

**Regular Meeting of the Board of Trustees
September 25, 2007**

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UNIVERSITY OF CINCINNATI

Official Proceedings of the

Two Hundred and Seventy-Fourth Meeting of the Board of Trustees

(A Regular Meeting)

September 25, 2007

The Two Hundred and Seventy-Fourth Session of the Board of Trustees of the University of Cincinnati was opened at 9:55 a.m. on Tuesday, September 25, 2007, in the Russell C. Myers Alumni Center of the University of Cincinnati. Notice of this meeting was given in accordance with Section 121.22 of the Ohio Revised Code. The proceedings of the Board, when not otherwise provided for by its bylaws, are governed by *Robert's Rules of Order*.

H. C. Buck Niehoff, Vice Chairperson of the Board of Trustees, presided. Mr. Niehoff asked that roll be called.

BOARD MEMBERS PRESENT:

Anant R. Bhati, H. C. Buck Niehoff,
Sandra W. Heimann, C. Francis Barrett,
Margaret E. Buchanan, and
Thomas H. Humes

BOARD MEMBERS ABSENT:

Phillip R. Cox, Jeffrey L. Wyler,
and Gary Heiman

ALSO PRESENT:

Nancy L. Zimpher, President;
Jane E. Henney, Senior Vice President
and Provost for Health Affairs;
Anthony J. Perzigian, Senior Vice President
and Provost for Baccalaureate and
Graduate Education;
Monica Rimai, Senior Vice President for
Administration and Finance;

UNIVERSITY OF CINCINNATI
TWO HUNDRED AND SEVENTY-FOURTH MEETING OF THE BOARD OF TRUSTEES
SEPTEMBER THE TWENTY FIFTH TWO THOUSAND AND SEVEN

Michael W. Carroll, Vice President of
Development and Alumni Affairs
and President of the UC Foundation;
Sandra J. Degen, Vice President for
Research;
James D. Plummer, Vice President for
Finance;
Frederick H. Siff, Vice President and
Chief Information Officer;
Gregory J. Vehr, Vice President for
Governmental Relations and
University Communications;
Mitchell D. McCrate, Interim General
Counsel;
Greg Hand, University of Cincinnati
Spokesperson;
Daisy-Malloy Hamburg, Graduate Student
Trustee;
Seth Vensil, Undergraduate Student
Trustee;
Robert Dobbs, Alumni Representative;
Stephen Thompson, Alumni Representative;
Richard Harknett, Faculty Representative;
Andrea Kornbluh, Faculty Representative;
James Radley, Student Representative;
Heather A. Huff, Executive Assistant to the
Board of Trustees & University
President;
and the public

(Prior to the Board Committee Meetings and the Regular Board Meeting, Vice Chairperson H. C. Buck Niehoff, began the proceedings at approximately 8:30 a.m.)

Mr. Niehoff:

Good morning and welcome to the board meeting. Jeff Wyler and Gary Heiman are unable to attend the meeting today and we are expecting Mr. Cox who has not yet arrived but I think we will get started with the meeting. We have a new face at our table today. I would like to welcome Seth Vensil, our new Undergraduate Student Trustee. Seth was appointed by Governor Strickland on August 28 and he will serve until May,

2009. He is currently pursuing a Bachelor's Degree in Chemistry and Biology in the McMicken College of Arts and Sciences. Please welcome Seth.

(Applause)

I would also like to thank Nick Furtwengler for his two years of outstanding service. This will be Nick's last meeting and Nick, if you would please come forward, I would like to give you a small token of our deep appreciation for your efforts on behalf of the university.

(Applause)

Our first item of business is a report from our President.

Report of the President

President Zimpher:

Thank you, Mr. Niehoff. I want to welcome you all. It is clearly a back to school meeting and everybody is here, so that is terrific. I, too, want to welcome you Seth, delighted that you are here and thank Nick for his extraordinary service to the Board of Trustees and we all wish you the very, very best.

Our new academic year got off to a great start last Wednesday, but I am going to save that for Caroline Miller who will be telling you about our great enrollment news. I will talk to you about some other happenings. Three University of Cincinnati law students were featured on the A&E television pilot episode for a new series called "Innocence Files". Adam Eckstein, Jeanelle Gonzalez-Kelly and Ryan Kelsey – all third-year students in the College this year - served as an Ohio Innocence Project team last year developing the case of inmate Glenn Tinney.

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UC and engineering researcher Sang Son are among the first awardees to receive funding from the National Institutes of Health (NIH) new Genes, Environment and Health Initiative (GEI), a unique collaboration between geneticists and environmental scientists. The research is intended to better understand the complex factors that contribute to health and disease.

A \$5.5 million gift has established the James J. and Joan A. Gardner Family Center for Parkinson's Disease and Movement Disorders at the Neuroscience Institute at University Hospital and our College of Medicine. The gift from the James J. and Joan A. Gardner Family Foundation will endow clinical and research programs while accelerating collaboration among scientists and physicians.

UC psychologist Robert Frank has found that the sense of smell can be a first casualty of degenerative brain diseases like Alzheimer's and Parkinson's diseases, and other problems outside the typical sensory loss associated with aging. His research on this important topic was featured in the August 14 edition of *The New York Times*. The story focused on the "Sniff Magnitude Test" invented by Frank and UC biologist Robert Gesteland. The test is under further development with the WR Medical Electronics Company in Stillwater, Minnesota.

UC has formed a strategic partnership with Cincinnati Children's Hospital Medical Center and University Hospital to establish a joint cancer center that will coordinate oncology care from childhood to adulthood in southern Ohio and beyond. A total of up to \$60 million in seed money has been committed during the next five years by the founding institutions to move this important partnership forward.

The College of Engineering has received a gift of nearly \$1.5 million to support a chair in biomedical engineering. The gift, from Dane and Mary Louise Miller, has allowed the chair to be assumed by Peixuan Guo, who most recently served as the director of NIH Nanomedicine Center at Purdue University. The new chair is credited

with constructing the most powerful bio-motor to date and demonstrating that RNA can serve as building blocks for nano-devices.

Ten UC architecture students took on the challenge of building UC's campus in 3D. We are so used to flat, one dimensional maps and way finding, but these outstanding students have made it 3D. The challenge was part of a national competition sponsored by Google. All 10 of the UC student competing were among 40 finalists chosen in the competition that included 4,000 campus models from hundreds of universities.

Researchers at UC College of Medicine have been awarded a \$9 million five-year grant to find new ways to improve and personalize treatments for bipolar disorder, and to better understand how to identify this brain disorder earlier with the goal of preventing disease progression. Bipolar disorder affects close to 6 million Americans each year and is recognized as one of the leading causes of disability worldwide.

And, finally, of the 27 colleges of pharmacy which were reviewed for accreditation for 2006-07, only five received full accreditation. Not surprisingly, our Winkle College of Pharmacy was one of the five and received three commendations. This accomplishment is very indicative of the quality of our Winkle College of Pharmacy. So, lots of bragging points to talk about today.

I, now, want to call on Caroline Miller who provides extraordinary leadership in all matters associated to enrollment management. You will hear a report which combines the work of both Student Affairs and the Office of the Provost for Baccalaureate and Graduate Programs. So, thank you, Caroline, for presenting today.

(Caroline Miller, Associate Vice President for Enrollment Management, gave the following enrollment update information.)

Dr. Miller:

Thank you, President Zimpher. I think you would have had to have been out of the country to have not heard much about the enrollment of this class and you are going to hear more in the Report Card. So I would like to focus on some things to leave you an image of this enrollment this fall.

If you want to visualize our student body, picture Nippert Stadium Saturday night with 1,500 more students hanging over the rail that Brian Kelley advised us not to do all through the game. This morning I believe Lee Mortimer told me our enrollment hit 36,590. The next time somebody refers to us as a commuter school, remind them or advise them that over 75% of our freshmen are living in our housing or our affiliated partners.

One of the best aspects of this new class is the growth that we saw in our 25 to 29 ACT takers - our bread and butter students - our student leaders. They come, they participate, they graduate, and that was a key target area for us this fall.

We are also, unlike many of our colleague institutions, gender balanced – 50/50 in this freshmen class and our uptown student body. In the spirit of green is the new black and Thursday is the new Friday, distance is the new night and evening with 18% of our credit hours being offered via distance, blended, or nights and weekends.

We had a focus area in the College of Engineering this year, which attributed to much of our enrollment in our freshmen class with growth in both the out-of-state, students of color, and women. With the help of a National Science Foundation Scholarships in Science, Technology, Engineering, and Math (S-STEM) Grant, the College of Engineering has exceeded in significantly diversifying the student body in the freshmen class.

In my favorite measure, retention, and retention by any way we cut it has improved this fall, whether it is Ph.D. students, students entering the Center for Access

and Transition (CAT), our poster child *US News and World Report* retention rate, which is going to be somewhere between 82 and 83 – we are still not sure – retention is up. So not only has UC been successful in recruiting, we are also being successful in keeping and retaining these students and, very shortly, we will see that improvement move into our graduation rate, because last year was sort of the pit of our first year retention six years ago.

So, that is where we are. We were pleased to be a part of this effort with Enrollment Management and our colleagues across the institution and look forward to more to come as you could pull a cannon through the Admissions Office and not hit anybody as all of our recruiters are on the road working on 2008. Thank you.

Mr. Niehoff:

Thank you, Caroline. That is a great report.

We have two presentations on the agenda today. I would like to introduce the first of these which is the President's 2006-2007 Report Card. President Zimpher will highlight UC's success and progress towards meeting the goals of UC|21. Nancy –

(Nancy L. Zimpher, Ph.D., President of the University of Cincinnati gave the following presentation on The President's 2006-2007 Report Card. A handout was distributed to the members of the Board and others seated at the meeting table. A copy of the handout is on file in the Office of the Board of Trustees.)

President Zimpher:

Thank you, Mr. Niehoff and good morning, again, everyone. I want to direct the attention of those at the table to a paper copy of the report card. It could be that all of the paper copies available to the gallery have been exhausted but then you know the routine, this is all on the web and you can pore over this at your leisure. We actually had a leadership retreat last week in which a draft of the Report Card was shared with our leadership team of about 65 people so I think it is no surprise to all of you that we have,

once again, concluded the work on this Report Card and, as a matter of fact, expanded it quite significantly.

So, before we wade into the Report Card, let me say a few things. This is our fourth Report Card in three years because we did a mid-year Report Card last year or the year before. Our format is quite a bit different. It is much more data rich, more metrics that can be tracked across time and we use as our baseline 2003 – that was when we first articulated plans that ultimately became UC|21 and so we thought that was an appropriate baseline year. In some cases, however, during 2003 we were not collecting data so you will see some zeros in the 2003 year but I think the expansion of the metrics, it is particularly significant to note because we are trying as much as we can to add quantitative data sources and, yet, we do not want to overlook some of the qualitative indicators that are important to us as well.

Last year, I gave a State of the University Address on the whole issue of accountability. I can tell you that that issue has blossomed in the minds of civic and elected leaders. Accountability and assessment are both issues that are being talked about by the Governor, by our new Chancellor Eric Fingerhut, at the National Level through the Spellings Commission and other higher education leaders. So this is a big deal and we chose to go ahead and expand our approach to this Report Card, not because it was perfect. In fact, not even because all the arrows are going upward and onward - some of the arrows are going downward – some are sideways because we are still evolving an approach and a metric but we want it to be both accountable and transparent. And I think you will agree, after you see our work, that we have accomplished both of those points.

And, we welcome more advice, other questions, well how are you doing in another area? And, you have to know that we have two sets of peer institutions – those that looked more like us in 2003 and those that we call aspirational peer institutions that we are beginning to look more like in 2007 and beyond. So, you will also want to know eventually how do these metrics add up when we lay them side by side our peers. So, that is something we are still working on. And I guess I would add that, on the web not

only will you see over a hundred charts and graphs and all of our qualitative measures but you can actually drill down and you will see other data sets than those that are noted in the report card.

Now, I traveled to the podium without something really, really important and that is to tell you who really has done all the work. What I do is set unrealistic deadlines for unrealistic measures and then this crack team of institutional researchers delivers this unrealistic set of measures on time. I think that is pretty remarkable. So I want them to stand; I want you to take a good look and I want them to help me if you have questions. We will start with our Director of Institutional Research, Lee Mortimer. Lee, if you will stand and just stay right there. Lee is assisted by Neal Stark, Director of Research and Assessment in Lee's shop. Thank you, Neal. Nick Frame is Assistant Director of Institutional Research; Li-hsueh Cheng is Assistant Director of Institutional Research. So, there is our Institutional Research (IR) team. This is a critical, pivotal office in the life of most universities and I think we have just one of the best teams. I want to thank all four of you for what you have helped put together today. Thank you very much.

And, then, Marianne Kunnen-Jones, who serves as communicator in the President's Office is the one who goes to Lee and the team and says you won't believe what we need to do now. And she edits the documents so that it is presentable and consumable by a whole different set of audiences. So, I just want to thank you all for your work.

Now, if you will open the cover page and turn to the very first set of indicators, you will see that it is organized by our six UC|21 goals; you will see the statistics beginning in year 2003; you will see the arrows up and down or sideways and then you will note other qualitative dimensions of our work, bragging points for organizations or committees or actions that we have been able to achieve this year.

So, we have done a number of things to give students greater voice, including adding the President of the Undergraduate Student Government and the President of the

Graduate Student Association to the President's Cabinet. But the bigger story, as Caroline noted, is in our retention and graduation rates. So on retention we have seen steady progress. I think it is just really helpful for you to see graphically what it looks like when you make gains of this sort.

On graduation rates, we have also seen progress over the years and expect to hold steady. Our better prepared freshmen, as they work their way up, will allow us to see these kinds of statistics ultimately in our graduation rate. So, when you think about graduation rates now hovering around 52% but you see a freshmen to sophomore retention rate around 83%, imagine what we will be looking at in two, three and four years because the most significant retention is the ability to hold freshmen to the sophomore year. Once you get past that big hurdle, things get a lot better. We are really pleased with these statistics.

Under Other Achievements, one of the highlights is our tuition freeze. Working with the state this fall for the first time since 1977, we approved a 0% increase in undergraduate tuition while the state increased funding for higher education. That is a great example of a qualitative breakthrough.

Under Goal 2, as you move along in your paper copy - but I know that you are going to go to the web and find other data - Growing our Research Excellence. Total research funding went up during 2006 and we will be getting a report for 2007 at our November trustees meeting. There, Sandra Degen will make a presentation and update these data. But it has been, as you heard in my opening remarks, a significant year for research under Other Achievements, that is, the qualitative measures. We want to highlight the Chemical Compound Library from Procter & Gamble that is now housed at our Genome Research Institute (GRI) and now after a tour of the GRI last night, you know how invaluable that is to drug discovery and our work at the GRI. Another highlight is the UC accomplishment of winning both of the Eminent Scholar positions recently awarded by the State of Ohio this year. So, that is why we just could not help ourselves, we had to have another section called Other Achievements.

As you turn to Goal 3, Achieving Academic Excellence, we continue to see the total number of national merit scholars rise, as you can see. Caroline Miller has also touched on some of the distance learning advances so I will not repeat them but as you might expect we have a chart that shows that. And under Other Achievements, one milestone accomplishment that we are very proud of - entering the Princeton Review scene only recently as the best mid-western college - now we have made the cut and we are in the Princeton Reviews best colleges guide.

Under Goal 4, Forging Key Relationships and Partnerships, you have to think about what metrics would be indicative of our work here. We have tried to focus on building metrics around external engagement and internal partnerships and so, in this case, we see a significant growth in the number of students making the transition from our regional campuses to the uptown campus. We are tracking that because we are becoming a transfer destination institution. In fact, Caroline, I think about 1400 of our new students on campus this year are transfer students and so we are going to try to track that.

And, under Other Achievements around partnerships, we are very excited about the Live Well Collaborative, I am sure that LWC is what it is eventually going to be known for and you know that it holds promise for baby boomer innovation and product development, our partnership with Procter & Gamble and other retail corporations and companies across the country.

Under Goal 5, Establishing a Sense of Place, as you turn, again a little bit difficult to measure but you can see that we have decided to count visitors to the Tangeman University Center so that we know who is on our campus, public safety statistics which are showing progress over time and also we measure web traffic and athletics attendance and think that those are pretty good indicators of our campus as a sense a place.

We are also tracking on-campus and near-campus housing as Caroline reported. I thought we would take a closer look, however, at Freshmen Orientation. This is when freshmen come to campus during the summer to get revved up for their first quarter on campus. We think this is what enhances the student experience and accounts for a piece of the success we have had in retention rates. So we have displayed that as well.

Under Goal 6, Creating Opportunity, the metrics are actually quite abundant. We do struggle with which metrics to use under which goals. Here we have an array of opportunities. The total enrollment story is probably one of our most striking, the highest it has been in sixteen years.

Two other items I want to highlight under Other Achievements, a quick review of our fiscal prudence which summarizes the \$27 million reduction in our budget achieved last year, the abolishment of 106 positions as we streamlined our work, the restructuring of two merged divisions and a \$2.6 million reduction in energy consumption. Hard to graph that, but we do think it is appropriate to talk about it. Then a second achievement, under the more qualitative measures, is the creation of a standing new university wide committee called the Diversity Council that grew out of our Diversity Task Force last year and the appointment of Mitchel Livingston, who is not only our Vice President for Student Affairs but also our Chief Diversity Officer.

So, while it looks streamlined, very well summarized, you have to know that there has been an incredible amount of work related to the Report Card and we have our Institutional Researchers with us. Any items about which you might have a question or items you would like to see us add to our list of measures? Mr. Niehoff, I open the floor if there are any questions or observations about this Report Card from the board.

Dr. Bhati:

Nancy, congratulations. I think you have done the job wonderfully and you deserve congratulations.

President Zimpher:

Well, thank you on behalf of literally hundreds of scurrying data collectors. It is really great to know more about yourself and what I think we look forward to is which of these metrics we can compare with in our national peer group.

Mr. Humes:

I would concur; I think the objective metric evaluations are very substantial and very impressive when you look at it. We are measuring ourselves in so many more categories than we ever have. I, particularly though, want to congratulate you and your team on the enrollment increase and the transfer increase. I think these are the fundamental things about what our university is all about in terms of creating opportunities for young people to continue their education. I think you have done a wonderful job on that, so thanks to you and your team for your great efforts.

President Zimpher:

Well, thank you, Mr. Humes. The team is extraordinary and Caroline is right, they are working on 2008 and we are just beginning to get to know 2007. So it is really quite an operation and it is very, very impressive. I hope you saw, by the way, our ad in *The Enquirer*. It sort of fell out as you were reading the paper. It was a beautiful portrayal of our campus, a list of our scholarships, the high schools from whence our students come, very impressive.

Dr. Bhati:

Nancy, as you know, the retention rate has come a long way, from 30% all the way to 83%, that is phenomenally wonderful.

President Zimpher:

Again, thanks to our colleagues in every dimension of our academic work. Well, stick with us, give us recommendations on things you would like to know. If the data exists, Lee Mortimer and his team can surely find them. I think this, as well, can be a model for the colleges to get into the metric activity and they will have particularized

metrics that are important to them and as the Report Card concept grows, departments, divisions, and colleges can add luster.

Well, Mr. Niehoff, it is my great privilege to announce our next report. Jeff Williams, as I am sure all of you know, chairs our University of Cincinnati Foundation. He is on the one hand an excellent example of alumnus made good; he is an extraordinarily successful UC alum in the world of high finance, lives in New York and every day achieves a kind of excellence that makes us very, very proud. So, you take a very busy person from not real close to Cincinnati and you add a willingness to serve as the chair of our UC Foundation and you really have an extraordinary alum.

I often say to Jeff, I am not sure what your night job is but I kind of know what your day job is because he gives and gives and gives to this institution. It is our custom to have an annual report on the activities of our Vice President for Development and Alumni Affairs, Mike Carroll, and the Foundation itself which Mike Carroll serves as President for the Foundation and so I would like to introduce Jeff Williams.

(Jeffrey P. Williams, Chairman, UC Foundation Board of Trustees, gave the following presentation on The UC Foundation Report on the Progress of UC's Fundraising.)

(Applause)

Mr. Williams:

Thank you for that nice introduction, Nancy. It is always my pleasure to come in and give this report. It gives me yet another excuse to get to Cincinnati which I do not get to do often enough. I would like to thank Dr. Zimpher and the Board for this opportunity to report to you and, frankly, for your ongoing commitment to the Foundation's activities. Many of you have made gifts or enabled contributions that truly impact the life of the university and we thank you for that.

Since my last report to the board, a big number of exciting and significant developments have occurred at the Foundation. In the spirit of quantitative measures, I am pleased to report that for fiscal year 2007, the university received \$79 million in private support. That includes \$63.6 million in gifts and \$15.3 million in non-governmental research funding. I am also very pleased to say, as Bill Henrich our Chief Financial Officer reminded me, that was accomplished at an impressive expense ratio of fifteen cents per dollar raised which is truly a world class standard.

For the second year in a row, the university's donor count exceeded 29 thousand which is an important figure because *US News and World Report* measures that and factors it into their indices. Significant gift commitments this year included a \$10 million gift from our friend Mike Ullman and his wife Cathy, benefiting the College of Design, Architecture, Art and Planning, specifically the School of Design; the announcement of the renaming of the College of Pharmacy, recognizing donor James Winkle's generosity; and a \$4 million commitment from Max and Judi Redlich, supporting Athletics and CCM. Of course, there were a number of gifts that Nancy mentioned in her comments which actually were announced after the close of the fiscal year and we will talk about those next year.

For all of us, a highlight of the year was the third "We're All UC" faculty/staff campaign, co-chaired this year by UC Photo Journalist, Dottie Stover, Surgery Research Professor, Cora Ogle, and Chemistry Distinguished Research Professor, Bill Heineman. Once again, this program to the UC community was very successful and I will say exceeded all of its objectives. As a custom, we do not announce that figure today. Nancy announces it in the State of the University in November but I can tell you it is an impressive number and just blew away our expectations.

Of course, many of you know that we are in the midst of preparing for a very significant campaign. The campaign leadership that has been recruited is an impressive group led by Otto Budig, and our interim chair here, Buck Niehoff. We are currently

deep into the quiet phase where we are collecting major gifts and we are planning for a public kick-off in the Fall of 2008.

Our outside consultants recently completed a comprehensive assessment of the campaign potential. That includes looking at the campaign feasibility, a bench-marking study on the operations of the Foundation, and a giving capacity analysis which is a very detailed statistical analysis of the potential donor pool. The Foundation senior staff has worked with the consultants and advanced a proposal for a campaign goal to Nancy and myself and we will advance to you after our October meetings with the Foundation Board, so probably early November.

Word continues to identify additional volunteer leaders and prospective donors whose UC's connections and commitments will ensure the campaign's success. As part of our efforts, unit based development officers, that is colleges, the Athletic Department, the Libraries are working collaboratively with university leaders to articulate a vision and their needs and cases for spending in support of the campaign.

Another factor that we get very much involved in is strengthening the connections and the commitment of the alumni. Building our connections with the alumni leads to stronger commitments, obviously of time and of funds. We continue to seek every possible avenue to strengthen those connections. Actually, after many years of working on it, I am very pleased to announce that the UC magazine is now distributed to more than 75,000 people, an increment of 30,000 additional readers. And those of you who receive it and read it, I am sure would agree it is an incredible means of connecting our alums with what is going on on campus and amongst the alumni base.

A new partnership between the Foundation and UC's University Relations has made this possible, as well as including a new development news section in each issue to highlight the philanthropy that we are involved with. UC Magazine Online, an electronic version of the magazine, is now reaching more than 82,000 alums and donors through email. The collection of email addresses is one of our principal objectives at the

Foundation and I must say that it is a success story. We add five or ten thousand new emails every year and with every mailing.

As a result, a new electronic monthly newsletter to all UC alums and donors debuted in August. Many of you probably recognize it as *Proudly Cincinnati* which combines two previous communications and is received by the same 85,000 individuals. Electronic newsletters represent our largest and most successful routine communications to alumni all over the world.

With that, I want to say that we really appreciate the opportunity to forge the partnership between the Foundation, the trustees, the academic leaders, the students and the staff. It is vital to us that we work together with you and I think that over the last few years, we have proven that we are up and ready for the partnership and leading you to a fundraising success. Thanks very much.

(Applause)

Mr. Niehoff:

Thank you, Jeff, for an excellent and very encouraging report.

THE BOARD COMMITTEE MEETINGS

Prior to the start of our Committee Meetings, I would like to make some temporary changes to the membership of the various committees. This is going to be a little confusing, so pay attention.

I would first like to announce that Tom Humes will chair the Academic and Student Affairs Committee in my place. Seth will replace Nick as the permanent member of that Committee. Dr. Bhati will chair the Finance and Administration Committee and I would like to ask that Mrs. Buchanan chair the Governance and Audit Committee and that Mr. Humes and Mr. Barrett serve as temporary members of that Committee.

UNIVERSITY OF CINCINNATI
TWO HUNDRED AND SEVENTY-FOURTH MEETING OF THE BOARD OF TRUSTEES
SEPTEMBER THE TWENTY FIFTH TWO THOUSAND AND SEVEN

(Proceedings of the board committee meetings are contained in the respective committee meeting minutes, which are on file in the Office of the Board of Trustees.)

The committee meetings began at 9:02 a.m.; the meetings concluded at 9:55 a.m.

THE REGULAR MEETING OF THE BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was convened at 9:55 a.m. and, as noted on the first page (page 9) of these minutes, roll call was taken.

Mr. Niehoff:

I would like to call the regular meeting to order of the Two Hundred and Seventy-Fourth Session of the Board of Trustees of the University of Cincinnati.

Approval of the Minutes of the June 26, 2007 Regular Meeting and the Special Meeting Held on July 17, 2007

Mr. Niehoff called for additions, corrections, or deletions to the minutes of the June 26, 2007 Regular Meeting and the July 17, 2007 Special Meeting of the Board of Trustees. Upon motion of Mrs. Heimann, seconded by Dr. Bhati, the minutes were approved as distributed.

Summer Powers

I would now like to report the Summer Powers Actions. The report is in your board meeting materials under the tab that is so designated. The eight recommendations that were approved by the President and the appropriate Board Committee Chairperson were approved pursuant to authority delegated in paragraph (B)(3) of University Rule 3361:10-1-01, which provides for approval of actions during the summer recess of the Board.

Approval of the Items Recommended by the Board Committees

Listed below are the items recommended to the Board of Trustees for approval by the Academic and Student Affairs Committee and the Finance and Administration Committee at their respective meetings held on September 25, 2007, prior to the Regular Meeting of the Board of Trustees.

Academic and Student Affairs Committee Recommendations

07.09.25.01 NEW DEGREE PROGRAM

Synopsis: New degree program in the College of Applied Science for a Bachelor of Science in Sports Administration

It is recommended that the Board of Trustees approve the new degree program in the College of Applied Science for a Bachelor of Science in Sports Administration. The proposal has been reviewed and approved by the appropriate authorities.

07.09.25.02 NEW DEGREE PROGRAM

Synopsis: New degree program in the McMicken College of Arts and Sciences for a Bachelor of Science in Neuroscience

It is recommended that the Board of Trustees approve the new degree program in the McMicken College of Arts and Sciences for a Bachelor of Science in Neuroscience. The proposal has been reviewed and approved by the appropriate authorities.

07.09.25.03 DEPARTMENT NAME CHANGE

Synopsis: Department name change in the College of Engineering

It is recommended that the Board of Trustees approve the name change of the Department of Mechanical, Industrial, and Nuclear Engineering to the Department of Mechanical Engineering in the College of Engineering. This request has been reviewed and approved by the appropriate authorities.

07.09.25.04 FACULTY APPOINTMENTS

Synopsis: Appointment, Promotion, and Emeritus Status for Faculty Members

It is recommended that the Board of Trustees approve the granting of an appointment, a promotion, or emeritus status to the faculty identified below. These recommendations have been approved by the appropriate departments, colleges, and office of the senior vice president and provost.

Department Head Appointments

Lin Liu, Ph.D.
(appointment) Department Head of the Department of Geography in the McMicken College of Arts and Sciences

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Effective: September 1, 2007 through August 31, 2012

Patrick A. Limbach, Ph.D.
 (appointment) Department Head of the Department of Chemistry in
 the McMicken College of Arts and Sciences
 Effective: September 1, 2007 through August 31,
 2010

Jeffrey D. Camm, Ph.D.
 (reappointment) Department Head of the Department of Quantitative
 Analysis and Operations Management in the
 College of Business
 Effective: September 1, 2008 through August 31,
 2011

Recommendation for Promotion from Associate Professor to Professor

College of Applied Science

Marilyn Palkovacs	Humanities/Media/Cultural Studies	Has Tenure
Charles Seibert	Humanities/Media/Cultural Studies	Has Tenure

Raymond Walters College

Darice Pacak	Dental Hygiene	Has Tenure
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Emeritus Status

Linda Lee, Ph.D. Professor Emerita in the
 College of Allied Health Sciences
 Effective July 1, 2007

Elaine Mueninghoff Associate Professor Emerita of Education
 Clermont College
 Effective upon date of retirement

Laurie Renz Professor Emerita of Humanities
 Clermont College
 Effective upon date of retirement

John R. Kues, Ph.D. Professor Emeritus in the Department of Family
 Medicine
 College of Medicine
 Effective September 1, 2007

Jeanne L. Ballard, M.D. Associate Professor Emerita in the Department of
 Pediatrics, College of Medicine
 Effective July 1, 2007

Darlene Anderson, RN,
 DNSc Volunteer Professor Emerita
 College of Nursing
 Effective September 1, 2007

Margaret Miller, BSN,
 MSN, EdD Professor Emerita
 College of Nursing
 Effective September 1, 2007

Barbara Reed Gilman, RN
 MSN Assistant Professor Emerita
 College of Nursing
 Effective September 1, 2007

Finance and Administration Committee Recommendations

07.09.25.05 AMENDMENT OF UNIVERSITY RULE 3361:50-3-02 UNIVERSITY FACULTY: BYLAWS

Synopsis: The recommendation seeks the approval of the Board of Trustees regarding amendments to University Rule 3361:50-3-02

The modifications reflect changes in Article III. Sections 1, 4, and 5: the faculty senate representatives will serve staggered terms on the Board of Trustees; repeat balloting in elections until all positions are filled; electronic voting by the faculty senate for university committees; and added language to the faculty senate meeting agenda to provide for a report by a graduate student representative.

A copy of the amended rule is attached;* changes are indicated by strikeouts and underlining.

07.09.25.06 PUBLIC RECORDS POLICY

Synopsis: It is recommended that the Board delegate to the General Counsel the authority to establish a public records policy for the University.

Recent changes to Ohio's Public Records law, R.C. 149.43 require every public office in Ohio to establish its own policy for responding to requests for public records. The recommendation proposes the addition of paragraph G to rule 10-43-10 which delegates to the University General Counsel the authority to establish this policy. Since the requirements of this law frequently change and since in many cases the responsibility of responding to such requests falls to the Office of the General Counsel, it is appropriate that this authority be vested in the General Counsel.

07.09.25.07 APPROVAL OF A CONTINGENT MASTER LEASE OR USE AGREEMENT AND AMENDMENT TO JOINT USE AGREEMENT FOR STRATFORD HEIGHTS

Synopsis: Recommendation of a Contingent Master Lease or Use Agreement and Amendment to Joint Use Agreement for Stratford Heights to facilitate issuance of a letter of credit on terms projected to eliminate the University's joint use payments for the project.

It is recommended that the Board of Trustees authorize the negotiation and execution of a contingent Master Lease and/or Use Agreement regarding the Stratford Heights student housing project. The Agreement will serve as a credit enhancement inducing third party lenders to re-issue a Letter of Credit on terms advantageous to the not-for-profit owner thereby reducing the University's projected payments under a Joint Use Agreement (JUA) with the owner. It is also recommended that the Board of Trustees authorize the execution of an amendment to the JUA increasing its maximum exposure but limiting the conditions when payment might be required. A more detailed analysis is attached.*

07.09.25.08 STUDENT CODE OF CONDUCT REVISIONS

It is recommended that the Board of Trustees approve the attached,* revised version of the Student Code of Conduct, which is found in rule 3361:40-5-05. Also attached* is an executive summary describing the revisions.

*Filed in the Office of the Board of Trustees

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The following offices/groups were represented on the Student Code of Conduct Review Committee: Ombuds, Faculty Senate, Student Government, Graduate Student Government Association, DAAP, and Engineering. The Office of General Counsel has reviewed and approved the revisions. The University community was able to view the Code, while revisions were being made, on the University's web page and invited to provide input. Campus-wide meetings co-sponsored by the Office of University Judicial Affairs, the Academic Integrity Campaign, Faculty Senate and Student Government were held for the University community to introduce the changes made to the Code.

07.09.25.09 RESOLUTIONS CONFIRMING THAT THE UNIVERSITY HAS NO PRESENT INTENT TO DISSOLVE THE HEALTH ALLIANCE

Synopsis: Recommendation that the Board adopt resolutions confirming that the University has no current intention of the University to dissolve the Health Alliance, as requested by the outside auditors of the Health Alliance

It recommended that the Board of Trustees adopt the attached* resolutions confirming that the University has no present intention to dissolve the Health Alliance of Greater Cincinnati and empowering the Chair of this Board, or in the Chair's absence the Vice Chair, to execute certificates to that affect. The University has been advised by counsel for the Health Alliance that such resolutions have been requested by the outside auditors of the Health Alliance in connection with the preparation of audited financial statements for fiscal year 2006-2007. Audited financial statements of the Health Alliance are required annually by the Joint Operating Agreement of the Health Alliance and by bond and various other covenants. The request is prompted by uncertainties caused by ongoing litigation and specifically because the departure of The Christ Hospital and The St. Luke Hospitals from the Health Alliance within sixty days of one another may allow the remaining Participating Entities to seek dissolution of the Health Alliance under Article 16.5 of the Joint Operating Agreement. Identical resolutions have been requested from the boards of the Health Alliance and the other remaining Participating Entities.

Action Items

Mr. Niehoff:

The Trustees were present at the Committee meetings held today and have heard the recommendations of the Academic and Student Affairs Committee and the Finance and Administration Committee Meetings held today. The items reviewed and recommended by the Committees are named in the Action Item list at your place.

We would like to vote on the items here today. May I have a motion to approve the items?

*Filed in the Office of the Board of Trustees

Upon motion of Mr. Niehoff, so moved by Dr. Bhati, seconded by Mrs. Buchanan, the Board approved the items recommended by the Committees by the following roll call vote:

Recommendation Nos. 07.09.25.01 through 07.09.25.06 and 07.09.25.08 through 07.09.25.09

AYE: Dr. Bhati, Mr. Niehoff, Mrs. Heimann, Mr. Barrett,
Mrs. Buchanan, and Mr. Humes

NAY: None

ABSENT: Mr. Wyler, Mr. Cox, and Mr. Heiman

ABSTAIN: None

Recommendation No. 07.09.25.07

AYE: Dr. Bhati, Mr. Niehoff, Mrs. Heimann, Mr. Barrett,
and Mrs. Buchanan

NAY: None

ABSENT: Mr. Wyler, Mr. Cox, and Mr. Heiman

ABSTAIN: Mr. Humes

Unfinished and New Business

Mr. Niehoff:

Is there any unfinished business? (There was none).

I will now ask for new business and first will be the report of the Faculty Senate,
Dr. Welsh.

Dr. Welsh:

Thank you, Mr. Chairman, and good morning everyone.

New year, new leaf. I am not going to make a presentation. I have submitted my comments to Heather but I did want to say that two weeks ago, the Faculty Senate talked about what its agenda would be for the year and if last year made the growth imperative clear, I think this year the faculty's focus will be on how we maintain that growth in such a way that we maintain academic quality and that we are seriously examining what is the right production function in terms of attracting and retaining not just the best and brightest students but the best and brightest faculty as well. And, I think that is where our energies will be devoted, so that concludes the report.

Mr. Niehoff:

Thank you. Next report, Alumni Association, Bob Dobbs.

Mr. Dobbs:

Thank you, Mr. Niehoff. I will start by calling your attention to the book you found at your place this morning. It's called The Red & Black. It is hot off the presses and it is entirely the work of the Student Alumni Council. Creating The Red & Black was right in the sweet spot for the student organization directly affiliated with the UC Alumni Association. With about sixty undergraduate members, the Student Alumni Council works to foster a greater sense of UC spirit and pride in the student body.

Last year, a few of the group's leaders decided that our newest students would be well served by learning more about their university, its history and traditions. About a dozen student alumni council members gravitated to the idea of a book, written by students, for students. Then, they planned it, researched it, wrote it, gathered the photos, and oversaw its production.

Two weeks ago, The Red & Black was given to every incoming freshmen at Convocation. We think the message was right on target, especially to our student centered culture. Where our current students are telling our new students essentially what it means to be a Bearcat and to have a sense of understanding, passion, and ownership

from Day 1. We plan to make this an annual gift to all of our incoming freshmen students.

I encourage you to look through your copy when you have a chance and I want to publicly acknowledge the work of our Student Alumni Council who found an opportunity to make a real difference for their university, daring to dream big, and seeing it through.

Speaking of Student Alumni Council, their signature is all over the UC Alumni Association's next big event. We are less than three weeks away from Homecoming 2007. This year's Homecoming will be truly a student-driven experience because the Student Alumni Council has taken leadership of the nuts and bolts planning and execution under the direction of the Alumni Association's talented program staff.

Since the group works to instill an alumni culture within their fellow students, its members take the Homecoming responsibility very seriously. They are excited to create a great experience for their fellow students, alumni and the surrounding community.

Here is an interesting and challenging twist for this year's Homecoming. We do not yet know the precise time table for the Homecoming festivities. Part of the trade-off with being on the bigger stage of the Big East Conference is that television governs our world more than ever. Even now, we are still waiting to learn when the Bearcats and Louisville Cardinals will kick off which determines when and how things happen on our Homecoming schedule. That information should be finalized, we hope, next week. Nevertheless, with a sold out Nippert Stadium predicted, we anticipate a huge and devoted crowd of alumni. And, on a final note about the Student Alumni Council, please look for the profile of this group in the upcoming issue of UC Magazine.

I reported in June on the UC Alumni Association scholarship program and I would like to finalize our results for this school year. We awarded Demakes Legacy Scholarships to 40 incoming freshmen in eight different colleges. They bring terrific academic credentials to the UC Family while continuing the Bearcat tradition within their

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own families. Since the Demakes Funds inception in 2000, we have awarded more than \$220,000 in scholarship assistance to over 200 UC students.

This year, two other incoming freshmen received scholarships from the regional alumni networks where they live with funds raised by alumni in those areas. We also awarded 50 legacy scholarships to returning students who have displayed impressive academic achievement and citizenship while on campus.

In all, more than 90 outstanding students are receiving assistance from the UC Alumni Association for this academic year. We thanked our major donors personally at our annual fireworks reception at the University House on Labor Day weekend. Growing the UC Alumni Association's scholarship funds will continue to be a point of emphasis in the years ahead.

Finally, the search process is well underway to identify the Alumni Association's next Executive Director, succeeding David Macejko who left the university last month. The Search Committee is chaired by one of our own Executive Committee members, Steve Simendinger, and includes alumni representatives and staff from across the university community. We expect this important process to move ahead quickly and I look forward to introducing you to our new Executive Director at an upcoming board meeting.

And, now, we are off to San Diego to cheer our nationally ranked Bearcat football team to a 5 and 0 record and I certainly hope I get to see some of you there. As always, thank you for your continued interest and support.

Mr. Niehoff:

Thank you, Bob. Next we have the Student Trustee Reports; the first from Daisy-Malloy Hamburg.

Ms. Hamburg:

Thank you, Mr. Niehoff. Due to the tuition cap for this year, the graduate student governance association's budget remained the same, resulting in a few cuts to their budget. The majority of their budget, for your information, goes to our graduate student travel so that graduate students can present their research at local conferences and national conferences. So, this will remain a priority and then minor cuts will come from mixers and social events.

Graduate students are very excited about the possibility of extending health care insurance coverage to winter quarter. For the past two years, if a student is registered in graduate school full-time and pays their health insurance coverage for autumn and winter quarter through UC, summer and spring quarters were covered at no additional cost. This year, the program could be extended to cover winter quarter as well, so that if a student is registered full-time, they would pay for autumn quarter and receive the rest of the year free. This would be a huge financial relief to struggling graduate students and would also be a good recruiting incentive.

Graduate student governance is following the example of the undergraduate student senate and starting to use Blackboard as a tool to collect information about graduate student needs. Graduate students can have a tendency to stay in their own department and not really intermingle with the rest of campus as much as the undergraduates do. So the Graduate Student Governance Association (GSGA) is really striving to find out how it can best meet the needs of graduate students and work with existing programs, for example, the International Student Services Office and the Women's Center to create programming that caters more toward graduate students' individual needs.

To wrap up, we are all excited school is back in session, classes are in full swing, graduate teaching assistants are ready to go and we are looking forward to a productive year.

Mr. Niehoff:

Thank you, Daisy.

Nick, your final report.

Mr. Furtwengler:

Thank you, Mr. Niehoff. First I want to congratulate Seth Vensil on his appointment. It is an exciting position and I am sure he will do well. Classes are back in full swing and it feels like we have never been gone. I have been working with the freshmen leadership retreat, Camp Bearcat, as some of you may be familiar. It takes place in a weekend. This weekend retreat for freshmen and is designed around four key themes – connections, academics, UC traditions, and service. So it falls much in line with the book presented by the Alumni Association.

We will work over the two days to instill as many of the values that UC students hold dear, including spirit and academics. I have observed an enthusiasm in this freshmen class that I do not recall from other classes. As I was recruiting for Camp Bearcat, I overheard a young freshman lady ask why another student came to UC and her response was because the campus is so beautiful. And it made me smile because I thought back to 2003 when I was a freshman on UC's campus and you had to wander through a maze to get from one side to the other. So UC has come a long way in these past four years and I am confident that the next four will bring just as much change and improvement.

I, sincerely, have enjoyed my 2 plus years, working with everyone at this table. UC has changed tremendously just as the student trustee position has changed. Through more involvement on committees and a closer connection to student life, the student trustee position is constantly changing. I actually receive calls from different student trustees, both graduate and undergraduate, throughout the State of Ohio, asking how UC student trustees are so involved in the decision-making process at the university. And, what I tell them is that we had to work diligently to create influence but the influence would not have been possible without the trustees being responsive and without the

leadership of the university. So it really is a push and pull relationship and it has worked well so far.

So thank you for two successful years and for, so often, listening to the student's perspective. And just on a little bit of a personal note, again I appreciate everyone's dedication to the institution and to the students at the institution here. I will be around for one more year. I graduate in June and, actually, take the Law School Admission Test (LSAT) this Saturday so potentially, I will be here for three more years as a student of law. Is the Dean of the Law School here? I look forward to seeing all of you around campus and in the community and maybe one day as colleagues, so thank you.

Mr. Niehoff:

Seth –

Mr. Vensil:

Thank you, Mr. Niehoff. First, I would just like to say just how excited and honored I am to have this position and to serve my fellow students and the Board of Trustees in this role. Thanks to Nick for doing a great job the past two years. He has given me some pretty big shoes to fill so I really hope that I can accomplish that. As Nick said, we are back to school and some would say unfortunately, I would say fortunately. It was a pretty exciting summer here on campus.

There are two things that I would like to mention from the undergraduate body. This first is that recently Fraternity and Sorority Life presented a check to the Make-A-Wish Foundation for \$22,000 that they raised last spring during their efforts in Greek Week which is a very great accomplishment on their part. Also, I would like to mention the collaborative efforts of the College of Engineering and the College of Design, Architecture, Art, and Planning and College of Business for their work on the solar decathlon house. It has been taking shape all summer and is about ready to be shipped off to Washington, DC to compete; so I know they are all getting geared up and excited for that. If you have not had the chance to see the house, I highly suggest that you go

and see it outside of Braunstein Hall before you have to drive all the way to DC to look at it.

Also, just one more thing. With the new incoming class, as Nick said, they are very excited and very enthusiastic and I can only imagine how greatly the accomplishments and accolades of the University of Cincinnati undergraduate body will continue to grow. So, with that, I would just like to say that I look forward to meeting all of you, working with all of you over the next two years. Thank you.

Mr. Niehoff:

Thank you, Seth. Seth, we are going to win the solar decathlon. It is going to be like the football team.

Student Government Report, Jay Radley.

Mr. Radley:

Thank you, Mr. Niehoff. I do not think it would be appropriate if I did not also express the excitement that the freshmen class has. You know, the Student Government started our applications for the internship experience again and I think it was within about three hours I had one back in the office. So, they are very enthusiastic and I think they are going to do a lot of big things here on campus.

A couple of other things that Student Government has done over the summer – in the spring, we had our Blackboard advertisement pilot which is an effort for Student Government to try and reduce fees that students face. After analyzing it and getting the results, we found that it was not going to be feasible to raise the kind of revenue that we had first projected so there will no longer be advertisements on the Blackboard sight.

Other exciting news is that we have updated the Bearcat Transportation System, yet again, and now there are timed stops so students can go on line and find out what time

the bus is going to be at a certain stop. This makes it a lot more convenient and a lot more efficient for students to get around campus and around the city.

And, with that, just looking forward to another great year and hopefully getting a lot of things accomplished. Thank you.

Mr. Niehoff:

Thank you, Jay.

Mr. Humes:

I just want to make a comment to Nick, Jay, and Seth regarding the students. I thought that you should all feel very proud of the work that your fellow students did at the football game last Saturday night. I have been to a lot of these for a lot of years and it was the most enthusiastic student section and the most compact active student section I have ever seen. Whoever taught those students to do that UC cheer did a heck of a job. It was just fantastic. It was really well done and, hopefully, it is the beginning of a lot more great things to come. So, thank you for any leadership roles that you played in that.

Ms. Rimai:

It appears that we have lost our quorum, so I do not believe that we can vote to go into Executive Session.

Mr. Niehoff:

Yes, we do have five.

Ms. Rimai:

Okay, we have checked and got the rule and so we can go. Just wanted to make sure that we were not messing up on the open meetings law.

Mr. Niehoff:

We checked before we let Dr. Bhati leave.

Ms. Rimai:

Thank you. Sorry about that.

Mr. Niehoff:

I will now call for an Executive Session. At the conclusion of the Executive Session today, the board will reconvene to conduct further business.

Executive Session

Mr. Niehoff:

May I have a motion to enter Executive Session for the purpose of one, conferences with attorneys for the university, concerning disputes, involving the university that are the subject of pending or imminent court action; and two, considering the appointment, employment, dismissal, discipline promotion/demotion or compensation of a public employee or official.

Upon motion of Mr. Barrett, seconded by Mrs. Heimann, the Board voted to enter Executive Session by the following roll call vote:

AYE: Mr. Niehoff, Mrs. Heimann, Mr. Barrett,
Mrs. Buchanan, and Mr. Humes

NAY: None

ABSENT: Mr. Wyler, Dr. Bhati, Mr. Cox, Mr. Heiman

The Board participated in conferences with attorneys for the university, concerning disputes, involving the university that are subject to pending or imminent court action, and also considered the appointment, employment, dismissal discipline

promotion/demotion or compensation of a public employee or official. Upon proper motion and second, the Executive Session adjourned at 11:05 a.m.

At 11:05 a.m., Mr. Niehoff reconvened the proceedings.

Mr. Niehoff:

The special meeting of the Board of Trustees will now be reconvened. At this time the Board will consider adjustments to the President's salary and also the award of an incentive bonus for the 2006-2007 year. Is there a motion pertaining to these matters?

Mr. Barrett:

Mr. Chairman, let me make a brief presentation here. I am actually Acting Chair in the absence of Mr. Gary Heiman. Mr. Heiman became very sick during the night and could not be here and, apparently, he was eating rat food yesterday evening and became extremely sick so we would like to recommend that no more rat food be consumed by members of the Board.

The Compensation Subcommittee is a standing subcommittee of the Finance and Administration Committee and it was approved by the Board of Trustees in that manner. The chairman, Mr. Wyler, appointed Mr. Heiman as the chair, Mrs. Heimann and myself to the subcommittee. We met on August 29, 2007 and present at that meeting, in addition to Chairman Heiman, Mrs. Heimann and myself, were Vice Chair of the Board Mr. Niehoff, the Senior Associate Vice President and Chief Human Resources Officer, Mr. Gary Dent. I do not know if Gary is in the audience or not but, yes, please stand up. I would like to recognize him and thank him for his participation at this meeting. He brings the university thirty years of experience in Human Resources, twenty-one years from General Motors Corporation, eight plus years with the City of Detroit, he brought to the table a wealth of information and statistics and background information which was very helpful at our meeting.

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Also present were Mitch McCrate, Interim General Counsel and I think Mitch is here and Mrs. Heather Huff, the Executive Assistant to the Board of Trustees was present. We carefully deliberated the matter and as a result of that meeting, Mr. Heiman prepared a letter to Chairman Wyler and I would like to read just one paragraph of Mr. Heiman's letter to Mr. Wyler –

“The members of the subcommittee are extremely pleased with the performance of Nancy Zimpher. The members noted the effectiveness of her leadership skills, her excellent communication skills, as well as her ability to strategize when faced with difficult challenges. Reflecting on the complex situation involving The Health Alliance and also the financial predicament of the university, Nancy has displayed the kind of leadership we need at the University of Cincinnati.”

And, Mr. Chairman, I would say that after very, very carefully reviewing everything, reviewing all of the information which we received from Mr. Dent, weighing all of the economic factors and so forth, the committee was able to make a unanimous recommendation. I am going to read Mr. Heiman's recommendation verbatim so there is no misunderstanding.

“Mr. Chairman, the compensation subcommittee met on Wednesday, August 29 and engaged in a thorough discussion regarding President Zimpher's performance. As you will recall, the board, as a whole, entered into a new contract with the President in March of this year. At that time, the Board described the new contract as an investment in leadership. The new contract called for an appropriate increase in the President's compensation which at the time, President Zimpher declined. It is clear that this Board of Trustees is in agreement with President Zimpher regarding the strategic direction of the University of Cincinnati.

The University is not without challenges which is precisely why we need a person with the ability to address the problems we know and understand in a manner consistent with the wishes of the Board of Trustees. President Zimpher has demonstrated consistently her understanding of the Board's intentions and has demonstrated that her priorities matched the goals we have communicated to her.

Therefore, I move that the Board increase the President's salary by 8% and award her a 30% incentive bonus for the 2006-2007 year.”

Mr. Niehoff:

Thank you, Mr. Barrett. Is there a second for that motion?

Mrs. Heimann:

Second.

Mr. Niehoff:

May I have a roll call, please?

AYE: Mr. Niehoff, Mrs. Heimann, Mr. Barrett, Mrs. Buchanan,
Mr. Humes

NAY: None

ABSENT: Mr. Wyler, Mr. Cox, Dr. Bhati, Mr. Heiman

Mr. Niehoff:

The Board has voted unanimously and enthusiastically to approve the recommendation and on behalf of Jeff Wyler who could not be here, I would like to make a statement on behalf of Mr. Wyler. He and I talked about this and worked out the language.

The Board of Trustees is aware of challenges facing the University. Those challenges, particularly regarding to the University's financial situation have become widely known. It has never been fully communicated that this candid and open discussion of the University's finances is a testament to President Zimpher's leadership.

Over the course of two years, literally hundreds of people, the board, administrators, faculty, staff and students have heard updates on the budget process and have participated in finding solutions and in developing priorities for moving forward. We still have work to do but that work will go forward under a plan developed under President Zimpher's leadership.

The University has successfully changed its business practices to promote fiscal discipline and responsible planning. The University's budget process is now based on realistic revenue and expense

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assumptions. Work remains to be done on the cash situation but that, too, has a plan in place involving the Board. Despite these financial challenges that were inherited, the President has developed a responsible framework for evaluating revenue generating proposals as we continue to work for the betterment of this University.

As well as the improvement in our finances, our Board as a second point continues to see the success of UC|21. The voices of students, faculty, and deans have effectively been brought into the University's governance. Student success is reflected in rapidly improving retention rates and steadily improving graduation rates. Students generally saw no tuition increase this year and they, rightly, thanked state government for setting education as a priority. But, the Board recognizes that President Zimpher has been pushing for the state to set education as a priority for four years.

Third, this University has almost, over night, become a force in the revitalization of the Cincinnati region, largely through the impetus of our President. UC is not only at the table but in a leadership role as local government, the business community and social agencies in this area planned for the future.

Leadership is the key. President Zimpher is a leader whose talents could have gained her a position in any environment, including business, government, or charitable foundations. We are lucky to have her commitment here at the University.

Fourth, the academic excellence of the University of Cincinnati continues to improve through the successful adoption of admissions criteria, improvements in student engagement, a strong faculty research program, continually growing enrollments and innovative academic programs, two of which were on the agenda earlier today.

This compensation recommendation is intended to be a reward and a recognition for outstanding performance. Make no mistake about that. It is a reward for the vision and the commitment to see us through the rest of President Zimpher's plan. The Board of Trustees convenes as the fiduciary guardians of the interest of Ohio's taxpayers. Today, we have a simple message. We agree with the President's appraisal of our situation. We agree with the President's plan for the University and we agree that President Zimpher has demonstrated the capability to enact all of the necessary steps to secure a bright future for this great University.

Please join me in a round of applause for Dr. Zimpher.

(Applause)

President Zimpher:

I think I said I wouldn't comment but it is really an overwhelming statement of support for the direction in which this University is moving. I think everybody is excited about our future, dedicated to accomplishing our goals and I want to compliment the Board of Trustees because I really think that each and everyone of you partners in this endeavor and could articulate the message on any given day, on any street corner just about as well as any of us could and that is really the evidence of a true partnership.

And, I think, what we are proving is that we can turn challenges into opportunities. And you do not do that alone, you do it with a team of people from every sector, from every constituency and I think that we have a University to prove it. So I just want to thank you for your vote of confidence, not just in me but, clearly, all the people who work with me and for the University of Cincinnati. So, thank you very much.

Mr. Niehoff:

Thank you, Nancy.

Any other comments?

Our next regular board meeting will be held here in the Russell C. Myers Alumni Center on Tuesday, November 27, 2007. Thank you all for being with us today.

Adjournment

There being no further business before the Board, upon motion of Mr. Barrett, seconded by Mr. Humes, the meeting adjourned at 11:15 a.m.

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H. C. BUCK NIEHOFF, VICE CHAIRPERSON

ANANT R. BHATI, SECRETARY