

**Regular Meeting of the Board of Trustees
November 28, 2006**

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UNIVERSITY OF CINCINNATI

Official Proceedings of the

Two Hundred and Sixty-Seventh Meeting of the Board of Trustees

(A Regular Meeting)

November 28, 2006

The Two Hundred and Sixty-Seventh Session of the Board of Trustees of the University of Cincinnati was opened at 9:36 a.m. on Tuesday, November 28, 2006, 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*.

Jeffrey L. Wyler, Chairperson of the Board of Trustees, presided. Mr. Wyler asked that roll be called.

BOARD MEMBERS PRESENT:

Thomas H. Humes, Phillip R. Cox,
Anant R. Bhati, Jeffrey L. Wyler,
H. C. Buck Niehoff, Gary Heiman,
C. Francis Barrett, and
Margaret E. Buchanan

BOARD MEMBERS ABSENT:

Sandra Heimann

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
Michael W. Carroll, Vice President of
Development and Alumni Affairs
and President of the UC Foundation;

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Sandra J. Degen, Vice President for
Research;
Mitchel D. Livingston, Vice President for
Student Affairs and Services;
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;
Greg Hand, University of Cincinnati
Spokesperson;
Nick Furtwengler, Undergraduate Student
Trustee;
Daisy-Malloy Hamburg, Graduate Student
Trustee;
Robert E. Dobbs, Alumni Representative;
Stephen Thompson, Alumni Representative;
Lynn K. Davis, Faculty Representative;
Robert Faaborg, Faculty Representative;
Ann Welsh, Faculty Representative;
Jerry Tsai, Student Representative;
Heather A. Huff, Executive Assistant to the
President & Board of Trustees;
and the public

(Prior to the Board Committee Meetings and the Regular Board Meeting,
Chairperson Jeffrey L. Wyler began the proceedings at approximately 8:31 a.m.)

Mr. Wyler:

I would like to make a note that Sandy Heimann will not be joining us today and I would also like to announce that Tom Humes has been reappointed by the Governor of the State for a nine year term beginning January 1 and ending in 2016. With a little luck you students over there will have now received your degree. Congratulations, Tom. It is great and I am pleased to see it.

I will now call on President Nancy Zimpher for her remarks.

Report of the President

President Zimpher:

Thank you, Mr. Wyler. To Mr. Humes, also an alumnus of the University of Cincinnati, congratulations and it is great to have you until 2016. As you know, our good news for the fall has really been all about our entering freshmen class, the best and brightest ever present company excluded. That having been said, there is still more good news. Our UC Foundation reported this fall that it surpassed its overall fund raising goal for FY 2006, raising more than \$70.7 million. So, I want to thank our donors and our foundation volunteers, a number of whom are present for such success. Our goal, by the way, was \$61 million so we more than surpassed it.

Business Week magazine did its first-ever listing of the world's top design schools or "D-Schools," as they call them, our College of Design, Architecture, Art, and Planning made the list, of course, which includes schools from Asia, Europe and throughout the United States.

In another ranking, this one from the Princeton Review, our College of Business MBA program was rated among the best 282 Business Schools in the nation.

Our UC law grads have once again returned to No. 1 in the state of Ohio in their performance on the Ohio Bar exam. Similarly, our College of Pharmacy has reason to celebrate: Our 2006 pharmacy graduates passed their licensure exam this summer with average scores that surpassed all others from District 4 which includes Ohio, Indiana, Illinois, and Wisconsin. The highest score attainable is 146 and two of our students had scores in the 140's.

Our co-op centennial celebration continued this month with a re-dedication of the Herman Schneider Quadrangle, which will be completed this next spring. Our groundbreaking ceremony also honored three employers who have been involved in co-op since the very beginning, 100 years ago: Makino, Siemens and Milacron.

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Last month, UC, the Health Alliance and the Lindner Foundation broke ground on the Craig and Frances Lindner Center of HOPE (Helping Other People Excel) at a 35-acre site in Mason. This new mental health facility is made possible through a generous gift from the Craig and Frances Lindner and Carl and Edyth Lyndner, Jr. families and it is expected to be completed by mid 2008.

Later this week, our Infectious Disease Center will mark its 20th anniversary during World AIDS Day. Each year, the center provides care for nearly 1600 people with HIV and sees 200 new cases a year, caring for 85 percent of the HIV cases in the Cincinnati USA region.

This fall our UC men's soccer team made history as the first Bearcat team to win a Big East Championship and earned the Bearcats first appearance in the NCAA tournament as a Big East contender. I want to congratulate, as I am sure you do, Hylton Dayes and the entire team for their Big East title.

UC's Hank Hildebrandt, professor of interior design, has been named one of five "A+" teachers. This top designation appears in the fall 2006 issue of *Perspective Magazine*, the journal of the International Interior Design Association.

Cincinnati Magazine again recognized UC in its "Best of the City" issue. Among the 101 favorite things cited by the magazine were the DAAP fashion show and the new Campus Recreation Center.

While we are on the subject of the Rec Center, I should add that the Rec Center is set to "pig out" on fitness as we team with the city to get students in shape for the May 2007 running of the Flying Pig Marathon. Beginning in January, the center will host 32 lunch-and-learn sessions to teach students the fundamentals of running.

Internationally this fall, we hosted two major delegations: one a high-level visit from leaders of Shandong University in China, to sign our agreement to open a joint Center for Urban Research, and the other involving high-ranking law enforcement

officials from Turkey. The latter will work with UC Criminal Justice on joint research on terrorism and continuing studies for Turkish students interested in advanced degrees. UC currently hosts more than 20 representatives from the Turkish National Police who study here.

And, speaking of the police, our own UC “finest” earned city-wide recognition this fall for their efforts to create a safer environment in and around campus. The Cincinnati Police Department presented UC Public Safety with an award for community-based policing.

That is a lot of good news and I have seen a lot of people this morning who were a real part in leading us to the distinction that we have recognized this morning and I just want to thank everyone who has played a role in today’s good news.

As is our custom, we will have the annual report now on research presented by our Vice President for Research, Sandra Degen. Sandra –

(Sandra Degen, Ph.D. Vice President for Research, gave the following presentation on the 2006 Report on Research, utilizing PowerPoint slides. A handout consisting of copies of the slides 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.)

Dr. Degen:

Thank you, Nancy. I am honored today to give the annual report on research at the University of Cincinnati with numbers from fiscal year 2006. As Nancy mentioned, this is an annual report and I am going to do it a little differently than in the past and not highlight specific faculty but I will tell you what we are doing in that regard.

The talk today will discuss the numbers behind research. We are scientists so numbers mean a lot, but then I will talk about what this means beyond the numbers, how we are doing on the research strategic plan that was finalized last spring and, then, some successes in the past year.

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These are the numbers for fiscal year 2006. We, again, topped \$330 million in new grants to the University of Cincinnati. This is truly a significant achievement in view of the fact that at the federal level there is a significant decrease in funding and I will talk about that in a second. As you can see, we leveled off from last year but we actually had about \$400,000 more than fiscal year 2005. There was a significant doubling in our research enterprise between 1998 and 2003 and that coincided with the doubling of the National Institutes of Health budget at the federal level.

When we look at these numbers in more detail, our funding comes from four different sources, primarily from the Federal Government, from the State, from Industry and from non-profit organizations but 86% of our funding comes from the Federal Government and, again, I will talk about that in more detail.

Another indication of how we are doing is the translation of our research from the bench to the general public and that is through technology transfer and our intellectual property office. There are a lot of numbers on this page but I will highlight a few. "Invention Disclosures" – these are disclosures from our faculty and students with regard to their intellectual property and the potential for this to be something significant to help the public. In the past year, we significantly increased the number of disclosures from 89 in 2005, to 106 in 2006. This is because we had a new initiative to get to the faculty; to have more interaction, to educate them and I can see that we have had a difference there. The number of patent applications which should result from those invention disclosures also significantly increased to 73 from 60 the year before.

Patents issued – this is not in our control; this is at the federal level but we had an increase of 2 (from 9 to 11). The one decrease was in royalty income. We would really like this to be higher. We had \$742,000 last year. This is something that we cannot control. All we can do is mine for intellectual property from our faculty. The more we can do that, the higher chance of success in the future. It also takes a very long time from the time of the discovery to the time that we get royalty income for that.

And, then, in 2006 we had two new start-up companies. Again, this is something that we are encouraging our faculty to do more of. We keep pushing our faculty to submit more grant proposals; as we say, we will not get grants if we do not try. So, last year we had a little decrease in the number of grants submitted from the previous year. We had 1,702 but as you can see, in 2004 we were at 1500. So it is a significant increase. It is my job, as well as the Associate Deans for Research in each of the colleges, to keep the morale up of our faculty. When they get a negative review, we have them submit again. Most of us have been through this before and persistence is the name of the game. And, again, with the federal situation it is more important than ever. So, I keep referring to the federal budget.

54% of our new grants come from the National Institutes of Health which mostly go to the College of Medicine. 70% of our grant support goes to the College of Medicine and as you can see, we are highly dependent on the National Institutes of Health. The NIH enjoyed a doubling of its budget over a five year period from about 1999 to 2004; but since then has been below inflation and, in fact, is negative. That has a significant impact on our research enterprise. It not only impacts the grants awarded, but new students in the pipeline look at this and say, “why should I enter this profession”? It is too difficult, and we have been there before. In the early 1990’s, we were there. We have weathered the storm with a new administration and, hopefully, there might be a new opportunity to increase funding.

The most important thing is, in view of the difficult funding situation, we still had a \$2 million increase in awards from the NIH. I do not know what will be happening this year. Again, it is for us to keep up morale, provide infrastructure and the tools for our faculty to be successful.

So, again, we were over \$330 million. This is significant. It places us, again, in the top twenty- five of all public institutions with regard to federal research and development expenditures. The things that we can control with regard to technology transfer, which are invention disclosures, start up activities and patent applications, all

increased. We will keep at that and, hopefully, have a big win in the future. And, we will keep working on getting our faculty to submit proposals.

One of our aspirations is to be selected as an AAU university. We have chosen ten universities who are members of the AAU as our “aspirational” universities because they are most like us. As you can see, with regard to grant funding, we are right in the middle of the pack. So, at least with this indicator, I feel, we certainly deserve to be there; and hopefully, in the near opportunity there will be that chance.

But, research at UC is much more than the numbers. We celebrated this past year, as Dr. Zimpher mentioned, the 100th anniversary of co-op. We now have research co-ops. It was the 100th anniversary of the College of Business and, significantly for us, it was the 60th anniversary of the invention of Benadryl by Dr. George Rieveschl.

We also had several opportunities to highlight research at UC in public forums in the past year. We held Showcase UC with over 2,000 people in attendance. We will be offering this Showcase every other year. This year, we are on hiatus ; but then next year we will be doing it again. We had the Innovation Imperative, which highlighted innovation in research service and education at the university, where we brought in thought leaders from around the United States to look at new ways of doing these things.

We have summer undergraduate opportunities for research at the University of Cincinnati with about fifteen different programs on campus with over 200 students that we brought here from all over the United States; and we are working to improve those numbers. And, then, finally, the research building that is under construction was topped off a few months ago and that is an Academic Health Center, called the CARE/Crawley Building.

Last spring, we finalized the Research Strategic Plan and as part of that plan, there were several different goals that are highlighted here. They were: to invest in interdisciplinary research programs and centers/institutes since that is something that we can capitalize with our uniqueness at the University of Cincinnati; to establish offices for

undergraduate research and for post-doctoral fellowship; to create new orientation programs ; to give our faculty and students the tools to have successful research programs at the University of Cincinnati; to streamline and remove barriers to research, the bureaucracy is ever increasing and we need to make it easier to deliver it to our faculty and not make it a hindrance to performing research; to improve the research infrastructure; and then, finally, to coordinate approaches to market the commercial potential of our new discoveries to the public.

With regard to the strategic plan, we have implemented or started to implement several of these initiatives. With regard to interdisciplinary research, the University Research Council, which is a council that has been in existence for many years, has devoted, last year, \$100,000 and this year \$200,000 to new pilot projects with regard to interdisciplinary research. These are projects that require faculty from at least two different colleges to collaborate together with the goal of once they get these little pilot grants that they will then, after they get their preliminary data, submit grants to national agencies based on their research. In addition, we provide \$400,000 for other university research council grants to faculty and students.

We also have been providing grant-writing workshops to our faculty. Two weeks ago, we held two workshops, one in the sciences and one in the arts and humanities for over 250 faculty post docs and fellows. Those attendees now have the opportunity to participate in an intensive grant writing workshop where our outside consultant works one-on-one with up to 30 of these applicants. I can tell you that the deadline is Thursday, and we probably already have about 40 people who have applied to this program. The goal of this program is that by July 1, 2007 each one of those people will have submitted a grant. We know from past experience that many of them get their grant on the first time, which, in this time, is a difficult thing to do.

And then, finally, I can proudly say that we decided, along with Public Relations, to start a new publication here at the University of Cincinnati called *UC Research*. My goal for this quarterly magazine was to highlight what our faculty does. These people are dedicated and outstanding faculty. They are world class faculty and, I think, being

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typical mid-westerners, we do not toot our horn enough and this was our way of tooting our horn and recognizing these faculty. They do not ask for a lot but this is something that this, along with the awards ceremony that we held last May, gives them their due.

Dama Kimmon, who is in the audience, is the editor of this quarterly magazine and it is distributed throughout the United States to alumni, legislators, friends of the university, other presidents, vice presidents and provosts. It is a way to show the world that we are a top 25 public university with regard to research; and that is a significant achievement. We are in the top 50 of all universities and colleges in the United States. So, this is a way to let people know what we are doing, and to increase our reputation.

Then, finally, this year we have the first quarter results with regard to new grants. I, thankfully, can proudly tell you we are up compared to last year. This is a quarterly distribution of how grants come in to the university but last year at this time, for the first quarter, we brought in almost \$40 million in new grant support and for the first quarter of this year, we are at \$54 million. So, that is exciting news. I do not want to put a damper on it but you can see that the funding is rather sporadic throughout the year. We are on a continuing resolution at the federal level, meaning that no budget has been approved and because of that no grants are being approved. So I can assure you that the second quarter is going to be down but after that, the budget is approved in January then they will release lots of grants.

So, the future looks bright for us. We are trying to weather the storm with regard to the federal budget but I am proud to say that with over \$330 million in new grant support with the wonderful achievements of our faculty, with the transfer of the technology to the public, that the research enterprise at the university is doing very well.

Then, finally, I would like to let you know that there are two publications at your desk that give you much more detail about this one, a lot of detail about every new grant that came into the university last year and then a summary annual report that will be an insert into the third issue of *UC Research* magazine but it gives you the numbers that I presented here. Thank you. Any questions?

Dr. Bhati:

\$332 million grant is a pretty good grant. Does that include the Children's Hospital?

Dr. Degen:

Yes. Every year we report UC plus its affiliates because they are our faculty so it does include Children's Hospital.

Dr. Bhati:

The one thing which I keep looking at is three years patents as being only 11, 9, and a 12. So they are not getting a little bit better?

Dr. Degen:

Yes, but if could see the visual, which I was shown, of a picture of one aisle at the US Patent Office of patent applications ; that is out of our control. The more we put in, hopefully, the more will come out. So, we did increase the number in.

Dr. Bhati:

And, the other thing is, grant submission is fifty- two times less than last year. I thought you would have increased grant submission more than that.

Dr. Degen:

Fifty-two grants less; yes, I agree. We have been monitoring that number every quarter; we have been telling the deans, by department, how they have done in the past. We have been pushing and pushing and that is all we can do. So, I agree, it is down.

Dr. Bhati:

Good job. Thank you.

Mr. Humes:

Is there any long-term prognosis for funding for reaching out over the next five to ten years?

Dr. Degen:

Yes, at the federal level, there is. There is a goal to double the National Science Foundation budget, as part of what is called the Academic Competitive Initiative (ACI) and that was on track until the continuing resolution went in place to go into effect. So, that will happen. The Director of the NIH is trying to be very prominent and very vocal about the role of the NIH, what it has done for the health of Americans and I actually have every expectation that that budget is going to increase. It is not going to continue to double as it has over the previous five years but it has got to be above the top of the cost of living. They are hearing it. In *Science Magazine* they report the numbers, the casualties. The real worry, about young investigators, is our pipeline; they are our future and they are getting discouraged. So I think we have gotten to a point where it is getting critical and there is every hope that the government will hear that. I know at the NSF – yes, there is a plan to double that budget and we get a part of that. So that is good; but the goal is to be advocates to get the NIH budget increased. Thank you.

President Zimpher:

Thank you, Sandra. We really made a big deal of our entering freshmen class and our new students, including transfer students and, of course, all of that happens in September but it takes weeks and weeks to settle out the real numbers and to really know where we stand. The official count is in and, therefore, we thought that this was the perfect timing to give you a presentation on student enrollment. We will hear from Mitchel Livingston, Vice President for Student Affairs and Services, from Tony Perzigian, Senior Vice President and Provost for Baccalaureate and Graduate Education, and Carolina Miller, Associate Vice President for Enrollment Management. So, how many people does it take to tell the story – these three people. Tony --

(Mitchel D. Livingston, Ph.D., Vice President for Student Affairs and Services, Tony Perzigian, Ph.D., Senior Vice President and Provost for Baccalaureate and Graduate Education, and Caroline Miller, Ph.D., Associate Vice President for Enrollment Management gave the Enrollment Report to the University of Cincinnati, Board of Trustees, utilizing PowerPoint slides. A handout consisting of copies of the slides 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.)

Dr. Perzigian:

Good morning and I am pleased to be joined by my colleagues, Mitch Livingston, Vice President and Dr. Caroline Miller, who is Associate Vice President for Enrollment Management. Before introducing Caroline, Mitch will provide an overview of UC's strategic enrollment management operations and structure. But first, my part is to impress upon the board the complexity of managing enrollment at UC. In fact, it is an immensely complex endeavor and to be successful, the university must manage across multiple markets, multiple constituencies and, dare I say, multiple product lines.

Like any business, we must change and adapt or go the way of the dinosaur and our product lines, of course, are critical to that. Indeed, Mr. Wyler, imagine managing sales across 574 product lines. For UC, those product lines equate to a total of 574 degree programs. UC now offers 98 doctoral, 170 masters, 167 bachelors, and 139 associate programs. Enrollment management includes not only the recruitment of new students to those 574 product line degree programs but really successful enrollment management means crafting seamless pathways. So, Johnny or Sally can acquire an Associate's Degree at Raymond Walters or Clermont on their way to earning a Ph.D. in Physics or an M.D. and we are hard at work in crafting those pathways.

Successful enrollment management is also based on knowing the prospective student market, a student market that is reflective of state, local, national and international demographics and indeed we must be market savvy. Our prospective students have ever changing career interests. Our prospective students are diverse in every imaginable way, especially in terms of preparedness for college and the economic means to afford an education.

Enrollment management must also be attuned to an increasingly competitive higher ed environment and we must be strategic and adaptable, especially as we face increasing encroachments from the for profit sector and I am thinking of graduate

education, the commonwealth nations are becoming increasingly successful and attracting and taking students away from our perspective graduate student pool.

Indeed, enrollment management at UC is complex, as we deliver 574 degrees to a diverse mix of students in-state, out-of-state and international. A mix of students, some of whom need maybe a full year of remedial education or some of whom who come here with enough AP credit to be advanced sophomores or early juniors; a mix of students who matriculate as freshman or transfers or graduate students, indeed a diverse mix of students, some of whom want a traditional campus life or some of whom are just content to sit at their computers in Fiji or Fairbanks and take their criminal justice masters degree on line.

And, finally, we are dealing with a diverse mix of students who are facing higher admission standards, facing higher and higher tuition costs. Effective enrollment management thus is not possible without very strategic pricing and discounting strategies and we think we are on the road to approaching this more strategically than ever before, especially with our scholarship policies which will be an action item on today's agenda.

And, finally, some of you may have seen a Thanksgiving Day editorial in the *New York Times*. It pointed an accusatory finger at the flagship universities, accusing us of becoming engines of inequality where admission standards are being raised and where disproportionate financial aid is going to more affluent families. For us, effective management requires smart financial aid policies. We need to carefully manage need-based aid and merit-based aid and thus lessen our exposure to the risk of becoming one of those engines of inequality, not exactly the original purpose or mission of the public universities.

Finally, enrollment management needs a maestro, it needs a choreographer and Mitch will introduce our maestro, Caroline Miller.

Dr. Livingston:

Good morning, everyone.

As Tony indicated, the University of Cincinnati has a long history of enrollment planning and he spoke very specifically about the complexities of enrollment management. It was some ten years ago that Tony and I took ten faculty and ten staff to a national meeting on how to do strategic enrollment management and, indeed, following that meeting we came back to campus and created our first Strategic Enrollment Management organization that we now refer to as SEM. SEM is composed of five vice presidents, the chair of the Faculty Senate, two deans, and other administrative support staff, as well.

But the real work takes place in five operating committees. There is a management team, headed by Dr. Caroline Miller, my counterpart representing Student Affairs and Dr. Kristi Nelson from the Provost's Office. There are four working committees that really do the heavy lifting and they include the new student enrollment committee, our policy and practices committee, an access committee and a success or retention committee.

More recently, we have upgraded SEM to an integrated enrollment model that allows us to better align enrollment numbers, with budget and with institutional capacity in terms of course sections, faculty, services, facilities and the like. So, this is the backdrop, if you will, for the presentation that you are about to receive from Dr. Caroline Miller. She will talk with us about how managing enrollment at UC is like diversifying an investment portfolio. Caroline –

Dr. Miller:

Thank you, Dr. Livingston and Dr. Perzigian.

Tony mentioned the role of a choreographer and prior to coming to UC, I actually thought about enrollment management as being the job of a choreographer but I have learned since coming here that it is really more akin to diversifying a portfolio in a place like this. The analogy rings particularly true as it relates to the importance of the success and the investment of success in our students and the healthy enrollment balance required

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to achieve this success. Moving from general to specific in the next few minutes, I would like to share with you the strategies surrounding our planned investments with a clear focus on student success and targeted enrollment outcomes.

Many of you know that fifteen or twenty years ago, UC was larger than it is today. The low point in terms of our enrollment came in 2002 and it is notable when you look at the last period of five to ten years, the growth at UC has come largely from our graduate program and from our regional campuses. Beginning in 2002, but finally showing benefits in 2004, UC has placed a priority on shoring up undergraduate, uptown enrollment. This fall, UC's undergraduate enrollment was just shy of 20,000 at 19,977. This is for the first time since 1997 that we have achieved these numbers.

UC has seen significant shifts in undergraduate enrollment during this time, closing two colleges and now focusing on growth in our traditional baccalaureate programs. You have seen this slide before but it is important to note that a big piece of this investment is in improving our retention rates. Very few students dream to come to college to become a drop-out and improving retention, to me, is a bit like watching grass grow. We can invest in fertilizer but it takes a little while to get that lush green lawn in terms of where we want our retention to be. This chart shows the *U.S. News and World Report*, sort of poster child retention numbers, the one that is measured and compared nationally.

These games that you can see up to this current year largely reflect improvements in the results of our Success Challenge funding and, more recently, UC|21 projects directed at retention. The more notable improvements in admissions criteria will not really show up until next year in terms of change. So, this is not about creaming, in terms of milling the numbers, this is really about improving the likelihood of success for our students at UC.

First-Time Full-Time Degree Seeking students are always the focus when people talk about enrollment management and it is an important focus but it is not the entire picture. In the enrollment business, we have a technical term and it is known as

“wobble”. Enrollment, in a place as complex as UC, is rarely going to be linear. Saturday I was reminded of a comment by one of our football coaches in the nature of entrusting our success in choices made by eighteen year olds, many of whom have girlfriend problems, “I trust my success not only to their choices but to the ability of all of my twenty somethings that work in admissions to convince and sell the UC story.” It is bit of a daunting challenge when you think about this but as you look at this slide, you can see our steady growth in terms of the entering freshmen class and, particularly, the focus in the last five years in terms of our baccalaureate programs.

This is Dr. Perzigian’s favorite slide. There is an urban legend at UC that students who start at our regional campuses do not come to main campus. If there is a success story in terms of our enrollment, it is this. We have invested significantly in advising and improved articulation agreements with our branch campuses in helping those students move and find success at UC. Some of this involves resident credit centers, taking some of our baccalaureate programs out to the regional campuses, but you can see from this that our students, indeed, do transition to main campus. I might add that those students who come here frequently do better than students who start with us, at least students of similar profiles, when you control for that. So, this is indeed, an important part of our enrollment strategy now and going forward.

Much has been said about diversity enrollment at UC. If you look at the longer term, you can see in the years when we were actually losing undergraduate enrollment, the dip did not come from our diversity students; the dip actually came from the majority students. This chart reflects both the change in our continuing mix. The green line is international enrollment – UC grew fairly dramatically until 9-11 and we have been fairly steady in terms of international students since then. The group, while our numbers are roughly the same this fall as they were previous fall, has seen an increase in the number of new international students both at the graduate and the undergraduate levels this fall.

You can see that through this window of time, our diversity enrollment has also held fairly steadily with the introduction of new admissions criteria. It was an item that we watched very closely. We did see roughly a 1% drop in terms of diversity enrollment

in the freshmen class but all of that 1% is due to a slightly smaller center for access and transitions and not reflective of the profile of the baccalaureate class.

UC has invested heavily in distance learning in the last few years. I think this chart speaks for itself in terms of our students who, as Tony says, sit in Fiji or Fairbanks and take their degree work. Some of this also reflects students who choose distance learning options who are actually campus based students in terms of this, as well.

If I were a member of the Board of Trustees, I think it would be important to know that we are measuring ourselves against some goals and expectations, not just against what did you do last year. My colleagues Kristi Nelson, Fritz Russ, Neville Pinto and I, baked this round with the deans for the last three years, set enrollment targets, worked with them in terms of their expectations, what they can manage, what they can handle, brought all of this up in terms of a set of enrollment targets that you can look at in terms of new freshmen, new transfers, new graduate students, total enrollment and the like.

Here is the high level view of it. You can see that we achieved our undergraduate enrollment goals this fall, actually overachieved them by 181 students, missed our graduate enrollment targets, largely because of some aggressive goals and a couple of our distance learning programs but, in general, came pretty close to hitting the magic number in terms of our targets.

Here's a little bit lower level view. This is the freshmen class. The black dot is what the deans told us we should hit; the red bar is what we actually achieved. It is important to note that even with all of the changes in our entering freshmen class, we actually achieved a baccalaureate class of equal size of the previous year with stronger profile. This was led actually by strong and real gains in the College of Business and the College of Engineering.

So, that is where we are. Where do we need to go? I am pleased to tell you that applications for fall 2007 are up 15% over last year. Our transfer applications across all

quarters continue to grow, making UC a destination campus. I will tell you that much of our enrollment strategy, on the undergraduate side, is about getting students to come to UC and see this magnificent place; and as we are sitting here, in addition to getting students to come here, we are hosting fifty guidance counselors in the faculty club, making sure that the guidance counselors come to UC to tell the story as well.

We have seen major shifts associated with collegiate structures. Those are now behind us and growth is on something that, I guess, gardeners call “healthy and new wood”. We are working on strategies to extend our clear differentiator co-op into areas of other forms of experiential learning including internships and undergraduate research, as well as service learning. Those are important aspects in terms of what talented students are looking for; we have a lot of it at UC and we are working on telling the story more clearly.

Also, as for the future, growth must come from markets that we are currently under-tapping. The demographics of Ohio and the Midwest, in particular, suggest that if we are to continue to grow, we must obtain students from places that we are not currently. Growth must come from increasing the percentage of college goers, Senate Bill 311, or the Ohio Core is an important strategy in assuring that more students are ready and able to come to college. Out of state, the Domestic and International, is also an important part of the strategy. A group that I call the “over 24” crowd who used to be at UC in significant numbers would come back if we would provide options and programs that meet the structure of their lives; and we need to look at strategies to attract those students.

And, the pipeline for students coming to college is increasingly diverse. But many of these students come from increasingly challenged financial backgrounds and if we have a worry in this picture, it is that our costs complicate the recruitment strategies in each of the markets that we need to move into.

Relative to graduate enrollment, part of our strategy here is looking at clearly articulated masters programs, programs that connect with our baccalaureate programs; so

it is a natural extension for students to start with a baccalaureate program. Tony mentioned seamless pipelines, a great example of this is our Engineering ACCEND program where students actually do the baccalaureate and the masters, either in an engineering discipline or with our MBA in five years. Couple that with co-op and what a great positioning a student has in terms of the job market. Looking at innovative graduate programs and solutions like the soon to come Venture Creation MBA and continuing our focus and maintaining the enhancement of our strengths in SEM and our Health Care, are clear strategies relative to the graduate market.

Tony mentioned this, as well. The commonwealth nations have taken a big step in terms of attracting international students and in addition to this, the Bologna Degrees in Europe – those are three year baccalaureate degrees – attract many students in terms of the undergraduate business and part of this is not only understanding what those degrees are and how we can compete with them but also how those degrees might articulate with our graduate programs in terms of attracting those students.

Much of the nation's discussion around STEM, centers around the lack of domestic students enrolling in STEM programs. We need to do a better job of attracting domestic students in our engineering, math, science disciplines. Over half of the graduate degrees awarded in engineering, for example, from our nation's research institutes are being awarded to foreign nationals.

And, finally, one cannot be an urban campus without focusing on the issues of diversity and making sure that students see this as an attractive place to pursue their degrees. So encouraging our diversity students to continue graduate programs and find roles in the professoriate is a key part, long term, in terms of our enrollment strategies.

You have in your packet some quick facts, things you might want to pull out of your hat at the cocktail party or know the answers to about UC. As I say, I think is a great story. My boss finally refers to me as the “numbers geek”, a compliment that I take very, very much to heart. But I would also like to share that a big piece of this enrollment strategy is about relationship management and working with school

counselors, with families, with students, with those who send students to us so that we can achieve this success. Any questions?

Dr. Bhati:

I must have missed the slides regarding the graduation rates?

Dr. Miller:

I did not include those here. As our retention rates have been climbing slowly, our graduation rates have also been climbing slowly in the last five years. They have moved from 48% to 52%, still an area for work but one that we are making progress on.

Dr. Bhati:

Thank you.

Mr. Humes:

Our instate freshmen class represented 92% of the total class. Do you have any breakdown on what percent of that came from the Greater Cincinnati area versus out of Greater Cincinnati and how that would compare to past trends?

Dr. Miller:

I do have them and I can send you the numbers in detail but I will tell you that within 50 mile radius group is about 50% of the freshmen class; go another 50 miles and you pick up another 30% of the freshmen class. We do have students from 80 of our 88 counties. One of the things that was intriguing to me about this year's freshmen class is that the actual, sort of, beltway high schools are the areas where we saw our greatest growth and change in this particular freshmen class.

Mr. Humes:

Our greatest growth opportunity is the over 24 student. What happened to all of the people who were attending Evening College? Where did they go and what happened to their degree aspirations? Did they enroll in other colleges? How did we deal with that and is that a direction that you are prescribing as a potential?

Dr. Miller:

Well, that is a really complicated question and most of where they went predates me. But, I did a little bit of digging with the help from some of the folks in institutional research. We know that many of those students did move into our traditional colleges as part of the Collegiate Structures initiative program moved from Evening College to Arts & Sciences or Applied Science or someplace else and so some of those students did get absorbed into UC. Some of those programs have not been universally available to complete the program in the evening and so, I think, we have seen some loss in those students over time. The distance markets, University of Phoenix and the like, have picked off some of those students. Some of the market in terms of UC in general has been getting younger and younger student population. It is a population that is under served in Cincinnati and one that we could target, as the College of Business is targeting in terms of their extension of evening programs. It is probably a mix of distance and evenings given the way adult students run their educational process now.

Dr. Bhati:

I think Tony might be able to answer that question in a little more detail because he was a pioneer in trying to organize the distribution of the evening courses at that time; so he could probably tell us what happened to those students.

Dr. Perzigian:

A great many of those programs were migrated to basically three colleges, the College of Applied Science, College of Education, Criminal Justice and Human Services, and Arts and Sciences. Some programs were deliberately phased out. For example, Evening College had an Engineering Program and part of the collegiate structure initiative was basically to reduce some redundancies in the system so Engineering, for example, when Evening College was deliberately shut down, students were grandfathered into their degrees.

The IT Programs from Evening College were migrated to the College of Applied Science (CAS) and new degree programs were created there and CAS continues to offer

programs in the evening. Another big ticket program, the Criminal Justice Program in the University College, then was moved to the College of Education, Criminal Justice and Human Services (CECH). The business programs that were offered to CECH, most of that was consolidated in Arts & Sciences in the creation of a new program, Organizational Leadership. So we are carefully monitoring that and some programs were deliberately phased out and others were basically morphed into new degree options, such as the IT Program at CAS.

And, finally, University College, the roll it was playing in terms of serving under-prepared students, morphed into the creation of the Center for Access and Transition and that has been in existence for three years now; and we are seeing that retention rates have improved considerably.

Dr. Bhati:

Thanks, Tony.

Mr. Wyle:

Thank you, Caroline.

Tony, as someone who is familiar with marketing different product lines as you mentioned, I have a rule in our organization that you might want use. That is: I really do not care what kind of car the person drives as long as my name is on the back. For consumers that are coming to the University of Cincinnati, we really do not care what kind of degree they get as long as they come and get the degree. So that might be your new motto.

We are going to go into our committee meetings now. The first committee meeting will be the Academic and Student Affairs Committee and Mr. Niehoff is the chairperson and Dr. Bhati, Mr. Humes and Mr. Heiman are members of that committee.

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THE BOARD COMMITTEE MEETINGS

(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 9:20 a.m.; the meetings concluded at 9:34 a.m.

THE REGULAR MEETING OF THE BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was convened at 9:35 a.m. and, as noted on the first page (page 399) of these minutes, roll call was taken.

Mr. Wyler:

I will call the regular meeting to order.

Mr. Humes:

Mr. Chairman, before we move on I would like to return to the reports for just a minute that were made by our top administrators and I think we would be remiss as a board if we did not take a moment to congratulate Dr. Degen and Dr. Perzigian and the enrollment team on the tremendous work that they put forth to achieve these results. You know you sit here and you listen to these things and it is incredible when you stop and think about how many hours and how many people worked so hard and totally dedicated themselves to making these things happen. The significance of both of these are fantastic. So congratulations to you and, please, thank your teams for all of the work you did.

Now, in addition to that, I think you really should think about that opportunity in terms of the evening students. I know you are looking at the “over twenty-four” students, but when we see the springing up of the capital projects of the other institutions that are spreading all around the city, there is a market there. I know we have academic issues that we have to deal with, but there certainly is a market opportunity there and I think that

part of our role at the university is to meet the educational needs of our community. And, I think, that is something that we should take a very careful look at.

Mr. Wyler:

I would like to take a minute here to bring to everyone's attention the Ohio Core proposal. The Board would like to formally state our support of this very important initiative and I am now going to read that for the record.

**BOARD OF TRUSTEES' RESOLUTION
IN SUPPORT OHIO CORE LEGISLATION
(Senate Bill 311 and House Bill 565)**

WHEREAS, maintaining scientific and technological leadership is essential to our nation's economic growth, national security and a productive future for our children; and

WHEREAS, Ohio – and the nation as a whole – is facing a critical talent gap in science, technology, engineering and mathematics (the “STEM” disciplines); and

WHEREAS, Ohio's competitive position – and its opportunities for thriving in a global economy – will be won or lost based on the quality of our human capital and their collective capacity for leadership in innovation; and

WHEREAS, too many of Ohio's young people are graduating from high school unprepared for what will be required of them in college and in the workplace, where they increasingly will be competing for jobs with workers from around the world; and

WHEREAS, despite the fact that an increasing percentage of jobs require some level of postsecondary education, Ohio ranks well below the national average for college participation and degree attainment; and

WHEREAS, the evidence clearly shows that students who complete a rigorous core curriculum in high school have more choices and greater opportunities, and are more likely to enroll in college and earn degrees, regardless of gender, family income, race or prior level of achievement; and

WHEREAS, to close “the talent gap,” Ohio must improve math and science education in our public schools and inspire more of our high school graduates to pursue careers in science, technology, engineering and mathematics fields; and

WHEREAS, legislation has been introduced in the Ohio General Assembly to implement the “Ohio Core” proposal, which calls for all Ohio high school students to complete a rigorous core curriculum, with a special emphasis on higher-level science and mathematics courses; and

WHEREAS, many other states are moving forward with plans to implement a rigorous core curriculum in their high schools; now

THEREFORE, BE IT RESOLVED, on this twenty-eighth day of November, 2006, that the Board of Trustees of the University of Cincinnati supports the immediate passage of the Ohio Core legislation (SB 311/HB 565) by the Ohio General Assembly.

Mr. Wyler:

May I have a motion, please?

Upon motion of Mr. Humes, seconded by Mr. Heiman, the Board approved the Board resolution.

**Approval of the Minutes of the September 26, 2006 Regular Meeting and
Approval of the Minutes of the October 27, 2006 Special Meeting**

Mr. Wyler called for additions, corrections, or deletions to the minutes of the September 26, 2006 Regular Meeting and the October 27, 2006 Special Meeting of the Board of Trustees. Upon motion of Mr. Humes, seconded by Mr. Niehoff, the minutes were approved as distributed.

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, the Board-Administration Committee, and the Finance Committee at their respective meetings held on November 28, 2006, prior to the Regular Meeting of the Board of Trustees.

Academic and Student Affairs Committee Recommendations

**06.11.28.01 UNIVERSITY POLICY FOR UNDERGRADUATE
SCHOLARSHIP AND GRANT AWARDING AND
ADMINISTRATION**

It is recommended that the Board of Trustees approve the University Policy for Undergraduate Scholarship and Grant Awarding and Administration. This policy will provide the University an opportunity to blend and manage funds in a more collaborative and cooperative fashion as they relate to scholarship/grant awards. College scholarship coordinators will be asked to enter all awards into the student information system to allow a better assessment of the impact of university awards on the yield of new students. Current practices sometimes lead to confusion by recipients regarding the content of aid packages and sometimes create "over awards." Increased collaboration and more effective leveraging will net the University an increase in high-achieving students and maximize the impact of our scholarship resources.

06.11.28.02 RECOMMENDATION FOR PROMOTION

It is recommended that the Board of Trustees approve granting of promotion for the following faculty member effective September 1, 2006. This recommendation has been approved through the process of progression through the department, college and the Senior Vice President and Provost.

FROM ASSOCIATE PROFESSOR TO PROFESSOR

College of Education, Criminal Justice, and Human Services

Virginia Gonzalez	Teacher Education	Has Tenure
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06.11.28.03 EMERITUS STATUS FOR FACULTY MEMBERS

It is recommended that the Board of Trustees approve the following emeritus status for the faculty members listed, effective upon the date of their retirement from the University. The nominations have been reviewed and positively recommended by their faculty colleagues and deans.

Richard Day, Professor Emeritus of Chemistry, McMicken College of Arts and Sciences

Rhoda Halperin, Professor Emerita of Anthropology, McMicken College of Arts and Sciences

Frank Varga, Associate Professor Emeritus of Microbiology, Raymond Walters College

**06.11.28.04 MARY M. EMERY CHAIR IN PATHOLOGY,
COLLEGE OF MEDICINE**

It is recommended that the Board of Trustees approve the appointment of Gregory S. Retzinger, M.D., Ph.D. as the Mary M. Emery Chair in Pathology with the College of Medicine, effective September 1, 2006. Documentation to support this recommendation is attached.*

**06.11.28.05 ESTABLISHMENT OF THE VICTOR H. AND ODETTE M.
HAAS ENDOWED CHAIR**

It is recommended that the Board of Trustees approve the establishment of the Victor H. and Odette M. Haas Endowed Chair effective November 1, 2006. Documentation to support this recommendation is attached.*

**06.11.28.06 APPOINTMENT OF EMERITI
COLLEGE OF MEDICINE**

It is recommended that the Board of Trustees appoint Robert B. Horton, D.D.S. as Professor of Clinical Emeritus with the Department of Surgery effective September 1, 2006 and Randal E. Morris, Ph.D. as Research Professor Emeritus with the Department of Cell and Cancer Biology effective September 1, 2007, College of Medicine. Documentation to support the recommendations are attached.*

* Filed with Board papers

Board-Administration Committee Recommendation

06.11.28.07 AMENDMENTS TO UNIVERSITY ADMINISTRATION RULES

Synopsis: Amendments to various university rules to reorganize and reduce the number of standing committees of the Board from seven to four.

At the September 26, 2006 meeting of the Board of Trustees, Chairman Wyler described a proposal to reorganize and reduce the number of standing committees of the Board from seven to four. Under this proposal Academic and Student Affairs, Finance and Administration, Governance and Audit, and Investment Committees will replace the current standing committees of Academic and Student Affairs, Board-Administration, Finance, Audit, Medical Affairs, Physical Plant, and University House. It is recommended that University Rule 10-1-5 be amended to bring about these changes. If approved, it is recommended that these changes take effect January 1, 2007.

In addition, these changes necessitate various non-substantive revisions to university rules to correspond to the new standing committees.

Finally, it is recommended that changes be made to various provisions of University Rule 10-1-04 to allow for the fact that the regular meetings of the investment committee differ from those of the other committees, and to ensure compliance with Ohio's open meetings laws.

Copies of the proposed revisions are attached;* revisions are noted by strikeout and underline.

Finance Committee Recommendations

06.11.28.08 UNIVERSITY CASH POLICY

Synopsis: Authorize the Vice President for Finance to establish the university operating cash policy

It is recommended that the Board of Trustees authorize the Vice President for Finance to establish and adjust the university operating cash policy. The following policy will be established initially.

Based on an analysis of the operating budget, annual financial statements, and typical monthly cash disbursements, the operating cash policy is to build the university's operating cash balance to an average daily balance of no less than 25% of annual operating budget expenditures and transfers, and a minimum daily balance of no less than 17% of annual operating budget expenditures and transfers.

The policy levels will be achieved through the following measures:

- All-funds balanced operating budget process.
- No new deficit funds permitted without the express approval of the Vice President for Finance in consultation with the appropriate Senior Vice President.

* Filed with Board papers

- Disciplined payoff of existing funds that are in deficit position.
- Scaled down, deferred, or cancelled capital projects.
- Concentration on receivables management.
- The Vice President for Finance in consultation with the appropriate Senior Vice President is authorized to suspend expenditures from individual funds that are in an overdrawn cash position. The Vice President for Finance will provide thirty days written notice to the Senior Vice president or Vice President responsible for the suspended fund to allow time to discontinue salaries, purchase orders, and other encumbrances, or to move them to other funding sources, or to establish a mutually acceptable alternative plan to suspension of expenditures. Approval of the Senior Vice President for Administration and Finance is required to remove a fund from suspended status, but also in consultation with the other appropriate Senior Vice President.
- Quasi-endowment funds may be withdrawn from the endowment pool to support institutional liquidity needs consistent with any applicable donor restrictions. Under no circumstances will donor intent be violated.
- Payment of non-payroll, non-debt service obligations may be temporarily delayed.

Attachment A* describes the background on which the operating cash policy was developed.

06.11.28.09 IMPLEMENTATION OF 3345.61ET SEQ. FOR ACQUIRING UTILITY PROJECTS FOR ENERGY SAVINGS

Synopsis: It is recommended that the Board of Trustees approve the award of contracts to implement energy savings measures waiving the requirements of Chapter 153 pursuant to Revised Code 3345.65.

Revised Code 3345.62 authorizes the Board of Trustees of State institutions of higher education to contract with an energy service contractor to obtain a report containing recommendations pertaining to energy conservation measures that would significantly reduce energy consumption and operating costs in buildings owned by the institution. Revised Code 3345.64 authorizes the Board of Trustees to enter into contracts for the implementation of such energy savings measures to be paid for from energy savings, financed with installment payment contracts entered into with the energy savings vendor or from general receipts. Revised Code 3345.65 authorizes the Board of Trustees to exempt such contracts from the competitive bidding and other requirements of Chapter 153. It is recommended that the Board authorize the University to use such procedures to implement energy saving projects.

The projects that will be implemented through the mechanisms described above include such items as heat recovery, insulation, lighting improvements, co-generations,

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HVAC improvements, and laboratory ventilation. It is anticipated that the funding for implementation of these capital projects will not exceed \$10 million, and will have an energy savings return on investment under five years. Implementing these projects through the mechanism of Revised Code 3345.62 is most beneficial as capital improvements can be acquired more efficiently, installed, and used for operations in a relatively short time period when budget savings are of paramount interest to the University's Utility Services Center. These savings will benefit general funds, auxiliary units, and the research enterprise of the University.

The funding mechanism for implementation of these energy savings projects will utilize either installment payment contracts where the vendor providing the installation will receive periodic payments from the University or through existing debt instruments of the University, with the more economical alternative selected following evaluation of vendor proposals. In either case, debt service will be made from energy savings and a reallocation of budgeted funds that would otherwise have been expended on energy purchases.

06.11.28.10 INTENT TO REIMBURSE CAPITAL EXPENDITURES FROM DEBT PROCEEDS

Synopsis: To designate the Vice President for Finance, Associate Vice President for Financial Services, Controller, or the Treasurer of the University, as University officials authorized to declare intent to reimburse capital expenditures from debt proceeds.

It is recommended that the Board of Trustees approve the attached resolution, which authorizes the Vice President for Finance, Associate Vice President for Financial Services, Controller, or the Treasurer of the University, to declare the University's intent to reimburse capital expenditures from the proceeds of future tax-exempt debt issuances.

The declaration of intent does not authorize the issuance of debt, nor does it obligate the University to issue debt. The declaration of intent is required by certain Internal Revenue Service regulations related to the reimbursement of prior capital expenditures from the proceeds of tax-exempt debt issuances. The need for declaration of intent typically occurs when early capital project expenditures, such as land acquisition or initial construction costs are incurred prior to the date that debt financing is issued, or when a debt issue is fully intended to be a reimbursement type financing.

Approval of the attached* resolution will provide a mechanism for the University to comply on a timely basis with externally mandated administrative requirements, without the need for numerous repetitive Board actions.

Non-Committee Recommendations

06.11.28.11 AWARD FOR EXCELLENCE CANDIDATE

It is recommended that the Board of Trustees approve the nomination of the individual named below for the Award for Excellence. This nomination has been reviewed and recommended by the University of Cincinnati Honors Committee. A biographical sketch of the nominee is attached.*

Nominee for the Award for Excellence
Henry R. Winkler

* Filed with Board papers

**06.11.28.12 OFFER TO EXTEND THE TERM OF PRESIDENT ZIMPHER'S
EMPLOYMENT AGREEMENT**

It is recommended that the Board of Trustees offer to President Nancy L. Zimpher a one year extension of the term of her Employment Agreement dated October 1, 2003 in accordance with the provisions of paragraph 5.a of said Agreement. A copy of the proposed offer is attached* hereto.

Action Items

Mr. Wyler:

The Board members have been present at the committee meetings held today and have heard the recommendations of the Academic and Student Affairs, the Board-Administration and the Finance Committees. The items reviewed and recommended by the Committees are named in the Action Items list at your place.

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

Upon motion of Dr. Bhati, seconded by Mr. Barrett, the Board approved the items recommended by the Committees by the following roll call vote:

**Recommendations Nos. 06.11.28.01 through 06.11.28.08 and
Recommendations Nos. 06.11.28.11 and 06.11.28.12**

AYE: Mr. Humes, Mr. Cox, Dr. Bhati, Mr. Wyler,
Mr. Niehoff, Mr. Heiman, Mr. Barrett, and Ms. Buchanan

NAY: None

ABSENT: Mrs. Heimann

ABSTAIN: None

* Filed with Board papers

Recommendations Nos. 06.11.28.09 and 06.11.28.10

AYE: Mr. Humes, Mr. Cox, Dr. Bhati, Mr. Wyler,
Mr. Heiman, Mr. Barrett, and Ms. Buchanan

NAY: None

ABSENT: Mrs. Heimann

ABSTAIN: Mr. Niehoff

Mr. Wyler:

We have an additional item to consider today, a recommendation to approve the nomination for the Award for Excellence Candidate for Dr. Henry R. Winkler. Mr. Vehr, do you have any comments on this?

Mr. Vehr:

Thank you, Mr. Chairman. Members of the Board, it is probably past due that we provide an Award of Excellence to Dr. Winkler. We were remiss in not bringing this to your attention at the last meeting. It is with great honor and I think most of you know that he is still attending, at age 90, many of the events here at UC and has been critical to the growth and accomplishments of this institution. So, it is with that in mind that a recommendation came from the Honors Committee to this Board and we are seeking your approval.

Mr. Wyler:

Any questions? May I have a motion?

Upon motion by Dr. Bhati and seconded by Mr. Niehoff, the recommendation was approved.

Greg, you are absolutely right. It is long over due and Henry has just been a great person to have around for all these years and I have a great deal of respect for him.

Unfinished and New Business

Mr. Wyler:

Hearing no unfinished business, we will move on to the new business. Okay, I am going to call for the Faculty Senate report. Ann --

Ms. Welsh:

Good morning, everyone. I think President Zimpher has talked about our successes, as has Vice President Degen, so we do not need to go there but I would like to remind everyone that this is the tenth week of the quarter and so the faculty of this organization are busy trying to anchor learning in those products that we are creating and, perhaps, applying fertilizer, in the words of Dr. Miller, but we probably would rather apply water and with that, the report of the Faculty Senate is concluded.

Mr. Wyler:

Thank you, Ann.

The Alumni Association, Mr. Dobbs.

Mr. Dobbs:

Thank you, Mr. Chairman.

As this is the final board meeting of this calendar year, I thought I would review just a few of the highlights of our successful year at the UC Alumni Association. In 2006, we greatly strengthened our partnerships with many of the key units on campus, notably enrollment management and athletics, two areas that represent distinctly different points along the continuum of alumni affinity and involvement. By leveraging some restructuring and self- funding opportunities, we added depth and talent to our program staff. This is quickly translated into greater alumni customer service, more strategic events and the ability to touch more alums overall.

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We ended the fiscal year 2006 with our strongest financials in many years, enabling us to put more resources towards our most strategically targeted objectives going forward. Since then, we have successfully integrated our business office with the UC Foundation's back-office operations, bringing greater efficiencies to both organizations. We provided Demakes legacy scholarships to thirty-one incoming freshmen, who started in September. These are lineal descendents of UC Alums and our most accomplished class of Demakes scholars ever.

We also raised \$68,000 this summer in support of the Demakes Scholarship Fund. That will enable us to provide even more UC families with the opportunity to get an outstanding education right here at UC. Between these freshmen awards and upper classman scholarships and those from our regional chapters, the UC Alumni Association is providing scholarship assistance to about 85 students this academic year.

Our successful homecoming weekend in October revolved around a theme, "Real World UC". This weekend included our regional Alumni Network Leadership Conference. This annual event draws volunteer leaders from across the country to reconnect, share best practices and make plans to more effectively engage the other half of the UC Alumni base not living here in Greater Cincinnati. These networks will not be led by only one individual but by a committee of engaged alums. That way, the responsibility of leading a network's activity rests with a team. Their diverse interests will enable the groups' activities to effectively engage more alumni. No matter what activities the network might gravitate towards individually, student recruitment and scholarship funding will be the common denominators for all of our regional networks.

Heading into the final year of our affinity agreement with our Master Card partner, we have begun collaborative discussions with our colleagues in University Relations and Intellectual Property towards developing a new affinity credit card contract. This revenue stream funds our master card grant programs which underwrites initiatives to enhance student recruitment and retention as well as alumni engagement. Thirty-six projects received a total of more than \$300,000 in funding within the last few months. And, in over the four years that grants have been awarded, more than \$1.5

million has been used to underwrite strategic initiatives throughout the UC community. The Alumni Association has been proud to steward this important program and looks forward to continuing that role in the future.

I hope this brief summary leaves you with the impression that the UC Alumni Association is very busy and strategically on target. To that end, we are excited about the conversations that have begun with the goal of charting our future course. Over the next six to nine month, members of our board and the foundation board will be collaborating to examine and redefine the model for our organizational funding. The objective is to find a model that allows us to do what we do best - engage our alumni in support of this great university! I look forward to sharing the results of these important discussions during the next new year. Thank you very much.

Mr. Wyler:

Thank you, Bob. You can probably see from the presentations this morning and the rest of it that everybody out here is doing everything they can to increase your group of people.

Mr. Dobbs:

Absolutely. We appreciate that greatly.

Mr. Wyler:

Student Trustee Report – Daisy-Malloy Hamburg

Ms. Hamburg:

Thank you, Mr. Chairman. The GSGA has selected Vice Provost and Dean of the Graduate School, Dr. Neville Pinto, as their new advisor. Working towards the UC|21 goal of growing our research excellence, we hope to collaborate with Dr. Pinto to improve communication of graduate students with the Graduate School. Graduate students are in full support of the hiring of a Graduate School assistant who will organize programming focusing on preparing grad students for life after graduation. Getting top students to attend UC for graduate school is key in growing our research excellence, and

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we are working with the Graduate School to improve the University-wide Recruitment Weekend and develop new fellowships and scholarships to bring in top students. We also hope that the Graduate School will continue to alleviate some of the costs of graduate student health care insurance as this could be an enticing benefit to incoming students.

Due to recent budget cuts at the University level, the GSGA re-evaluated their budget which was approved at the last GSGA meeting. The major cuts came from individual graduate student association group budgets, group grant funds, and refreshments for monthly meetings. The University Funding Board has indicated that they wish to get rid of funding any graduate student organization that contains a majority of graduate students in that group ; the GSGA is working to resolve this issue as part of the graduate student fees go towards this fund, the University Funding Board.

Also this month, the National Association of Graduate and Professional Students National Conference (NAGPS) was held at the University of Washington. Two representatives from UC's graduate school attended this national meeting, along with the president of GSGA Rishi Khar and chemistry group treasurer and conference co-chair Colette Castleberry. The conference included a TA training workshop, various committee meetings from universities across the nation on programming, legislative issues, how their graduate programs are run, and international student affairs. The UC students who attended this valuable conference brought back information on how to improve TA training for other students, graduate student involvement in GSA's and information on how our graduate students fit in with the national graduate organizations. This concludes my report. Thank you.

Mr. Wyler:

Thank you, Daisy.

Nick Furtwengler –

Mr. Furtwengler:

Thank you, Chairman Wyler. Well, I am excited about the re-organization of the Board. I think it is going to provide a venue for the leadership at UC to really analyze the different issues that come up and analyze them in a way that initiates new approaches.

The Undergraduate Student Trustee Selection Committee, the committee that chooses a replacement for myself, is well underway. We are currently determining criteria and will have the applications out and we will have a campus wide push at the beginning of winter quarter.

Planning for the 3rd Annual Ohio Student Trustee Conference, the conference I have been talking about at the last few meetings, is coming to completion. I am meeting with Tony Brown of the Uptown Consortium on Thursday and invitations are going out shortly. Daisy and I have been working together on the event and have seen communication between Ohio Student Trustees increasing already, just as we have been planning for the event.

In meeting with Jens Stephan, Head of the Account Department in the College of Business, I learned that the Chairman of the FASB (Financial Accounting Standards Board) will be at UC on April 9. This is a distinguished guest and it is quite an honor to have him on our campus. I am sure his visit will bring increased visibility to UC and continue to further UC's reputation amongst its peer institutions.

I am also looking forward to commencement on December 9 and the graduation of another distinguished class of UC Scholars.

Leslie Ghiz and Chris Bortz, city council members of the City of Cincinnati, are going to be visiting UC, the College of Business, this Thursday and they are going to be discussing a topic entitled The Revitalization of Cincinnati: Reclaiming America's Most Liveable City. So it should be an interesting seminar, addressing not only UC but how UC's role is fitting in with the remake of Cincinnati. This concludes my report.

Mr. Wyler:

Nick, we talked not too long ago about this conference that you are having. When is that?

Mr. Furtwengler:

That is going to be February 23 and 24.

Mr. Wyler:

We will talk about that again.

Another thing that Nick was just referring to was the new committee structure that we will be entering into. Our student trustees will become members of our committees and they will have a little more input into what committee functions do and we all like that.

Student Government, President Jerry Tsai.

Mr. Tsai:

Thank you, Mr. Wyler. As Dr. Welsh so amply put it, it is the tenth week and thus I am faced with two papers and three exams within the next seven days. But before I get into my report, I would like to recognize, if he is still in the audience, Vlad Leytus who is a senator for the night walk safety board. There is Vlad who is here from Student Government. And, as you all know, it has been a couple of months since I have given a report so as you can imagine much has happened. From programs like the Fall Ball for Homecoming, to open forums, featuring Dr. Livingston and Frank Bowen; to initiatives surrounding blackboard and the Bearcat Transportation enhancements; to my personal favorite, the tremendous win over Rutgers just two weekends ago. And, yes, I was one of the many who rushed the field. Had they not taken down the field goal posts, you probably would have seen me at the top.

Now to my report – there are two items that I would like to touch upon with regards to Student Government. Like Dr. Zimpher does every year, giving a State of the

University Report, Student Government is also giving a State of the Students Report from Student Government to make sure that we, too, stay accountable to our constituents, the students.

On November 1 we gave two reports at mid-day in Bearcat Plaza and despite the rainy day, we still gave the report to the handful of students who decided to stop by and listen to the many things that we noted, things like the tremendous work we have been doing in BearCAT, the Community Action Team, and as mentioned before, the Bearcat Transportation System, among many others.

Also, I would like to note from Student Government that on Wednesday, November 15, members of the UC Student Government joined other student leaders from across Ohio and Columbus for the 6th Annual Ohio Campus Compact Student Statehouse Day. This program was designed to highlight the needs of higher education for the current users of higher education - the students. We went to the state house and participated with discussions and a luncheon and meetings of statehouse and senate representatives and we actually even participated in a press conference by the governor on Ohio Core, which is funny that we actually passed something about that today.

In addition to the meetings that we had, we also had a Think Ohio meeting which was chaired by Former UC Vice President Dominic Berardi and you will be proud to know that the University of Cincinnati was represented by thirteen members of our Student Government, which is more than double of any other university that attended.

With that, I would like to wish everyone here and the university as a whole a relaxing and safe holiday season and I will be happy to answer any questions at this time.

Mr. Wyler:

Thank you, Jerry

Executive Session

Mr. Wyler:

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

May I have a motion to enter Executive Session for the purpose of considering the appointment, employment, dismissal, discipline, promotion, demotion or compensation of a public employee or official?

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

AYE: Mr. Humes, Mr. Cox, Dr. Bhati, Mr. Wyler, Mr. Niehoff,
Mr. Heiman, Mr. Barrett and Mrs. Buchanan

NAY: None

ABSENT: Mrs. Heimann

The Board considered the appointment, employment, dismissal, discipline promotion, demotion or compensation of a public employee or official. Mr. Wyler called for a motion to adjourn the Executive Session. Upon proper motion and second, Executive Session adjourned at 10:14 a.m.

At 10:15 a.m., Mr. Wyler reconvened the proceedings.

Mr. Wyler:

President Zimpher's contract calls for us to do an evaluation every year, I guess it is. We have had an awful lot of stuff going on the last few months and so we really have not gotten to it. So, we have come up with a plan. We are very interested in retaining the President for a very long period of time but we want to get through a short period of time here where we extend the existing contract for twelve months. In the meantime, we are

going to meet together for a long term negotiation and we ought to have that done rather quickly to see if we can retain the President.

Based on the actions of the last couple of days, people leave, it seems like, and we do not want that to happen, Nancy. Also, there is an issue of compensation and in my conversations with the President, she very, very strongly believes that she should not have an additional compensation at this point because of the budgetary issues at the university, which is a very admirable trait as most of you would probably agree. So, we are going to propose a one year extension to the current contract which is filled with all kinds of stuff that should not be in there, one of which is she must live in a house out in California, Ohio. So, having said that, I would like to propose a one year extension to her contract that exists with the caveat that we are absolutely going into long-term negotiations at noon and have it done by 2:00 p.m. or there about.

It is recommended that the Board of Trustees offer to President Nancy Zimpher a one-year extension of her term of employment agreement dated October 1, 2003 in accordance with the provisions of Paragraph 5A, of said agreement. A copy of the proposed offer is attached.*

Mr. Niehoff:

I so move.

Mr. Cox:

Second.

Mr. Wyler:

Is there any further discussion?

* Filed with Board papers

Dr. Bhati:

I think it ought to be known that the purpose of this is to have a long term contract and in order to negotiate that, we need a little pocket of time to do this job. So the message should be very clear that we do not want her to leave here for the next twenty years. She is only 42.

President Zimpher:

Thank you.

Mr. Wyler:

I agree with that. She told me how old she was but I have seen how she works and her energy level, I believe she is twenty years younger than what she says she is.

Mr. Heiman:

Nancy, I think I speak for other members of the board in expressing my appreciation for the wonderful, wonderful job you have done here. I think it is very, very admirable that you have asked not to have your compensation raised. I think chief executives should be compensated based on what the market is and so forth so, having said that, I think it is very admirable and we certainly appreciate it and I look forward to many, many years of serving as a Board member on your Board.

Mr. Niehoff:

I am very excited about your vision, Nancy, for the future of the university which is summarized by UC|21 and I am just delighted by the progress that has been made in the last couple of years in getting that started. I look forward to watching you fulfill that mission in the next few years. I think we are going to move the university to a whole new level. It is a very exciting, wonderful opportunity to watch it and for me, personally, to be a very small part of that. Thank you very much for your leadership on that issue.

Mr. Barrett:

Nancy, I know as a trustee we observe all of the hard work, all of the effort you put in, all of the challenges you have taken on. You have not avoided anything difficult

and we are most appreciative. It is kind of difficult to express in words, the leadership that you are showing by not asking for an increase.

Mrs. Buchanan:

After a long absence from Cincinnati and being a former graduate, I have just been impressed with your leadership and what you have accomplished and to see the energy that is on campus and the things that the entire university is accomplishing under your leadership is very impressive. I look forward to many years of great things to come. Thank you.

Mr. Furtwengler:

I would actually like to echo the sentiments of Mr. Niehoff in terms of UC|21 and how the students do appreciate that with every day you are here, our degrees are becoming more valuable.

Ms. Welsh:

I think the faculty would like to echo that.

Mr. Dobbs:

On behalf of the Alumni Association, Nancy, we appreciate the collaboration you have shown us and also the challenges that you have given us to make ourselves better. We are looking forward to greater achievements with UC|21 and appreciate your leadership on that appointment.

Mr. Wyler:

Putting out a strategic academic plan is what we needed to do. We are implementing it. It is obvious that your Board of Trustees, your students, your faculty admire what you are doing and want to keep you here.

I call for the vote.

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AYE: Mr. Humes, Mr. Cox, Dr. Bhati, Mr. Wyler, Mr. Niehoff,
Mr. Heiman, Mr. Barrett and Mrs. Buchanan

NAY: None

ABSENT: Mrs. Heimann

President Zimpher:

I was afraid to comment before the vote was taken. This is a real partnership and while one's personnel review is more public, in these instances, than you might like, it is an opportunity to say how mutual this work is. It is hand and glove, board to leadership team and as you see, meeting after meeting, we have a tremendous leadership team - I think the best. The work and relationship with our faculty, our students, our alumni, our friends and donors is just really, really heartwarming and encouraging. It is a very great privilege, a personal privilege for me to be in this leadership role and to be at the University of Cincinnati and I thank you one and all for your support. Thank you.

Mr. Thompson:

I just want to add one comment to echo the thoughts of many other people in the room that compliment Nancy on her fine leadership at the university. I also want to add that I personally, and I think a lot of people in our community, really appreciate the attention that you have given to the greater community, not just the business community but the community at large. I think that the leadership role that we have taken, with programs like STRIVE, the Uptown Consortium and things of this nature are wonderful projects; and they are things that were part of your lineage before you came here. I am just so pleased to see that you brought that to Cincinnati and that the community at large is reaping the benefits of that.

Mr. Wyler:

Thank you, Steve. I guess you might say the Premier Urban University of the 21st Century.

Executive Session

Mr. Wyler:

I will now call for an Executive Session. There will be no further business conducted at the conclusion of the Executive Session.

May I have a motion to enter Executive Session for the purpose of conferences with attorneys for the university concerning disputes involving the university that are the subject of pending or imminent court action?

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

AYE: Mr. Humes, Mr. Cox, Dr. Bhati, Mr. Wyler, Mr. Niehoff,
Mr. Heiman, Mr. Barrett and Mrs. Buchanan

NAY: None

ABSENT: Mrs. Heimann

The Board conferred with attorneys for the university concerning disputes involving the university that are the subject of pending or imminent court action.

Mr. Wyler called for a motion to adjourn Executive Session

Upon motion of Mr. Heiman, seconded by Mr. Cox, the Executive Session adjourned at 11:23 a.m.

Adjournment

There being no further business before the Board, upon proper motion and second, the meeting adjourned at 11:23 a.m.

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JEFFREY L. WYLER, CHAIRPERSON

ANANT R. BHATI, SECRETARY