

THE UNIVERSITY OF AKRON



LUIS M. PROENZA
OFFICE OF THE PRESIDENT

July 9, 2010

Members of the University Community

I am pleased, Dear Colleagues . . .

. . . to forward for your information a summary of actions approved by The University of Akron's Board of Trustees at its regular meeting on June 16, 2010.

Presentation to the Board

Dr. William M. "Mike" Sherman, senior vice president and provost/chief operating officer, made a presentation on aligning University operations with academics to implement our emerging strategic plan, Vision 2020, thereby creating the "New Gold Standard."

Educational Policy/Student Affairs Committee

1. SC-09-54 Title Addition of a New Bachelor of Science Option

The Board approved adding an option to an existing degree program in Summit College—Computer Information Systems, Industrial Computer Applications Option. The degree, created in conjunction with Innovation Alliance partner Lorain County Community College, is designed to meet industry needs that were identified in a recent survey. The option will prepare individuals to manage a technical lab environment in a specific field, such as health care or manufacturing.

2. Research Grants and Sponsored Programs Report, July 2009-April 2010

For July 2009-April 2010, funding for externally funded research and other sponsored programs was \$35.3 million for 356 projects. For July 2008-April 2009, funding was \$44.9 million for 361 projects. For July 2009-April 2010, four patents were issued, 24 patent applications were filed, and 34 disclosures were submitted. For July 2008-April 2009, seven patents were issued, 16 patent applications were filed, and 50 disclosures were submitted.

3. Establishment of the FirstEnergy Advanced Energy Research Center

Trustees approved the creation of a center proposed by the College of Engineering and the Department of Chemical and Biomolecular Engineering. The FirstEnergy Advanced Energy Research Center, named in honor of the corporation that provided \$2 million in seed money for alternative-energy research, will focus on carbon capture and coal-based fuel cell technology. The Faculty Senate and its Academic Policies Committee recommended this action.

External Affairs Committee

1. Cumulative Gift and Grant Income Report, July 2009-April 2010

For July 2009-April 2010, total giving was \$37 million, 11 percent less than the \$41.9 million received for the first 10 months of FY2009 and 44 percent more than the five-year average of \$25.8 million. The number of gifts increased, from 16,415 for July 2008-April 2009 to 17,997 gifts for the current fiscal year to date.

Facilities Planning and Oversight Committee

1. Simmons Hall Office of Multicultural Development Relocation

Following a plan endorsed by the provost in 2008, the Office of Multicultural Development will be relocated from Buckingham Center to Simmons Hall, a move made possible by significant voluntary space reductions by that office, the Registrar's Office and Student Financials. Construction will occur on second shifts and in multiple phases to allow for continued operations during the renovation. Contracts approved by the Board for the renovations were awarded to low-bidders Seese/Sveda Construction Company (\$263,249 for general trades), Mecon, Inc. (\$172,500 for fire protection/plumbing and HVAC, and Speelman Electric, Inc. (\$145,000 for electrical).

2. West Campus Parking Deck – Renewable Energy Sources for Building Light System

Trustees approved a recommendation to retrofit the lighting system in the West Campus Parking Deck to help achieve the energy efficiency improvements expected under improvements under Ohio House Bill 251. The successful respondent to a Request for Proposal for Renewable Energy Resources for the deck, Lighting America of Ohio (LAO) will modify the lighting system in the deck to use alternative energy sources and LED lamps. LAO will be paid a percentage of the University's total energy cost savings attributable to the project. The new lighting system will realize an approximate annual energy savings of \$102,775. Of that amount, approximately \$46,240 will be paid annually to LAO. During the five year term of the contract, cost savings for electric utility and maintenance is estimated to be \$513,775. Using that estimate, LAO would receive \$231,200 for providing lighting, and the University would realize a net savings of \$282,575.

3. Memorial Hall Demolition

Due to its age, condition and maintenance cost, Memorial Hall is scheduled for demolition. The Board approved the \$348,900 low bid for demolition of the facility and salvaging of basketball goal assemblies, a back-up generator and seven trees by Quality Asbestos and Demolition Services.

Finance, Fiscal Policy, and Investment Committee

1. Quarterly Report—July 2009-March 2010

Trustees reviewed the quarterly report for the first three quarters of FY2010, covering July 2009-March 2010. In that period, revenue for the Akron campus was \$326.6 million or about 2.1 percent more than what was estimated in the budget. Expenditures totaled approximately \$240.1 million for FY2010 to date, or about 2.2 percent less than what was budgeted. Revenue at Wayne College for FY2010 to date was \$12.3 million, or about 3.6 percent more than budgeted, and expenditures at Wayne totaled \$8.9 million, or about 14.2 percent less than budgeted. Investment income for the period was approximately \$1.7 million under budget.

2. Approved Purchases for More Than \$150,000

- Through the Ohio Inter-University Council price agreement with Microsoft, the University is entering into a three-year contract with Insight Enterprises, Inc. for a license to use various Microsoft software products on all University computers, including work-at-home rights for all University faculty, staff and contract professionals. The agreement also provides extremely reduced software pricing for University students. The three-year cost will be approximately \$567,000.
- Pomeroy IT Solutions was awarded a \$255,750 contract for the Cisco network and Internet interconnectivity equipment required for Spicer Residence Hall, which will in August 2010.

3. Refunding of the 2008C Series General Receipts Bonds

The Board authorized the administration to refund the 2008C Series General Receipts Bonds from a variable rate to a fixed rate, taking advantage of the current, very favorable fixed-rate market environment. The termination of the 2004 swap is included as part of the refunding process.

4. Personnel Actions

The personnel transactions approved by Trustees as amended are posted online at <http://www.uakron.edu/president/docs/Personnel-transactions-June2010.pdf>.

Rules Committee

1. Revisions to Rule 3359-11-04, A Faculty Improvement Program for Faculty in the School of Law

Approved changes to this rule clarify the compensation and benefits that a faculty member in the School of Law receives while participating in a faculty improvement program leave. Revisions specifically include as salary any amounts paid in connection with the faculty member continuing as a named chair holder and/or for continuing to perform other assigned duties while participating in a faculty improvement program leave.

2. Student Code of Conduct Rules 3359-41-01 to 3359-41-08

Student Affairs, with input from the Faculty Senate and the administration, has conducted a review of the Student Code of Conduct Rules and recommended the several rules be rescinded, several others be revised and several new rules be added.

3. The University of Akron Governance Proposal

A new governance proposal recommended by the Faculty Senate was forwarded to the Board's Rules Committee, along with relevant background materials to inform discussion at future meetings of the Rules Committee. The Rules Committee will review the proposal and provide feedback to the president.

New Business

1. Expression of Appreciation to Chairman Philip S. Kaufmann

Trustees passed a resolution honoring Philip S. Kaufmann, J.D., chairman of the Board from July 2008 through June 2010, whose term on the Board is expiring. In recognition of all that he has done for the University, his community and state, for his profession and for the betterment of humankind, the resolution read, "...the Board of Trustees of The University of Akron expresses its sincere appreciation to Mr. Philip S. Kaufmann for the leadership, concern and devotion he has shown in fulfilling his duties to the Board, his alma mater and all of its constituents, and wishes him, his wife Patricia and their son Christopher well for the future" and approved the awarding of the title of Chairman Emeritus and an Honorary Doctor of Laws degree.

2. Acceptance of Gifts and Naming of Panzer Wetlands Wildlife Reserve

The Board approved acceptance of a gift from Jerry and Steve Panzner and Panzner and Sons, Inc. of approximately 95 acres of land, including more than 90 acres of mitigated wetlands, in Copley Township, as well as \$90,800 to establish an endowment fund to support the maintenance of the wetlands and provide salary enhancement for the director of the University's field stations. The Department of Biology will conduct research at the site. In appreciation for the donation, Trustees approved the naming of the site as the Panzner Wetlands Wildlife Reserve at The University of Akron.

3. Authorizing the Acquisition or, in the Alternative, Appropriation of Certain Real Property Together with its Improvements

Noting that it has been announced publicly that Hostess Brands will close its Akron bakery, which is immediately adjacent to campus, within the boundaries of the city of Akron's University District and an area identified more than 10 years ago by Sasaki as a desirable area for campus expansion—Board members passed a resolution declaring the University's intent to acquire that property, using eminent domain procedures if necessary.

Notes

1. President's Report

I began my report by welcoming Dr. Mike Sherman to his first formal meeting as our senior vice president, provost and chief operating officer. Mike, in the weeks since he accepted his position has been actively engaged on a very regular basis, and thus is making a very smooth and quick transition. He and I have been working together to align our thinking and to bring our new strategic plan forward for execution. I am certainly pleased to have him on board and think that we all can expect great things of Mike. He is adept at working in a continuous cycle of planning, execution, measurement and change, which is indeed very valuable.

I next recognized Ken Stapleton, who has served most ably as executive director for the University Park Alliance and as senior economic development advisor to me. He is leaving Akron and the University at the end of June to pursue new opportunities. I wanted to thank him publicly and note that he joined us when we were in the first of the two Knight grants. He was responsible, together with an able team, for writing the \$10-million grant that Knight Foundation awarded us four years ago and for significant private- and public-sector investment to the tune of some \$300 million in the University Park area and the creation of several hundred jobs. Most important were the many elements that are in progress now and which we will be hearing about as University Park Alliance takes its new life as an independent organization. On behalf of a grateful University and personally, I expressed a heartfelt thanks and congratulations on new ventures to Ken. I also asked Trustees to consider a formal resolution honoring him at their next meeting.

If you happened to have read *The Economist* magazine in mid June, you will have noted an important article on the accommodation that is being reached in the newspaper industry. The article notes that the industry is considerably changed from what it was a few years ago, that it is becoming a more balanced industry with a healthier mix of revenues from readers, advertisers and other sources. Likewise, higher education is undergoing some significant changes, a paradigm shift, in many respects due in large part to the changing nature of the global economy.

In particular, the recent recession has increased pressure on the economics of higher education on multiple fronts. Particularly, this pressure is being felt by students and also by the institutions themselves. For public universities, this has come about largely as a result of reduced state funding which has shifted the burden from the states to the students. Not only are students working more to earn less in some cases, but unemployment and underemployment in Ohio have reduced the state's tax revenues, leading to a seesaw effect where state revenue decreases spawn decreased state funding for higher education, and that newly unfunded portion of educational costs is then shifted to tuition and fees that the students must pay.

The students' conundrum is further complicated by tightened loan markets, government grants that cover a smaller and smaller portion of the costs, private loan elements that sometimes create other kinds of problems and, as recently reported in a *New York Post* article, the 10% of enrolled U.S. students who attend "for-profit" universities now claim nearly 25% of all federal Title IV student loans and grant disbursements. (Eisman, S. (2010). Subprime goes to college. *New York Post*, June 6, 2010.)

Indeed, the economic pressure on our students is significant and daunting. To that end, I shared with Trustees and to all of our senior leadership a new book, *DIY U* by Anya Kamenetz, which addresses several factors related to these challenges and outlines how it is likely that the traditional paradigm for higher education will change. I recommend the book and offered just a few thoughts from it:

Kamenetz states that the United States seems “to have reached an impasse given escalating demand for higher education (worldwide), together with spiraling costs and limited resources,” and suggests that four trends will guide the transformation of higher education:

- **The 80/20 Rule:** The greatest growth for higher education during the next century will come from students who are non-traditional in some way, 80% of whom will attend institutions that are more accessible.
- **The Great Unbundling:** “The logic of digital technology will compel institutions to specialize and collaborate”... rather than each institution trying to be all things to all people.
- **Techno-hybridization:** Most students learn best when a blend of technology-assisted and traditional instruction is used.
- **Personal Learning Networks and Paths:** The traditional college experience will be one of many options. Programs will need to be flexible, supportive and self-directed, and will need to provide not only career training but critical-thinking skills, socialization and personal development.

In summary, Kamenetz suggests that, “Universities are on the brink of a phase change from something monolithic to something more fluid: a sea of smaller, more specialized and diverse institutions offering a greater variety of learning opportunities, a cloud of ideas, texts and conversations.” (Kamenetz, A. (2010). *DIY U: Edupunks, edupreneurs, and the coming transformation of higher education*. White River Junction, Vt.: Chelsea Green Publishing.)

I think you will see in the book similarities to what we have been working toward here at The University of Akron when we have talked about our moving toward a New Gold Standard of university performance as well as our recent strategic thinking.

The students coming to our colleges and universities today are a different breed from those we traditionally have served. While many still value interactions with other talented classmates and learned professors, they now are so sophisticated technologically that they often are capable of accessing on their own any information they may need to augment their education or possibly even to achieve their educational goals independently (and, hence, the title of the book, *DIY U*).

In our strategic plan, we stress innovation and entrepreneurship. Thus, our University is seeking to become an excellent integrator of resources available globally, particularly digital resources. We also are developing the expertise to be able to assess and appropriately credential learning and capabilities, regardless of how one’s knowledge and skills may have been acquired. At the same time, of course, we are able to provide a traditional college experience for those who seek it and for whom we are becoming very, very attractive.

In this regard, I was privileged to be only one of four university presidents invited to participate in a May 27 conference sponsored by George Mason University and the Association of Public and Land-grant Universities, titled the Presidents' Symposium on the Future of Higher Education. In addition to being asked to serve as a panel commentator, I also was asked to be a commentator at the closing of the conference, and a paper that I wrote for M.I.T. Innovations journal was distributed to all participants.

In fact, my observation that changing the economy or changing technology requires the institutions, themselves, to change was posted on the APLU Web site with the claim that it "captured the core of a provocative and wide-ranging discussion" at that symposium.

So, as you can see, The University of Akron is being viewed nationally as a leader in innovation – educationally, in research and technology management, and many other areas.

For instance, in a Beacon Journal editorial on June 6, Michael Douglas asked, "What does innovation look like?" His answer was the Corrosion and Reliability Engineering program at The University of Akron. The program is innovative, as Douglas pointed out, because it "takes a unique approach to an old and expensive problem."

Further, the programs that provide students various ways to access us and other learning resources to become appropriately credentialed are increasing.

In just a few days following the publication of Michael's editorial, our associate vice president of research Wayne Watkins testified by invitation to a congressional Subcommittee on Research and Science Education on how to improve technology transfer and commercialization opportunities from universities to the private sector. He had been specifically asked to relate as part of his testimony The University of Akron model.

I want to underscore that these kinds of opportunities show how the University is being recognized as providing significant national leadership.

I think we can be proud of the progress we have made, while at the same time, we are uncertain about how this thing that we call higher education will evolve in time. But we can be confident that we are participating at the cutting edge of all of the important thinking that is taking place.

In closing, I offered two pieces of news highlighting the excellence of the people who make up The University of Akron:

First, three young professionals who work here have been chosen for the Greater Akron Chamber of Commerce "30 for the Future." They are—Dr. Julie Zhao, director of the IDEAs Program in our College of Engineering; Dr. Margaret Baughman, a research associate in the Institute for Health and Social Policy; and Greg Dieringer, assistant dean of University College. They will be honored at a ceremony to be held in September.

And, on July 13, Board Chair Ann Brennan will be honored at the Fourth Annual Akron/Canton Dinner of Champions for the National Multiple Sclerosis Society. On that evening, she will receive the Norman Cohn Hope Award.

2. 2010-2011 Board Officers

The Board approved the recommendation of its nominating committee to elect the following officers for 2009-10: Ann Amer Brennan, J.D., chair; Richard W. Pogue, J.D. and Edward L. Bittle, vice chairs; Ted A. Mallo, J.D., secretary; and Paul A. Herold, assistant secretary.

3. Next Regular Meeting

The Board's next regularly scheduled meeting will occur on Wednesday, August 4, 2010, in the Student Union, Board Room 339, with an executive session to begin at 7:30 a.m. and the public session to begin no earlier than 10 a.m.

* * *