 universities for a benefit aggregation project **In process**
  - Review exiting IUC benefit contracts
  - Gathering benefits data from all universities with the intent of identifying cost savings associated with pooling of purchase power
7. Expand communication to increase employee engagement in cost saving efforts
8. Student clinic may begin to serve employees **Discussions in process**

## Healthcare Plans Best Practices

### Basics

- ✓ Offer HDHP (CDHP)
- ✓ HSA sponsor makes a contribution to employee's accounts
- ✓ Transparency tool provided by specialty vendor
- Mandatory generics or other RX strategies
- Steer members to specialty pharmacy for specialty drugs
- Collective purchasing of Rx benefits
- ✓ Spousal surcharge/fees

### Well-Being

- Company vision/mission statement supports a healthy workplace culture
- ✓ Offer technology-based well-being resources
- ✓ Use incentives for well-being programs
  - Smoking Cessation
- Spouses may participate in programs
- Tobacco surcharge
- ✓ Provide stress management or mindfulness programs
- Integrate well-being incentive with health plan
  - Smoking Surcharge

### Quality and Value

- Offer a Surgical Center of Excellence
- Primary care on-site clinic
- Telemedicine utilization of 5% of higher
- Reference-based pricing
- Narrow networks-pharmacy and medical
- ✓ Restricted Formulary

## What You Can Do

**Castlight:** Personalized tool that helps you find the high-quality, affordable care you need

**What's the difference**  
*between these X-rays?*



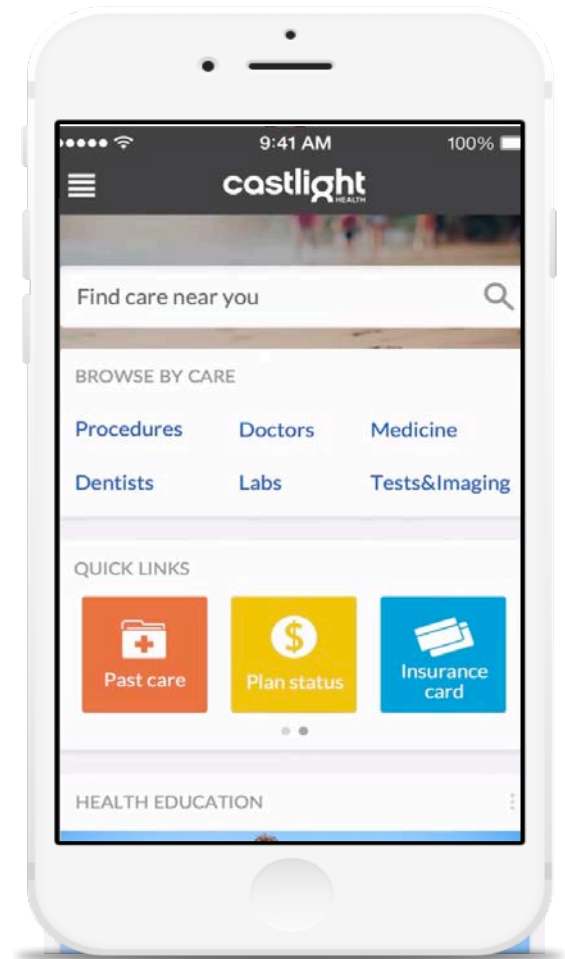
One costs \$85.      The other costs \$35.

**It's the same X-ray but  
different price.**

See for yourself on Castlight [www.mycastlight.com](http://www.mycastlight.com)



Easy-to-use App





<https://youtu.be/ZtjKpZJHinc>

**You Pay:**

PPO 90/10	\$15
PPO 80/20	\$20
HDHP	\$49



As we focus on increased communication around healthcare costs, what advice do you have?

As we always seek input for benefit strategy, what feedback do you wish to provide?

