

THE UNIVERSITY OF AKRON



LUIS M. PROENZA
OFFICE OF THE PRESIDENT

April 22, 2011

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 March 23, 2011.

Presentation to the Board

The presentation was on Building Talent Locally: STVM-UA Enhanced Research Experience. The presenters were Associate Professor of Polymer Science Matthew Becker, St. Vincent/St. Mary High School Science Department Chair Mary Jo Chionchio (who also is project director of Partners in Progress with the University and administrator of the Center for Science and Technology at STVM) and St. Vincent/St. Mary High School Headmaster Dave Rathz. They were joined by Honors College freshman Renee Green, who has been involved in the program.

Finance, Fiscal Policy and Investment Committee

1. Quarterly Financial Report for July-December 2010 and Priority Budget Issues for January 2011

Year-to-date student revenues exceed the seventh-month projections by \$2.1 million. Preliminary spring enrollment census data indicates undergraduate credit hour production is 4.2 percent greater than for spring of 2010, while graduate and law results are 0.4 percent greater and 3.0 percent greater, respectively.

Through January, total faculty expenditures (including summer and part-time) are 4.4 percent greater than the same time last year, while administrative and staff expenses are 1.4 percent less. Scholarships, including graduate assistant fee remissions, are \$3.3 million (or 9.3 percent) greater than last January. While a component of this overage was anticipated as part of the long-term scholarship plan, graduate assistant fee remissions exceed the budget by \$0.5 million. The campus community continues to be mindful of the recommended fiscal restraint as combined supply and travel expenses nearly are even with last year's January numbers (+0.7 percent).

Auxiliaries are operating well within budget, exceeding projections by \$1 million.

The operating funds investment report shows an excess of \$472,000 in earnings compared to budget. For the quarter ending December 31, 2010, the University endowment posted a rate of return of 6.5 percent, slightly short of its benchmark of 7.2 percent. Overall, the University's endowment funds, not including those of the University of Akron Foundation, at the end of December are valued at \$48 million.

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

- Consolidus, LLC of Akron and Global Promotions & Incentives of ASW Global were awarded a contract in the total combined amount not to exceed \$200,000 annually for departmental purchases as part of a Managed Promotional Sourcing Program.
- FirstEnergy Solutions was awarded a contract for the unit cost of \$0.0499/kwh (approximately \$5,182,414 annually depending on usage) for the purchase of electrical energy for five select University accounts for the period commencing on June 1, 2011 for 36 months.
- Communications Supply Corp. was awarded a \$274,551.20 contract to supply Mohawk cables, voice/data outlets and port data panels.

3. Personnel Actions

The personnel transactions approved by Trustees as amended are posted online at <http://www.uakron.edu/president/docs/Personnel-transactions-March2011.pdf>.

Audit Committee

1. Acceptance of the S.A.S./70 External Audit for January through April 2010

The Board approved the recommendation of the Audit Committee on March 23, 2011, to accept the SAS/70 audit of the University as performed by SS&G, external auditor, for the period January 1 through April 30, 2010.

Educational Policy/Student Affairs Committee

1. Research Grants and Sponsored Programs Report, January and February 2011

For July 2010-February 2011, funding for externally funded research and other sponsored programs was \$24.2 million for 302 projects. For July 2009-February 2010, funding was \$30.3 million for 301 projects. For July 2010-February 2011, four patents were issued, 18 patent applications were filed, and 43 disclosures were submitted. For July 2009-February 2010, three patents were issued, 23 patent applications were filed, and 25 disclosures were submitted.

External Affairs Committee

1. Cumulative Gift and Grant Income Report, July 2010-January 2011

For July 2010-January 2011, total giving of \$23.9 million, 34 percent more than the five-year average of \$17.8 million. The number of gifts increased, from 13,912 for July 2009-January 2010 to 14,351 gifts for this fiscal year to date.

2. Naming of the Athletics Ticket Office

In honor of the philanthropic efforts of the Chima family and their ongoing commitment to The University of Akron and the community, the University's athletics ticket office will be named the C.P. and Neal S. Chima Athletics Ticket Office and appropriate signage will be placed on the building at the corner of East Exchange Street and Union Street.

Facilities Planning and Oversight Committee

1. Auburn West Tower Rehabilitation, Phases I-III – Transferring Funds

Approximately \$4.4 million from previous state capital funding will be transferred to support renovation for the College of Engineering. The build-out will provide academic teaching laboratories, research laboratories and support areas for the departments of Biomedical Engineering, Electrical and Computer Engineering, and Chemical and Biomolecular Engineering.

2. Campus Development Guide Plan Update – Professional Fees

In September of 1999, Sasaki Associates completed the Campus Development Guide Plan for the University. Since that time, the university has relied on that document to guide capital improvements through the New Landscape for Learning. The dramatic change in academic programs, campus life and physical environment during that time oblige an update to the plan for the future development of campus. Because this is an extension of their previous study, a \$600,000 professional services agreement will be awarded directly to Sasaki Associates. In addition, until the Campus Development Guide Plan Update is completed and approved by the Board, capital projects shall be limited to emergencies, infrastructure, essential renovation or renewal, and only if presented to the Board by the president and the chief operating officer and following all current rules and policies that have been established by the Board.

3. Bierce Library Learning Commons, Phase 1B and FF&E

Bids for Phase 1B were solicited in January 2011 and received by the Department of Purchasing on February 8, 2011, and bids for the furniture, fixtures and equipment (FF&E) were solicited in January 2011 and opened on February 9, 2011. The project will convert first-floor operations of Bierce Library into a learning commons. Bierce Learning Commons is a 2007 initiative to enable student success in a technology-rich information environment. It is a collaborative undertaking by University Libraries, Information Technology Services, Student Engagement and Success, and the Institute for Teaching and Learning. Contracts were awarded to Coastal Quality Construction, Inc., - \$595,863; D & A Plumbing & Heating, Inc. - \$12,925; The K Company, Inc. - \$252,300 and

M & M Electrical Contractors, Inc. - \$476,499; Environments 4 Business, LLC - \$162,209; and Taylor Resources - \$148,176.

4. E.J. Thomas Deferred Maintenance Bid Event A

The project is the first phase of deferred maintenance to repair leaks, deteriorated concrete, life safety items and stage roofing. Contracts were awarded to Suburban Maintenance & Construction - \$889,419; Thomarios - \$63,000; Cardinal Maintenance and Roofing, Inc. - \$255,277; The Conti Corporation - \$64,650; and M & M Electrical Contractors, Inc. - \$78,002.

5. Wolf Ledges Engineering Building Bid Event A

Bid Event A consists of site work (excavation, sheeting, backfill and compaction), all concrete work (exterior and interior) and underground electrical service (including trenching and duct bank). Contracts were awarded to Stanley Miller Construction - \$399,670; Akron Concrete Corporation - \$323,785; and Speelman Electric, Inc. - \$19,988.

Rules Committee

1. 3359-1-02, Officers of the Board and Their Duties

The revisions to this rule are proposed to meet the requirements of Ohio law with respect to the preparation, filing and maintenance of minutes of regular and special meetings of the Board of Trustees and its committees. With the adoption of these revisions, only minutes of the regular and special meetings of the Board of Trustees will be reduced to writing for formal approval by the Board of Trustees. Since committees of the Board are not authorized to act on behalf of the Board of Trustees, minutes of committees of the Board shall only be mechanically recorded and stored for public inspection.

2. 3359-x-xx, Use of Video Surveillance on Campus

The purpose of this new rule is to standardize the use of video surveillance cameras at the University. The rule will require all surveillance cameras to be centrally controlled and recorded. This will permit consistency in the use of cameras and how long recordings are kept. The rule places the responsibility for approval, placement, and monitoring of all video surveillance cameras under the control of the University's police department, which will assist the police in responding to safety and security issues on University property.

New Business

1. Expression of Appreciation to the Institute for Life-Span Development and Gerontology in its 35th Year

The Board formally expressed the University's gratitude and congratulations to Dr. Harvey Sterns and to the fellows and staff of the Institute for Life-Span Development and Gerontology for 35 years of outstanding service to the students of this institution, the members of the Greater Akron community and the state of Ohio, and for their contributions to the scholarship and practice of gerontology worldwide.

2. Expression of Appreciation to the 2011 Zips Men's Indoor Track and Field Team and the Entire Track and Field and Cross Country Program under Head Coach Dennis Mitchell

The Board congratulated the 2011 Zips Men's Indoor Track Team for their historic accomplishment of winning Akron's first-ever men's Mid-American Conference Indoor Championship and thanked Coach Dennis Mitchell, his coaching staff and the student-athletes of the women's and men's track and field and cross country teams for the success, honor and respect they have brought to The University of Akron.

3. Naming of the Intercollegiate Soccer Field as Cub Cadet Field

Cub Cadet, a brand of outdoor power equipment owned and manufactured by MTD Products Inc., has a history of supporting The University of Akron through gifts, hiring interns, recruiting students and maintaining a working relationship with University units including its Grounds Department, Physical Plant, College of Business Administration and College of Engineering. Recently, Cub Cadet donated \$395,000 for the Athletics Department, in particular the intercollegiate soccer program. In recognition of Cub Cadet's support, the University's intercollegiate soccer field will be named Cub Cadet Field in accordance with the terms of the pledge agreement between Cub Cadet and the University, effective until December 31, 2017 and subject to renewal as specified.

Notes

1. President's Report

I began my report by welcoming David Cummins in his first week as the University's Chief Financial Officer. Mr. Cummins brings a significant background of experience in state government related to higher education and the state budget. While at Lorain County Community College, he was a joint architect with VP/CIO Sage of the shared services process and, most recently, he served as Chief Financial Officer for the Ohio Board of Regents.

I then reported on recent activities that have helped to strengthen national and international profiles of the institution:

- On February 22, Steve Sedlock, president of Associated Student Government, and I participated in the economic forum that President Barack Obama held in Cleveland.
- On March 18, the University hosted a visit from the Consul-General of Japan in Detroit, Kuninori Matsuda. As part of their meeting, I shared with Mr. Matsuda a letter of condolences for the suffering endured from the recent earthquake and tsunami and offered the University's assistance. Many students and faculty already have contributed, and doing so is a significant tradition here.

I said that one of the reasons that dignitaries consult our University is the reputation that is created by our outstanding faculty and researchers, a few of which he acknowledged:

- Dr. Joseph Kennedy, distinguished professor of polymer science and chemistry, will receive the Ohio Patent Legacy Award from the Ohio Academy of Science and the Ohio State Bar

Association. Dr. Kennedy is being honored for his significant work in thermoplastic elastomers, and for his impressive achievement of receiving more than 100 U.S. patents.

- Dr. Avraam Isayev, distinguished professor of polymer engineering, has earned a NorTech Innovation Award for a process to devulcanize rubber compounds.
- Drs. Kennedy and Isayev were among 60 members of our faculty who were inducted into the National Academy of Inventors on February 24, when the president of that association came to Akron for that purpose.

I reported that, in addition to attracting awards and honors, the good work of our faculty brings external funding and support, citing two specific examples:

- The Bridgestone Americas Center for Research and Technology has provided close to \$500,000 in scientific-use X-ray equipment to our College of Polymer Science and Polymer Engineering; and,
- A collaboration between the University and MesoCoat Inc. of Euclid to develop, test and commercialize a material named CermaClad has received \$2 million in Third Frontier funding.

I then called Trustees' attention to a University of Akron Research Foundation fact sheet relating accomplishments of the University's joint efforts with its research foundation. I encouraged the Board to share the University's demonstrated success model in commercializing technologies, for which it ranks typically first or second nationally in patents issued per each \$1 million of input.

I thanked Trustee Richard Pogue for his generosity in providing seed money to create the Student Venture Fund, through which several graduate students are gaining first-hand understanding of venture capital. In February, this student-managed fund evaluated several companies and, after due diligence, invested \$25,000 into ADAP Nanotech LLC, a technology-spinoff company founded by one of the University's polymer graduate students.

After congratulating the School of Law's Moot Court team, which recently won its second consecutive National Moot Court Competition in Child Welfare and Adoption Law, I shared examples of efforts to expand the University's role as a convener for economic development dialogue:

- On March 22, the College of Business Administration hosted an economic summit on the expectations, risks and opportunities inherent in today's economy. All three distinguished panelists – Sandra Pianalto, president and CEO of the Federal Reserve Bank of Cleveland; Dennis Gartman, editor and publisher of The Gartman Letter and a frequent economic commentator on CNBC; and Gary Thayer, chief macro strategist at Wells Fargo – are University of Akron alumni. Ms. Pianalto's comments and the summit were reported by the Wall Street Journal. The summit also was reported by other members of the national financial news media.

- On April 25 and 26, the University will co-host a National Academy of Sciences symposium titled “Building The Ohio Innovation Economy” at the Inter-Continental Hotel in Cleveland. Other co-organizers of the event are Mr. Pogue, a consultant with Jones Day as well as a University Trustee; David Morgenthaler, founding partner of venture capital investment firm Morgenthaler Ventures; Barbara Snyder, president of Case Western Reserve University; and Rebecca Bagley, CEO of NorTech. I invited Trustees to attend.
- On May 3, I will represent the University at the Milken Institute Global Conference in Los Angeles and address the topic of business models in higher education, “Are they broken? ... Yes; they are.”
- On May 24 and 25, at the request of the National Academy of Sciences, I will describe the Akron Model to colleagues in Berlin, Germany.

I reiterated Mrs. Brennan’s congratulations of the University’s athletic teams and of Coach Dennis Mitchell. I then shared that the national championship men’s soccer team, having grown used to winning in America, traveled to Spain with Head Coach Caleb Porter in search of new competition. The President reported that our Zips beat the Rayo Vallacano reserves team 3-0 on March 15 and then went on to play the reserves from one of the world’s best soccer clubs, Real Madrid, to a 1-0 loss, a nearly even match against such a group.

The trip to Spain was not only a great opportunity for our student-athletes to examine and study the style of play that they are emulating here, but it was a great opportunity for them to learn about another culture, demonstrating to potential students and their parents that the University offers an educational experience that is truly world-class. I concluded my report with a personal congratulatory message in Spanish to Coach Porter and the team.

2. Provost’s Report

After thanking student-honorees Aaron Gober-Simms and Erika Webber for representing the University so admirably, Dr. Sherman said that his update is intended to illustrate perspectives from which strategies have been put in place to inform decisions and refine University practices, focusing on the three Rs—Retention, Revenue and Reorganization.

In regard to **Retention**, Dr. Sherman reported the following:

- For the Choose Ohio First Scholarships program, a STEM-focused USO/University of Akron program, autumn-to-spring retention is greater than 90 percent. That group of individuals represents women who are generally not well represented in the STEM disciplines, many individuals who are first-generation college goers and a large percentage of minority students. Dr. Sherman said he hopes to present this program to Trustees at a future Board meeting.
- A record number of students – 623 applicants, up from 560 applicants last year – are seeking admission to the Honors College. Each applicant receiving an honors scholarship, \$3,000 on average, receives other University financial aid totaling about \$7,000, on average. Dr. Sherman said he was pleased to add that, this year, due to an expedited process, letters of

offer to individuals designated to receive honors scholarships were sent earlier than in the past, and a much higher yield rate is expected due to that timing.

- As presented at meetings of the Educational Policy/Student Affairs Committee and the Finance, Fiscal Policy and Investment Committee, the FY2012 budget scenario includes an increase in scholarship funding, which will provide for a more strategic use of scholarship funding.
- While the focus is on persistence, The University of Akron continues to be a university of choice, as applications are up 1 percent and acceptances are up 3 percent compared to last year. The University is committed to continuing this interest to assure a high rate of matriculation and noted that the completely restructured student orientation program is anticipated to further improve matriculation rates.

Turning to **Revenue**, Dr. Sherman said he looks forward to working with Mr. Cummins to develop financial strategies and approaches that will increase stability and provide agility in responding to unanticipated opportunities as well as to increase revenue, avoid cost and reduce expenditures. Similarly, as presented to and endorsed by the Finance, Fiscal Policy and Investment Committee, strategic investment and funding-redirection strategies are being developed to enable accomplishment of the evolving Vision 2020 goals.

From the perspective of **Reorganization**, Dr. Sherman reported that great progress has been made on adjustments to the organization of the University. Dean Midha continues to work with the faculties of the Buchtel College of Arts and Sciences and the College of Creative and Professional Arts to develop approaches to converge these two colleges, potentially with Board action as early as this June.

In addition, a meeting was held with the faculties of the College of Nursing and the College of Health Sciences and Human Services during which Dr. Sherman discussed with them the creation of a health college. These faculties, totaling about 100 members, voted unanimously to move to a newly created health college, which will encompass other health-related programs across the University.

Looking ahead, Dr. Sherman said he would be illustrating for the deans the planned approach to review program quality and capacity so that strategic investment decisions in faculty and programs are optimally informed, including the use of the academic program reviews that already have been completed.

Finally, Dr. Sherman reported that, in conjunction with the ongoing review of the student advising configuration in University College and Summit College, a Six-Sigma exercise is underway to reengineer advising practices and services at the University “because we know that student success is our success!”

3. Next Regular Meeting

The Board’s next regularly scheduled meeting will occur on Wednesday, April 27, 2011 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.

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