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Board of Trustees Meeting Minutes, June 8, 2018

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**WRIGHT STATE UNIVERSITY
BOARD OF TRUSTEES
OFFICIAL PROCEEDINGS OF THE
THREE HUNDRED AND FORTY-FIFTH MEETING**

June 8, 2018

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**WRIGHT STATE UNIVERSITY
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THREE HUNDRED AND FORTY-FIFTH MEETING**

June 8, 2018

I. CALL TO ORDER

The meeting of the Wright State University Board of Trustees was called to order by Mr. Douglas Fecher, chair, on Friday, June 8, 2018 at 8:29 a.m. in the Apollo Room of the Student Union. Mr. Larry Chan, secretary to the Board of Trustees, called the roll:

Present

Michael Bridges
Douglas Fecher
Sean Fitzpatrick
Anuj Goyal
Stephanie Green (late arrival)
Bruce Langos
William Montgomery
C.D. Moore
Grace Ramos
Austin Rains

Absent

Jordan (Large) Kingsley

II. PROOF OF NOTICE OF MEETING

Mr. Fecher reported that the meeting was called by written notification and a quorum was present.

Mr. Fecher stated that the Wright State University Board of Trustees is a public body subject to the Ohio Open Meetings Act. It operates on a fixed agenda available to those attending the meeting. Persons wishing to address the Board in its public session should submit a written request to the Board of Trustees' office 72 hours in advance of the meeting in order to be placed on the agenda. However, all persons address the Board at the invitation of the Board and are subject to time limitations and other guidelines established to maintain the good order of the meeting.

III. CONFLICT OF INTEREST

Mr. Fecher read the conflict of interest statement below and asked that trustees notify him should potential conflicts arise as the meeting progressed. It is of utmost importance to ensure that all university decisions are free from any real or perceived conflicts of interest.

Therefore, please be mindful of all obligations with which you have been charged as a Trustee of Wright State University, and take the steps you deem appropriate to perform your duties fairly and impartially.

IV. REPORT OF THE CHAIR

A. Local Administration of State Funded Capital Projects

Whereas, Wright State University wants to locally administer capital facilities projects, the following resolution was presented to the Board for approval.

RESOLUTION 18-64

Local Administration of HB 529 Projects

WHEREAS, Pursuant to Ohio Revised Code 3345.50 Wright State University may administer any capital facilities projects for the construction, reconstruction, improvement, renovation, enlargement, or alteration of a public facility under its jurisdiction for which the total amount per project does not exceed \$4 million, and

WHEREAS, Wright State University will comply with the guidelines established pursuant to section 153.16 of the Ohio Revised Code and all laws that govern the selection of consultants, preparation and approval of contract documents, receipt of bids, and award of contracts with respect to the projects, and

WHEREAS, the University Board of Trustees shall notify the chancellor of the Ohio Department of Higher Education of its intent to administer the capital facilities projects after the general assembly makes an appropriation, therefore be it

RESOLVED, the University shall locally administer the projects in HB 529 as listed below:

<u>Project</u>	<u>State Appropriation</u>
Envelope Repairs	\$700,000
University Safety Initiative	\$4,000,000
Pedestrian Tunnel Renewal	\$650,000
Campus Roof Renewal and Replacement	\$3,750,000
Wireless Infrastructure Upgrade	\$1,296,366
Campus Paving and Grounds	\$700,000
Dunbar Library Deferred Maintenance	\$600,000
Dunbar Library Modernization	\$500,000
Campus Energy Efficiency and Controls	\$1,378,773

Mr. Fecher moved for approval. Mr. Bridges seconded, and the motion was unanimously approved by roll call vote.

B. Petition for Readmission of Mr. Trenton Story

RESOLUTION 18-65

WHEREAS, Mr. Trenton Story had been enrolled as a student at Wright State University from 2009 to 2010; and

WHEREAS, Trenton Story had been convicted of domestic violence, a trigger offense under the Ohio Revised Code requiring his dismissal from the University for a minimum of one year; and

WHEREAS, Ohio Revised Code Ohio Revised Code §3345.23(A) grants the Board of Trustees the authority to readmit the dismissed student to the University in its discretion after the minimum one year time for dismissal has passed; and

WHEREAS, eight years have passed since Trenton Story was dismissed from the University; and

WHEREAS, Trenton Story wishes to be considered for readmission upon petition to the University and Dr. Chris Taylor, Director of Community Standards and Student Conduct, has reviewed Mr. Story's materials in support of his petition; and

WHEREAS, Dr. Taylor, upon review of Mr. Story's petition materials and based upon discussion with Mr. Story, recommends Trenton Story's

readmission to Wright State University;
THEREFORE, be it

RESOLVED that the readmission petition for Mr. Trenton Story, presented on June 8, 2018, be and the same, hereby is approved.

Mr. Fecher moved for approval. Ms. Ramos seconded, and the motion was unanimously approved by roll call vote.

V. REPORT OF THE PRESIDENT

A. Tenure at the Current Rank of Professor

President Schrader offered the following resolution to grant tenure to Susan Edwards, incoming executive vice president for Academic Affairs and provost of Wright State University.

RESOLUTION 18-66

The individual recommended for hire with tenure at the current rank of Professor has gone through a thorough and effective process, beginning with the department level, the college(s), the dean(s), and approved by the Provost before being presented to the Board. Faculty with professorial rank have also been reviewed by the University Promotion and Tenure Committee.

The following will be effective July 30, 2018:

Tenure at the Current Rank of Professor

COLLEGE OF SCIENCE AND MATHEMATICS

Susan Edwards, Ph.D.

Biological Sciences

Mr. Fecher moved for approval. General Moore seconded, and the motion was unanimously approved by roll call vote.

VI. PRESENTATION OF THE 2018-2019 UNIVERSITY BUDGET

The Board participated in an informal overview of the budget led by President Schrader and Mr. Walt Branson, vice president for Finance and Operations and chief business officer.

President Schrader offered the following remarks:

When I became President of Wright State University in July 2017, I shared a mission for my first year that set financial stability as one of my highest priorities.

Today's budget presentation will demonstrate action on that priority. Let me take a moment to remind everyone what we have accomplished together in the last year. Recall that we ended FY17 with a \$24.6 million budget deficit (coming on the heels of a \$38 million deficit in FY16). Yet, we now expect to finish the 2018 fiscal year with over a \$7 million surplus, exceeding the \$6 million surplus we originally budgeted. This is the first surplus since 2012. By month end, it is expected that we will have spent \$50 million less than last year. This exceeds the \$30.7 million called for in the original budget passed last June and the more than \$12 million in additional spending reductions brought on by challenges such as revenue shortfalls, higher-than-usual medical claims, and other previously unbudgeted expenses. This was accomplished without a safety net.

Last year at this time, it was a certainty that we would go onto fiscal watch. Today, with three weeks to go in the fiscal year, we are on track to avoid fiscal watch altogether. By working together, we created the opportunity to make the impossible, possible.

The FY19 budget we will present today is a challenging one. It continues to protect our academic core while proactively addressing revenue challenges and the need to buttress against any future unexpected or previously unbudgeted expenses. While it is tough, it is also realistic and demonstrates a budget strategy that differs from previous years. Suffice it to say, we have come a long way toward righting our financial ship. Of course, there is still much work to do.

Our continued path to financial stability and our prosperity as a university can never be a product of what we cut. It will be achieved by enrolling and graduating more students from Wright State University. And there is much here to attract students – world-class faculty and programs, cutting-edge research, partnerships with industry leaders, extensive student engagement opportunities, and an athletics program that sent two teams to the NCAA championships this year. Simply put, we must continue our focus on expanding and diversifying our revenue streams.

We have many great stories to tell. You see them in your inbox each morning. More and more, our stories of innovation, leadership, and community engagement are being shared by the news media. While we

did experience an increase in unfavorable media attention for a time, the fact is that the volume of positive media we receive has always been far greater, and negative media has sharply decreased since July. The best way to share Wright State's success stories is through you – our students and alumni, faculty and staff, administrators and Board members. Your words and actions have power. You are our ambassadors.

President Schrader provided historical data outlining revenue and expenses per student FTE that highlighted a previous pattern of spending far out-pacing revenue and significantly impacting university reserves. Today, with a campus-wide commitment to fiscal responsibility, diligent use of strategic hiring, and the implementation of austerity measures, the university is positioned to end the year with a \$7.2 million-dollar surplus to add to reserves. Dr. Schrader reviewed the cumulative percent change in faculty, staff, and student FTEs over the last ten years and discussed enrollment and student fees.

Wright State continues to rank among the most affordable for in-state undergraduate tuition among Ohio's public universities. Nationally, from FY12 to FY17, FTE enrollment has declined 4.8% on average and in Ohio has decreased 7.7%. Among four-year public universities in Ohio, 9 of 13 experienced flat or declining FTE enrollment with decreases ranging from 10% to 35%. Wright State experienced a 13% decrease over this time period.

For Fall 2018, enrollment decreases are projected for graduate and undergraduate enrollment with the largest decrease expected in international student enrollment. A number of new initiatives have been implemented to mitigate this trend including changes in international student recruitment, introduction of the common app, and enhanced transfer student programs.

Mr. Branson outlined changes to Wright State's tuition and fee charges which included the implementation of the "Wright Tuition Guarantee" program for incoming freshmen and a new \$25 per term "Career Services Fee" for undergraduate, degree-seeking students.

Enrollment declines influence both Wright State's "State Share of Instruction (SSI)" funding and the number of course completions. For the FY19 budget, SSI funding is projected down by \$1.4 million over the \$86 million received in FY18.

Mr. Branson presented the FY 2019 budget and the assumptions guiding its development which included:

- Maintaining the instructional and educational mission of the university
- Balancing the budget with a minimum \$3 million surplus for reserves

- Realigning base operating budget to match revenue while providing for strategic investments
- Continuing the emphasis on fiscal accountability
- Sustaining the prioritization and review process to ensure efficiency and effectiveness

Credit hour enrollment is projected to decrease by 6.2%, and there will be no annual wage increases outside of promotion and tenure increases. Graduate and professional tuition will increase by 3% but undergraduate tuition outside of the Wright Guarantee cohort will not increase. Room and board fee increases were previously approved by the Board of Trustees in December.

For fiscal 2019, Wright State is projecting revenue of \$363,100,000 with \$360,100,000 in expenditures including defined allocations for medical expenses, fee waivers, strategic investments, and promotion and tenure expenditures. This proposed budget generates a \$3 million surplus to apply to reserve replenishment.

Link to FY2019 Budget Presentation Slides:

http://www.wright.edu/sites/www.wright.edu/files/uploads/2018/Jun/meeting/FY19%20Budget%20Presentation_final_boardmaterials.pdf

Link to Video of the Budget Presentation:

<https://videoplayer.telvue.com/player/UkHhwMt7D6u3LBSmJKr3kgnqPEIbxak7/media/357556?autostart=true&showtabssearch=true>

The floor was opened up for questions from the Trustees. Mr. Langos expressed concern that the budget did not show revenue growth projections and asked how many layoffs were planned to balance the budget. President Schrader indicated that the high end count projected to receive layoff notices in the coming weeks would not exceed 40 individuals but were anticipated to be much less based on past experience. When previous layoffs were announced, a large number of individuals found alternatives prior to the initiation of notices so the actual number of individuals laid off was much less than anticipated.

In terms of revenue, the FY19 budget was crafted with a conservative focus on enrollment projections. In previous years, expected enrollment was over estimated and unrealized which led to significant budget cuts. This year there was deliberate attempt to keep expectations low to prevent the need for future cuts. While approving of this process, Mr. Fecher also suggested creating additional “stretch” enrollment goals for 1, 3 and 5 years with detailed plans for achievement and accountability for results. Attainment of these goals could add additional revenue for reserves and future growth.

There was a lengthy discussion on funding priorities and how Athletics' fits into the mix. Talk then turned to enrollment and what it takes to attract new students. The Board challenged the administration to explore creative ways for Wright State to "be disruptive" with innovative measures to increase enrollment. Dr. Schrader spoke about the university's relationship with Ruffalo Noel Levitz, a consultant on higher education enrollment management, and some innovative work presently underway to utilize predictive analytics for enrollment strategy.

General Moore commended the administration for their discipline and realistic budgeting process and for the transparency that has not been there in the past. He noted that the FY18 and FY19 budgets were the first budgets with a planned surplus and challenged the administration to make adding \$5-6 million in surplus for reserves a realistic "stretch goal" instead of the \$3 million built into the budget.

The Board would like to make enrollment a priority in FY19 with an added focus on transfer students and recruitment plans to reach them. Trustee Rains brought up the issue of individual and fiscal accountability at the university. Mr. Branson indicated that the budget office was not seeing any unit overspending their budgets and areas of unsupported spending had been identified and shared with budget managers. Budget managers are now reporting centrally to insure accountability and centralized control. President Schrader indicated that there are ongoing discussions between units and their leadership to align unit efforts to specific priorities which will become clearer on a university level as work concludes on the strategic plan and the program effectiveness review. Having university-wide shared goals and objectives creates a culture of accountability and incentivizes and focuses efforts.

The Board addressed several questions from audience members and then moved to consider the following resolutions.

A. Current Funds Budget

RESOLUTION 18-67

FY 2019 Current Funds Budget

WHEREAS, the university's current funds budget has been developed capitalizing on fiscal stewardship to deliver student success; and

WHEREAS, comprehensive planning and consultation within the university and with key stakeholders has been accomplished; and

WHEREAS, state funding is projected to decrease slightly; and

WHEREAS, enrollment levels are anticipated to decrease moderately; and

WHEREAS, the current state budget proposal does not allow for undergraduate tuition increases, excepting the Wright Guarantee Tuition Program; and

WHEREAS, Wright State University has developed a budget to guide operations, realigning expenditures with revenues, to support the university's Mission, Vision and Values during the fiscal year beginning July 1, 2018; and

WHEREAS, said budget includes an array of other rates and fees, such as a career services fee and auxiliary fees, in addition to tuition; therefore, be it

RESOLVED that the President may allow expenditures within projected income levels, may limit the expenditures of funds within any given category, may transfer funds within the major budget categories, and take such other actions as may be in the interest of the university; and be it further

RESOLVED that the university's current funds budget as described in the accompanying schedules and tables now before the Board of Trustees be and, hereby are approved.

Mr. Fecher moved for approval. Mr. Fitzpatrick seconded, and the motion was approved 7-1 by roll call vote.

B. Student Fee Increase

RESOLUTION 18-68

FY 2019 Student Fee Increase

WHEREAS, the Wright State University Board of Trustees is given the statutory authority and responsibility to assess tuition and fees; and

WHEREAS, the tuition and fees must be sufficient to fund a quality educational experience; and

WHEREAS, the current state budget proposal does not allow for undergraduate tuition increases, excepting the Wright Guarantee Tuition Program; therefore, be it

RESOLVED that Dayton Campus and Lake Campus full-time and part-time undergraduate tuition will not be increased over those for summer semester 2018; and be it further

RESOLVED that Dayton Campus and Lake Campus full-time and part-time undergraduate non-resident fees for all students for fall semester 2018 be increased over those for summer semester 2018 by approximately 3%; and be it further

RESOLVED that Dayton and Lake Campus full-time and part-time graduate tuition and non-resident fees for all students for fall semester 2018 be increased over those for summer semester 2018 by approximately 3%; and be it further

RESOLVED that professional fees and non-resident fees for the School of Professional Psychology and the Doctor of Nursing Practice students for fall semester 2018 be increased over those for summer semester 2018 by approximately 3%; and be it further

RESOLVED that professional fees and non-resident fees for the Boonshoft School of Medicine for all students for fall semester 2018 be increased over those for spring semester 2018 by approximately 3%; and be it further

RESOLVED that a career services fee will be assessed at the rate of \$25 per term for all degree-seeking undergraduate students beginning fall semester 2018; and be it further

RESOLVED that this resolution supersedes Resolution 17-91 dated June 8, 2017.

Mr. Fecher moved for approval. Dr. Goyal seconded, and the motion was approved 6-1 by roll call vote.

C. Approval of Expenditures \$500,000 and Above

The following expenditures are before the Board for approval.

Fiscal Year 2017-2018

<u>Vendor</u>	<u>Description of Services</u>	<u>2017-2018 Contract Amount</u>	<u>2016-2017 Contract Amount</u>	<u>Term of Contract</u>
Chartwells	Hospitality-Food Services	\$1,100,000	\$1,500,000	7/1/13 - 6/30/23

Fiscal Year 2018-2019

<u>Vendor</u>	<u>Description of Services</u>	<u>2017-2018 Contract Amount</u>	<u>2016-2017 Contract Amount</u>	<u>Term of Contract</u>
AMS-Y Ltd. Partnership	Residence & Housing	\$1,197,322	\$1,165,000	3/6/1991 - 6/30/19
College Park Ltd Partnership	Residence & Housing	\$1,584,836	\$1,500,000	3/6/1991 - 6/30/19
Group Housing LLC	Residence & Housing	\$3,785,786	\$3,600,000	3/6/1991 - 6/30/19
Pine Hill Acres Apt LLC	Residence & Housing	\$1,496,008	\$1,500,000	3/6/1991 - 6/30/19
The Woods Development LLC	Residence & Housing	\$4,937,799	\$5,000,000	3-6-1991 - 6/30/19
Wright State Physicians	Professional Services	\$9,000,000	\$10,000,000	7/1/18 - 6/30/19

RESOLUTION 18-69

WHEREAS, in order for the University to conduct business on an on-going basis, and provide products and services in a timely manner, purchases must be made; and

WHEREAS, these expenditures may exceed \$500,000, therefore be it

RESOLVED that authorization is granted for the accompanying contracts now before the Board of Trustees be, and hereby is, approved.

Mr. Fecher moved for approval. Mr. Bridges seconded, and the motion was unanimously approved by roll call vote.

VII. UNFINISHED BUSINESS

Mr. Fecher offered closing comments. "I truly appreciate, on behalf of the Board, your participation in our meeting today. As I look back at the last year the fact of the matter is on the good side we're in a better place than we were this time last year. As President Schrader said, this time last year we were staring at a \$25 million dollar deficit on top of a \$37 million dollar deficit the year before and our reserves were going down. But as Trustee Langos says, it's not necessarily that we should be happy with where we're at, in fact we shouldn't be happy with where we're at.

A lot of people have made sacrifices, again as Trustee Langos said, many of them not in this room and I know that my fellow trustees feel that.

Fundamental change is still required and this is a process. We need to attack this process with some urgency. We do need to be creative and thoughtful and I frankly think that many of the things happening in higher education and across our country, we're getting the fun of going through first. And so I appreciate everyone's involvement in doing those things.

I think one of the most important points made at this table today was the one made by our student trustee, Austin Rains. We need to, all of us, hold ourselves accountable. This is all of our jobs; the President's job, the Board's job, everybody who has a decision making role at the university has to be mindful of what we need to do to pull ourselves back to the place that we need to be.

We simply must understand the return that this university gets off of every dollar it spends whether that dollar is on an athletic program or if that dollar is on a certain academic program that serves maybe just a handful of students anymore. Those are all tough decisions. They're not easy to make, there are two sides to all of them. But we need to get to where we make those decisions and put our university back on the path to financial sustainability.

My very last comment is more personal than on behalf of the Board. Jeff Ulliman will be retiring here soon. Without Jeff Ulliman I would not understand university finance; I'm not going to make that statement that I understand it completely, but nearly as well. That gentleman helped me. I remember the two hour meeting we had where he brought the books and showed me how it all works and it was probably the best two hours I have spent as a trustee of Wright State University. He will be retiring soon. I personally, Jeff, will miss your input and what you've done for me to make me a more effective trustee. So thank you and please enjoy your retirement."

VIII. EXECUTIVE SESSION

Mr. Fecher moved, with a second from Dr. Goyal, for the Wright State University Board of Trustees' to enter into Executive Session in the Wright Brothers Room to discuss:

- Collective Bargaining
- Pending or Imminent Court Action

In accordance with amendments to the Ohio Open Meetings Law, the Board, after a majority of a quorum and by roll call vote, determined to hold a Special Executive Session by offering the following resolution:

RESOLUTION 18-70

RESOLVED that the Wright State University Board of Trustees agreed to hold a Special Executive Session on June 8, 2018, at 10:40 a.m.; and be it further

RESOLVED that pursuant to the Ohio Revised Code 121.22 (G), the following issues may be discussed in Executive Session:

- Collective Bargaining
- Pending or Imminent Court Action

Mr. Fecher moved for approval. General Moore seconded, and the motion was unanimously approved by roll call vote.

Present

Michael Bridges
Douglas Fecher
Stephanie Green
Anuj Goyal
Bruce Langos
C.D. Moore
Grace Ramos

Absent

Sean Fitzpatrick
William Montgomery

IX. ADJOURNMENT

The meeting adjourned at 12:08 p.m.