Minutes of the University Senate meeting, 12 February 2009
Gordon Aubrecht, Senate Scribe

The Senate approved Secretary's Report No. 300 unanimously, with one correction. The Secretary, the president, and the provost reported to the Senate (the provost in an address on the State of the University). There was a change in department name approved. The Fiscal Committee reported to the Senate. The chair of the ad hoc committee on semesters explained the progress so far. A resolution was passed commending the governor and legislators for their support of higher education.

Secretary of the Senate report

Chris Zacher asked Senators to reserve 28 May 2009 for a special meeting of the Senate, should it be necessary to achieve the year's agenda. He reminded Senators of the panel discussion Shared Governance in Action, jointly sponsored by the Senate and OSU/AAUP, to be held in the Smith Lecture Hall in the Physics Research Building on 19 February 2009.

President's report

President Gee noted that he had spent the past three days in Washington working to help Ohio during the budget discussions under way. He said that OSU had received tremendous support and we have had no budget reductions, while Gov. Strickland has reduced other spending three times. He said that the University of Arizona, whose budget was cut 22%, instituted a three-week furlough. Three Ivy League schools stopped all construction projects and some have reduced salaries. We are fortunate to have a supportive governor and bipartisan legislature. President Gee said he wanted to go on record with gratitude for the support OSU has received in a very tough environment.

All of us are in perilous times, skirting on the edge of chaos, he said. One reason for such strong support is that OSU contributes to the development of the Ohio economy. The stimulus bill is several bills, changing all the time. President Gee said he was hopeful that some of the dollars removed in the Senate bill will be restored in conference committee. What strings will be attached to the funding remain to be determined. He remarked that the National Institutes of Health received $10B, while the National Science Foundation gained $1.5B.

Department name change

The Department of Industrial, Welding, and Systems Engineering requested that its name be changed to Integrated Systems Engineering. The Council on Academic Affairs concurred. The change was moved and seconded. It received a unanimous Senate voice vote.

State of the University Address

Provost Alutto said that his job was simultaneously simple and complex. He wants to create a supportive environment so that all can accomplish their individual goals. He said he was grateful for the privilege. He said that his core values guide him, define who he is, and why he focuses on particular issues. His initiatives are consistent with his values.

He listed his central values:
1. Civility. Provost Alutto wants to see respect and appreciation for all members of the academic community. He wants to focus on achievement levels in an atmosphere that is caring and supportive.
2. Accountability. Provost Alutto noted that no one is owed anything. This needs to be clearly appreciated by everyone at OSU-we have to appreciate the effects of our actions. He said it can't be
acceptable to perform below expectations. His rebalancing of budgets is not formulaic, but in response to achievement and promise.

3. Planning. Strategic planning has been emphasized. Units need to build reserves for contingencies. Effects must be transmitted—we are all one university.

4. Excellence. Excellence must be the norm at OSU. We can't fall into a belief that "good enough" is good enough.

5. Reasoned action instead of delay. Provost Alutto said that decisions need to be made as speedily as possible. At times, he said, he sees an unwillingness to be responsible for decisions. Zero risk is unattainable, but many try to attain this. This leads to paralysis in place of analysis. It is a mechanism for avoiding change. Action needs to be considered, but not slowly.

6. Achievement. Provost Alutto said that in the latest U.S. News rankings, OSU ranked fifteenth among national universities and fifteenth among public universities. According to Smart Money, OSU is eleventh in the nation as a good value (and OSU ranks higher than any private university). He cited new highs in incoming freshman ACT scores. He cited many other statistical measures of achievement, including student retention and a large number of AAAS Fellows.

Provost Alutto sees OSU beset by an oppressive economic climate. Ohio's income shortfall this year is about $2B. Nevertheless, we enjoy strong support from legislators and the governor. In Washington, higher education spending is being slashed $1B; Pennsylvania has eliminated salary raises; California has dropped 150,000 kids from medical coverage. He stated that he recognized that families are finding covering education costs difficult and he wanted to continue to support students.

Provost Alutto said that we will continue to advance toward our goals. OSU has saved $100M through efficiencies. Targeted reserves have been developed. Many contingency plans have been discussed. OSU is prepared to respond to a variety of scenarios.

Provost Alutto noted that there are opportunities for OSU. We need to make the most of a challenging moment. These opportunities are:

1. Retention and recruitment of the very best at OSU. Guided by a faculty survey last year, there are strategies developed, and we are developing new ways to better support faculty.
2. Insuring that the OSU experience is immersion learning. OSU needs to provide students preparation for life in the world. There needs to be more housing and its associated learning opportunities.
3. Allocation of resources to enhance interdisciplinarity. Provost Alutto plans to award money to a small number of centers of innovation focused around research that crosses college boundaries. The TIE initiative has brought OSU more research dollars and assisted in faculty recruitment.
4. Engagement with the University System of Ohio. OSU is a principal driver of Ohio's economy, and is being recognized as the premier institution in Ohio.
5. Improve infrastructure. Provost Alutto cited learning technology especially. OSU must upgrade to the latest tech tools. He spoke about the recent changes in the planning process from one building at a time to a larger focus on the larger mission. Some review by external teams is being used. OSU's aging infrastructure and reduced state funding for capital expenses causes us to adopt a "one university" perspective to the planning process, integrating recruiting, better space utilization, etc. He mentioned a new integrated chemistry and chemical engineering facility. We need better to coordinate life sciences across the university. We must also plan for the possibility of semesters.
6. The Arts and Sciences federation. Prof. Joan Leitzel has helped keep the Arts and Sciences at the heart of the university. The plan is to integrate Arts and Sciences more tightly.

Provost Alutto said that the undergraduate mission remains at the core of the university. He announced that Vice Provost Martha Garland was retiring, and he praised her contributions. He has decided to replace her with two people—an associate vice provost for enrollment services, and expansion of the undergraduate dean to coordinate all undergraduate programs and create new undergraduate programs.
Changes to come will need Senate approval.

Provost Alutto mentioned new hires and appointments made at OSU. He is hiring talent to make the university work well. He also cited faculty leadership and the Senate as necessary support to attain this goal.

Provost Alutto said that OSU will do well despite economic trials. We are the economic catalyst of Ohio's future prosperity.

In the question period, Provost Alutto was asked about how he planned to protect the Regional Campuses given the decrease in Access money. He replied that this was a subject of continuing discussion between Chancellor Fingerhut and him and President Gee. They are attempting to help the Chancellor understand the special mission of OSU's Regional Campuses.

Provost Alutto was asked when he anticipated hiring Associate Provost Garland's replacements. He hoped to have this occur within the next few months.

**Fiscal Committee Budget report**

Ralph Boerner, chair of the Senate Fiscal Committee, and Bill Shkurti spoke about the economic challenges facing the university. Boerner said that, basically, we need to enhance the university's value to the people of Ohio, advance the academic plan, and be fiscally prudent.

Boerner said that student enrollments are generally up. Columbus undergraduates are 1.9% above projections, graduate 0.4% above projections, and professional students 0.5% above projections. Both Lima and Mansfield campuses are about 1% above projections, Marion is 4% above, but Newark is 6.9% below. He said that the small numbers on the Regional Campuses mean that a small change in numbers is a big percentage. The OSU Medical Center is at projected operating margins, but has problems with investment income.

State support has continued without cuts for our core funding, but the three state budget cuts totaling about 11% have hit particular units. The state share of instruction (SSI) was exempted, but Access Challenge on the Regional Campuses, clinical education, OARDC, Extension, and the John Glenn Institute, among other programs, have been cut.

OSU's return on investment was down 26.7% from 2008, about in the middle nationally (down 25% to 35%). OSU has a new chief investment officer. Investment income makes up only about 3% of overall funding. OSU has been able to take on short-term debt at about 0.25%; long-term debt was available at 3.72%, the lowest in 40 years. Overall, OSU is on sound financial footing.

Bill Shkurti said that OSU initiated a "students first" initiative on 22 December 2008. OSU's health system is strong. He said that OSU needs to refocus priorities, preserve liquidity, and restructure the investment portfolio.

For fiscal year 2010, the governor's proposal is for a tuition freeze with full support in the first year, and a 3.5% increase allowed in the second year, with an SSI funding freeze. It is different on the Regional Campuses. As part of the answer to a follow-up question, Shkurti clarified that the Access Challenge money reduction and SSI freeze would be applied and there could be no tuition increase on the Regional Campuses.

OSU is developing contingency plans, managing resources from vacancies and expenditure reductions,
enhancing revenues, and streamlining operations. A major goal is reducing unfunded mandates from the state through regulatory reforms.

All this is predicated on Ohio receiving about $5BG from the federal government under the stimulus bill. There are big uncertainties. The stimulus plan has good and bad aspects. It remains to be seen how the legislature will deal with the Strickland plan. There is concern about freezing SSI and support of units such as the John Glenn Institute. No one knows how deep or how long the economic crisis will last. The latest state revenue numbers are even lower than previous pessimistic projections.

OSU is better off because we did no new borrowing, our portfolio was widely diversified, we did not spend down our reserves, and we weren't heavily dependent on a bull market continuing to roar. There has been a team effort to manage the crisis. We are currently stable, but this is an unprecedented crisis. Our biggest assets are the faculty, staff, and students.

During the question period, Boerner and Shkurti were asked about healthcare cuts in Columbus and its effects ion the university. They acknowledged that OSU could lose dollars, because it is a public institution committed to providing care regardless of ability to pay. The Medical Center is working on contingency plans.

They were asked how the tuition freeze affects out-of-state students. These students pay Ohio tuition plus a surcharge. The Ohio part will be frozen, but the university may increase the surcharge (it went up 5% this current academic year). OSU's tuition is relatively high, but many colleges are actively recruiting out-of-state students to help their bottom line. OSU will increase the surcharge but try to remain competitive. Financial aid is to be increased for all students.

They were asked how successful medical cost controls were. Shkurti replied that situation looks favorable. The university pays less if costs don't rise, and faculty pay less than otherwise. Larry Lewellen arranged a consortium to purchase prescription drugs, which has saved the university millions.

President Gee interjected that he at first couldn't believe the reported low numbers on the rise in OSU medical costs compared to those in private universities during his "years in the wilderness."

They were asked whether there was still money to be saved. How do we get input from students and staff? They replied that students, staff, and the Senate Fiscal Committee help.

President Gee interjected that there are substantial savings expected from the reorganization of the Arts and Sciences.

Ad hoc semester committee

Tim Gerber, chair of the ad hoc committee, said that it was a privilege and a pleasure to serve. He said he has an "appetite for big projects, and he is not going hungry." Gerber referred to the unanimous Senate vote on 16 October 2008 to form the ad hoc committee, reported the committee has 16 members, including faculty staff, students, and administration. Currently, the committee plans to bring its report to the 12 March 2009 (the report is not yet written). There will be a forum for students, probably on 23 February 2009. It will be reported to Faculty Council on 26 February 2009.

Gerber was asked whether it was inevitable. He demurred. He expects the committee to provide a compelling calendar and evidence for a change if it recommends going forward.

He was asked what the effects on student majors this would have. He doesn't know the answer. One thing
in the model under development is the possibility of there being two special minimesters in January and May. This will give students important flexibility. There will be a third summer (chunked) semester as well.

Gerber was asked several times whether the vote on a specific model would commit the university to that. He said the model would probably be close to the calendar that is eventually decided on. Senators need to know about what the calendar could look like before casting their vote on the issue.

He was asked whether the GEC would be reworked. He replied that the committee intended to protect the GEC as part of a liberal education.

New business

Dick Gunther brought forward a resolution of appreciation to the Governor, legislature, and Chancellor that he moved and had seconded. He noted that in his 32 years at OSU, he has seen many cuts to state support, and that this administration and legislature was much different. The resolution said:

Resolution Adopted by the Ohio State University Senate, Feb. 12, 2009

WHEREAS in the current biennial budget the State of Ohio has funded a two-year tuition freeze by providing additional dollars for higher education in tough economic times, and

WHEREAS in three rounds of budget cuts the Governor has protected the core funding for higher education, and

WHEREAS in the next biennial budget the elected leaders of the State of Ohio have called for continuing support for higher education,

BE IT THEREFORE RESOLVED that The Ohio State University Senate expresses its gratitude to Governor Ted Strickland, Senate President Bill Harris, House Speaker Armand Budish, and their legislative colleagues, and Chancellor Eric Fingerhut for their strong support for higher education during these difficult times.

BE IT FURTHER RESOLVED that the Ohio State University Senate is fully committed to addressing the challenges of these difficult times by providing the highest quality teaching, research and outreach to the citizens of Ohio.

The motion passed unanimously.

The president of USG, Peter Koltak, announced that USG thanks President Gee for his personal commitment to the scholarship fund.

The meeting adjourned.