

THE UNIVERSITY OF AKRON



LUIS M. PROENZA
OFFICE OF THE PRESIDENT

October 19, 2012

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 September 19, 2012.

Presentation to the Board

The Board heard from grateful recipients of the Achieving Distinction Awards, including Dr. Peter H. Niewiarowski, who called the competitive process a “valuable bottom-up process” important to the faculty, encouraging collaboration and building on university strengths in research and teaching. Dr. Monte Turner called the Board “forward-thinking” in investing in these awards, which will allow the University to meet the goals of Vision 2020. Jeffrey M. Samuels and Elizabeth Reilly told the Board that these awards help to build a culture of innovation and contribute to a thriving regional economy. More about the Achieving Distinction awards and the 2012 recipients is available online at <http://www.uakron.edu/provost/achieving-distinction/index.dot>.

Finance & Administration Committee

1. Personnel Actions

The personnel transactions approved by Trustees as amended are posted online at <http://www.uakron.edu/bot/docs/personnel-reports/Personnel-transactions-September2012.pdf>.

2. Cumulative Gift and Grant Income Report for July 2011-June 2012

For July 2012, total giving of \$3.2 million, 131 percent more than the \$1.4 million received for July 2011 and 68 percent more than the five-year average of \$1.9 million. The number of gifts increased from 1,071 for July 2011 to 1,455 for Fiscal Year 2012.

3. Quarterly Financial Report, April-June 2012

The overall FY2012 budget trailed estimates by \$11.2 million. That variance is the result of total revenues falling short of the budget estimate by \$7.8 million (2.0 percent); and total year-to-date expenditures ending slightly below the budget estimate by \$10.5 million (3.1 percent). In addition, there was an unfavorable net variance in transfers of \$14 million.

The shortfall in tuition and fees was \$10.3 million (3.8 percent) relative to the original budget. It was offset partly by State Share of Instruction and other revenue sources that exceeded estimates by \$2.5 million combined.

Underspending offset the revenue shortfall. Total compensation was slightly below estimates. Fringe-benefit expenses were \$5.3 million (8.9 percent) below original budget, though payroll exceeded the original budget by nearly \$4.6 million (2.8 percent). Supplies and Services were well below budget by \$13.6 million (2.5 percent). Concerns about enrollment and revenue likely impacted spending in that category. Utilities were \$2.4 million (19.8 percent) below budget, reflecting favorable rates for energy and the mild winter. Student Aid was well above original budget by \$5.4 million (13.9 percent). Some of this was planned to spend down a carry-over balance of \$2.5 million. However, the variance is also the result of graduate assistant fee remissions exceeding budget by \$1.2 million, and other aid increases.

With the inclusion of transfers-in and transfers-out, the net change in the current-fund balance was a reduction of \$11.2 million. That takes into account \$8.4 million of carryover provided to partially offset the reduction in state support and \$5.1 million in reductions to departmental carry-overs toward resolving the \$26-million early retirement liability.

4. Quarterly Investment Report, April-June 2012

The Quarterly Investment Report for June 30 reflects a fourth-quarter rate of return of 0.6 percent and an annual return of 2.15 percent for operating funds. Those investments generated \$2.5 million in income for FY2012. The market value of endowments declined \$2.7 million in FY2012. The portfolio composite of the pooled endowments posted a -3.9 percent rate of return for the fourth quarter and a -2.75 percent return for FY2012.

5. Purchases for More Than \$350,000

The Office of Risk Management proposed awarding contracts to—(1) the Evans Insurance Agency to act as the University's agent of record for incidental insurance matters and (2) Leonard Insurance Services to act as the University's agent of record for student health and accident insurance. The initial contract period would be five years with an option to renew thereafter in one-year increments upon mutual agreement. The total annual premium for the incidental insurance policies is approximately \$190,000, which is paid by the University. For the student health and accident insurance, a total of approximately \$690,000 is paid annually by students who elect to purchase coverage. The federal government requires international students to obtain student health and accident insurance.

Academic Issues & Student Success Committee

1. Naming of Engineering Building

The Office of Academic Affairs proposed naming the building located at 264 Wolf Ledges Parkway as The University of Akron Engineering Research Center. The Center was developed to bring together industry and faculty to engage in both fundamental and applied research. Research conducted in the Center is aligned with the interests of our industrial partners and draws upon specific faculty expertise. The Center provides world- class laboratories, custom finished to satisfy particular requirements of the industrial research programs to be conducted. Funds for the building shell construction were provided by The University of Akron, the Timken Family Foundation, the Fred A. Lennon Trust and the Goodrich Foundation. The finishing and customizing of laboratories has been provided by corporate partners including the Timken Company and BP, as well as the Conquer Chiari Patient Education Foundation, the Department of Defense, Ohio's Third Frontier Program and the University.

2. Research Grants and Sponsored Programs Reports, July 2011- June 2012

For July 2011-June 2012, funding for externally funded research and other sponsored programs totaled \$58,009,197 for 479 awards. For July 2010-June 2011, funding was \$50,902,802 for 491 awards. For July 2011-June 2012, 15 new patents were issued, 37 patent applications were filed, and 63 disclosures were submitted—compared to 10, 48 and 82, respectively, for July 2010-June 2011.

Rules Committee

1. O.A.C. 3359-2-01, The Office of Academic Affairs

The proposed revisions to this Rule would consist of adding language that allows the Provost to establish implementation procedures and oversee the collection and reporting of student- and academic-program-related data, including mandatory graduation surveys.

2. O.A.C. 3359-10-02 The University of Akron Bylaws of the Faculty Senate

The proposed revisions to this Rule were approved unanimously by the body of the Faculty Senate at its meeting on May 3, 2012.

3. O.A.C. 3359-22-01 Contract Professional Information

The proposed revisions to this Rule would allow for an appropriate level of notice to coaches/coaching-related positions, while also providing sufficient flexibility for Athletics to meet its goals. The modifications will also make the Rule consistent with the recent changes for contract professionals who are not coaches.

4. O.A.C. 3359-24-01 Bylaws of the Graduate Faculty

The proposed revisions to this Rule would consist of changing the composition of the Graduate Council and its standing committees as a result of the creation of the College of Health Professions, eliminating the references to the College of Health Sciences and Human Services and College of Nursing. Also, the reference to the College of Creative and Professional Arts would be removed.

5. O.A.C. 3359-60-03 General Procedures and Requirements

It was proposed that this Rule be rescinded, as each provision in this Rule is either covered by another existing rule or is deemed unnecessary.

New Business

1. Procurement of Solar Energy Resources

The Board authorized the administration to explore the procurement of solar panels to provide electricity, reduce usage of fossil fuels, and contribute to energy savings and efficiencies. The solar panels, about the size of an acre, would be installed on the south-facing roof of the Stile Athletics Field House and would be the largest solar array on a rooftop in the state. A company called Carbon Vision, which has a proven track record of providing “green” systems at other universities in Ohio, is offering to provide the system. The system would help the University to comply with state mandates to reduce fuel consumption by 20 percent by July 2014.

Notes

1. President's Report

I welcomed and congratulated two new Board members, Trustee Olivia Demas and Student Trustee Ryan Thompson, and said I was delighted with Governor Kasich’s choice of them. I noted that Mrs. Demas has been actively engaged with the University for many years in a variety of ways, not just as a student, but as an alumna and as a participant in many important committees.

I reported that, on September 11, the governor asked for state-wide collaboration among public university and college presidents to create a new formula for allocating the state’s investment in higher education. This is an opportunity for the state universities to provide input and not simply react to whatever is churned out at the end of a formula that few understood. Earlier in 2012, the governor had asked for a similar commission to come up with new ways to allocate capital funds, and it worked very well. Now, the governor is interested in focusing some outcome measures, particularly course and degree completion. Gordon Gee, president of The Ohio State University, is leading the effort. Other members of the commission are Jerry Sue Thornton, the president of Cuyahoga Community College, and two four-year university presidents in addition to Dr. Gee, Roderick Davis from Ohio University and David Hopkins from Wright State. The commission’s goal is to have at least a draft recommendation by Thanksgiving. I told Trustees that I had provided input to commission members and hope that they will come up with a new and improved manner to go forward.

I informed Board members that, during these past several days, the University had hosted three meetings of the Ohio Board of Regents. At the Regents’ full board meeting on September 13, Regent Tuschman had much praise to lavish upon The University of Akron. The meeting was very fine and, at the end of it, the Regents bade adieu to Regent Tuschman and two of his immediate colleagues.

On September 14, the Ohio Higher Education Technology Transfer and Commercialization Task Force met at Quaker Square for its fifth report around the state, with about 100 people from industry, government and higher education in attendance. I thanked Provost Sherman for serving as a member of that task force and doing a great job in representing the University and adding

dimensions and details. I also thanked George Haritos and Ajay Mahajan, who have led some of the very key aspects of collaboration with industry, and the University's Research Foundation, which was one of the primary examples that the commission used in considering the recommendations that it might make. I said that one of the things that Ohio seems to forget is that we have to be committed to attracting even more talent that can contribute in these areas. I noted that Mr. Pogue and Mr. Pavloff attended the September 14 meeting and asked if either of them had any observations to offer. After some positive words from Mr. Pogue, I showed video clips from the meeting that he said provided a sense of the comments that reflect well upon what the University has done.

On September 18, the Regents' Complete College Task Force held an informal meeting at the University. Dr. Sherman and I were asked to give some remarks, and the University's Pathways to Success strategy was highlighted and reflected upon by the chancellor.

I reported that, in the preceding week, the three winning proposals for the University's first Achieving Distinction investments were announced. I emphasized that those programs very much represent the University's continuing progress toward interdisciplinary collaboration and production of innovative solutions to regional and global problems.

I informed the Board of a number of upcoming meetings in which I would be participating on behalf of the University, including—

- Government-University-Industry Roundtable, October 9-10;
- National Academies Global Best Practice in Supporting Manufacturing, October 11-12;
- Science, Technology and Economic Policy Board meeting, October 25-26; and
- Council on Competitiveness, November 15-16.

Noting that Trustees had joined me at past annual meetings of the Council on Competitiveness, I invited them to do likewise this year.

I reported that the GAR Foundation had awarded a \$50,000 grant for the second-consecutive year for the University's Rising to the Occasion program, which provides a supportive environment to assist more African-American males in succeeding academically. The Office of Multicultural Development launched the initiative in 2010 with a \$425,000 grant from Knight Foundation. I also noted the great success of the UA on Display event, which would be discussed later, and thanked Jim Tressel for leading that effort.

I was delighted to tell the Trustees that, for the fourth-consecutive year, the University received two significant honors. First, the Employers Resource Council is naming the University one of the 99 best places to work in Northeast Ohio. Second, G.I. Jobs magazine ranks Akron as a Military Friendly School, a designation placing it among the top 15 percent in the nation.

In conclusion, I mentioned several significant upcoming events and encouraged Trustees to attend.

- China Week, October 8-15, would feature many lectures and demonstrations, including a UA Forum at E. J. Thomas Hall on October 15 featuring former U.S. Ambassador and former presidential candidate John Huntsman speaking on U.S.-Sino relations.
- On September 28, the grand opening of the Austen BioInnovation Institute, the partnership of the University with area hospitals and a medical school, will be attended by Dr. Austen and CEO of the Knight Foundation Alberto Ibarguen.
- The ribbon-cutting ceremony for the Timken Engineered Surfaces Laboratories in the new Engineering Research Center on October 19.

2. Provost's Report

Dr. Sherman began his report by recounting a conversation with Interim Dean of Libraries Phyllis O'Connor about the start of fall semester. The provost said she had remarked, "The students in the library, the family room of this University, are smiling. The lines are short, and they're studying hard. I think the happiness index is high, and they must be really satisfied." Dr. Sherman said that the semester started well because, in addition to the numerous staff and contract professionals serving our students every day, there are 877 full-time faculty serving 28,771 students, where they are changing their lives one class at a time through offering 7,933 class sections, labs and study-abroad opportunities around the world.

He said the University did experience a slight dip in enrollment, which was not uncommon across the state and was expected in the first year of our steps to change the entire student body through the Pathways to Student Academic Success. That strategy, he said, has been discussed many times over the last several months and so, while enrollment is down about 3 percent, the University has enrolled better-prepared, first-time, full-time bachelor's-degree-seeking students. Their enrollment is up two percent, which impacts the colleges where better-prepared students are increasingly attracted, like the Honors College, College of Engineering and College of Business Administration, he said, providing the following examples of enrollment growth:

- College of Engineering, up 10 percent;
- The College of Business Administration, up 3 percent;
- College of Polymer Science and Polymer Engineering, up 10 percent; and
- College of Education, up 1 percent.

The bottom line, he said, is that the Pathways decision to focus on enrolling better-prepared students will lead eventually to an increase in enrollment and higher graduation rates, an objective of Vision 2020. Thus, the University will have increased retention and persistence that will contribute in a positive way to its bottom line.

The provost then introduced Vice President for Strategic Engagement Jim Tressel to make a few comments about UA on Display. After Mr. Tressel's report, Dr. Sherman welcomed the 2012 Achieving Distinction recipients. He said that making the decision about what to fund out of 27 proposals in this inaugural year of the initiative was not easy, as Dr. Proenza and Dr. Newkome likely would agree. It really demonstrated the depth of innovative minds that push the envelope every day at The University of Akron, he said.

Dr. Sherman said the Achieving Distinction Program is one of two parts of implementing Vision 2020. The Ensuring Academic Excellence strategy is an academic program review process, he said. It is a reallocation of resources within the institution strategy, the results of which the administration will bring to the Board by the end of this academic year, he said. The Achieving Academic Distinction strategy is a 10-year strategic investment strategy to spawn innovation from an interdisciplinary perspective, he said. Dr. Sherman reminded Trustees that the Board endorsed Vision 2020 with the request that, during the next 10 years, the administration propose annual budgets that include \$2 million for strategic investment in the areas of Regional Solutions, the Human Condition, Innovative Technologies, and Healthcare and Medicine.

The provost said that an innovative component of this approach is one where each of the areas connects in unique ways with partners with the intent of leveraging resources to the greater good. At the highest level, he said, this is an investment strategy that, over 10 years, has the potential to

add about 120 faculty and 40 staff and potentially redistribute from a strategic perspective up to about 5 percent of general-fund dollars.

The review process was rigorous and long, Dr. Sherman said, but it was helped by many people putting matrixes together for review by Dr. Newkome and the provost. He said that every proposal was reviewed according to the following criteria:

- Contributions to programs across disciplines;
- Enhancing the diversity of people, thoughts and perspectives;
- Sharing of institutional resources;
- Lending to teaching and research priorities that span multiple units;
- Having an impact on student success and academic excellence;
- Linking to potential external-funding streams; and
- Created from the perspective of transparency and accountability of those centrally allocated funds.

He said 27 proposals were submitted from 1 school, 5 colleges, 45 faculty members and 18 partners—a trans-institutional outcome as a result of this initiative. Dr. Sherman said that Dr. Proenza, Dr. Newkome and he were pleased last week to call these faculty together to be alerted to the fact that they were the recipients of the inaugural Achieving Distinction Awards. The provost said they were pleased to indicate that \$4.25 million will be invested over two years to the area of biomimicry research and innovation, where ideas will come to life as solutions of today's problems based upon the models of nature. He said \$2.25 million will be invested over two years to an intersection of proposals that were presented, combining a proof-of-concept framework with a Center for Intellectual Property and Entrepreneurship.

The biomimicry proposal, he said, clearly links to the University's Ph.D in Integrated Bioscience, and the other proposal clearly links to the Certificates of Intellectual Property in the School of Law. Both proposals have the potential to secure significant funding from external sources and, once implemented, the latter will have the ability to successfully contribute to the commercialization and licensing of every other Achieving Distinction Award recipient. Dr. Sherman then introduced representatives of the winning proposals and asked them to comment.

Representing the biomimicry proposal team are Dr. Monte Turner, professor and chair of the Department of Biology, and Dr. Peter Niewiarowski, professor of biology and one of the principal investigators for the Biomimicry Research and Innovation Center. Dr. Turner has a strong presence in the Department of Biology for a number of years. He first joined the University as an assistant professor in 1982 and recently served as interim chair and chair of the department. With his guidance and support, the department's research program continues to grow larger than ever. Dr. Niewiarowski joined the University in 1985 as an assistant professor and, over the years, he has focused a great deal on interdisciplinary research and introducing undergraduate students to research. In addition to his research on geckos, he played an integral role in launching the Integrated Bioscience Ph.D. program.

Representing the Intellectual Property Proof-of-Concept research team is Interim Dean of the School of Law Elizabeth Reilly and the Director of the Center for Intellectual Property Law and Technology Jeffrey Samuels. Dean Reilly began her career at the University in 1980 as an adjunct professor of law and most recently served in the Office of Academic Affairs as vice provost for

Academic Planning. Professor Samuels joined the University in 1998 and, prior to his career as an educator, served as the assistant commissioner of patents and trademarks of the United States Patent and Trademark Office.

3. Next Regular Meeting

The Board's next regularly scheduled meeting is Wednesday, October 31, 2012 in the Student Union, Board Room 339, with an executive session to begin at 8 a.m. and the public session to begin no earlier than 10 a.m. Committee meetings will be held on October 22.

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