

**SHAWNEE STATE UNIVERSITY
BOARD OF TRUSTEES RETREAT**

**Meeting Minutes
June 10, 2017**

Roll Call

Members Present: Mr. Evans, Mr. Furbee, Ms. Hartop, Dr. White, Mr. Williams

Members Absent: Ms. Hash, Ms. Higgs-Horwell, Mr. Howarth, Mr. Watson, Ms. Detty and Mr. Stiers

Board Materials Format

Discussion was held regarding preferred format for Board materials. It was decided that paper copies and MyCommittee will be discontinued. Each Board member will use their own electronic device for meetings and the university will provide backup devices as needed.

Shawnee Advantage Student Tuition Guarantee

Dr. Elinda Boyles presented an initial overview of the proposed Shawnee Advantage Tuition Guarantee Program projected to begin Fall 2018.

Freshman Orientation

The Board attended a freshman orientation opening session.

SSU Budget Review

Dr. Elinda Boyles reviewed the projected FY2017 end of year budget including planned use of reserves and FY2018 and FY2019 budget development. She also provided an Oracle project update.

Role of Kricker Center and SSU

Mr. Eric Braun presented information on the Kricker Center project including proposed programming, a timeline, funding, Innovation District and University District, and the Innovation Accelerator Advisory Board.

Renovation Tour

A tour was provided of the newly renovated ATC and Health Sciences areas and the Kricker Center.

Other Business

None

Adjournment

The Board was adjourned by acclamation at 1:45 p.m.

Chairperson, Board of Trustees

Secretary, Board of Trustees

Briefing – Board of Trustees Retreat

JUNE 10, 2017



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Topics

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- ▶ Shawnee Advantage – Tuition Guarantee
- ▶ **Break – A Positive Experience**
- ▶ Retirement Incentive
- ▶ Budgetary Discussion
 - ▶ FY2017 EOY Projection
 - ▶ Development of FY2018 and FY2019 Operating Budgets
- ▶ Quick Update - Oracle Project
- ▶ Next Steps

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Shawnee Advantage Tuition Guarantee Program



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First Cohort beginning – Fall 2018

Population

- ▶ First-time enrolled or first-time transfer
- ▶ Undergraduate, degree seeking students
- ▶ Full and part time

Guarantee

- ▶ Tuition and fees
- ▶ Four years (12 semesters)

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Included in Guarantee

Instructional, Course, and Program Fees

General

- campus fees for non-instructional services and programs (charged to all students)

Housing and Meal Plans

- guaranteed price schedules

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Not included in Guarantee

Tuition and fees for returning/continuing students

Service charges, pass-through costs, and fines

- **Printing, library, parking fines, disciplinary fines, etc**
- **Workshops, student health insurance, textbooks, computer software and hardware and supplies**

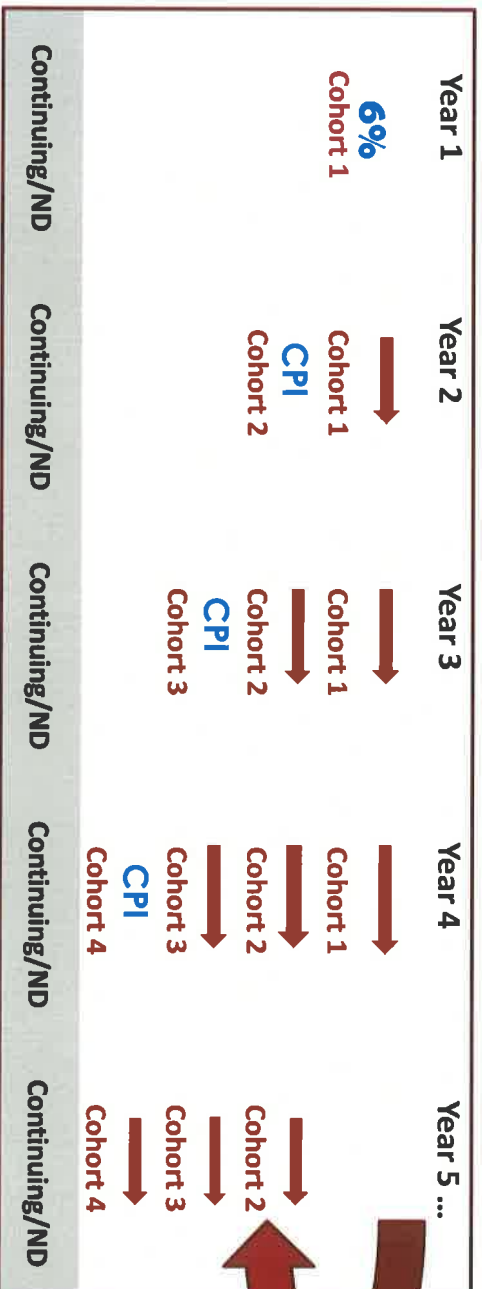
All other fees, fines, and costs related to attending SSU not specifically identified as part of Shawnee Advantage

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Transition to Guarantee



Note: As the "continuing" students move through the system, these numbers will greatly diminish – there will always be "returning" students and non-degree (ND) seeking students not in the guarantee program

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Assumptions:

- First Time Enrollment:
 - 850 each year - held constant
- Current Tuition:
 - \$7,000 - held constant
- Guarantee Tuition:
 - Current Legislation
 - Proposed Legislation

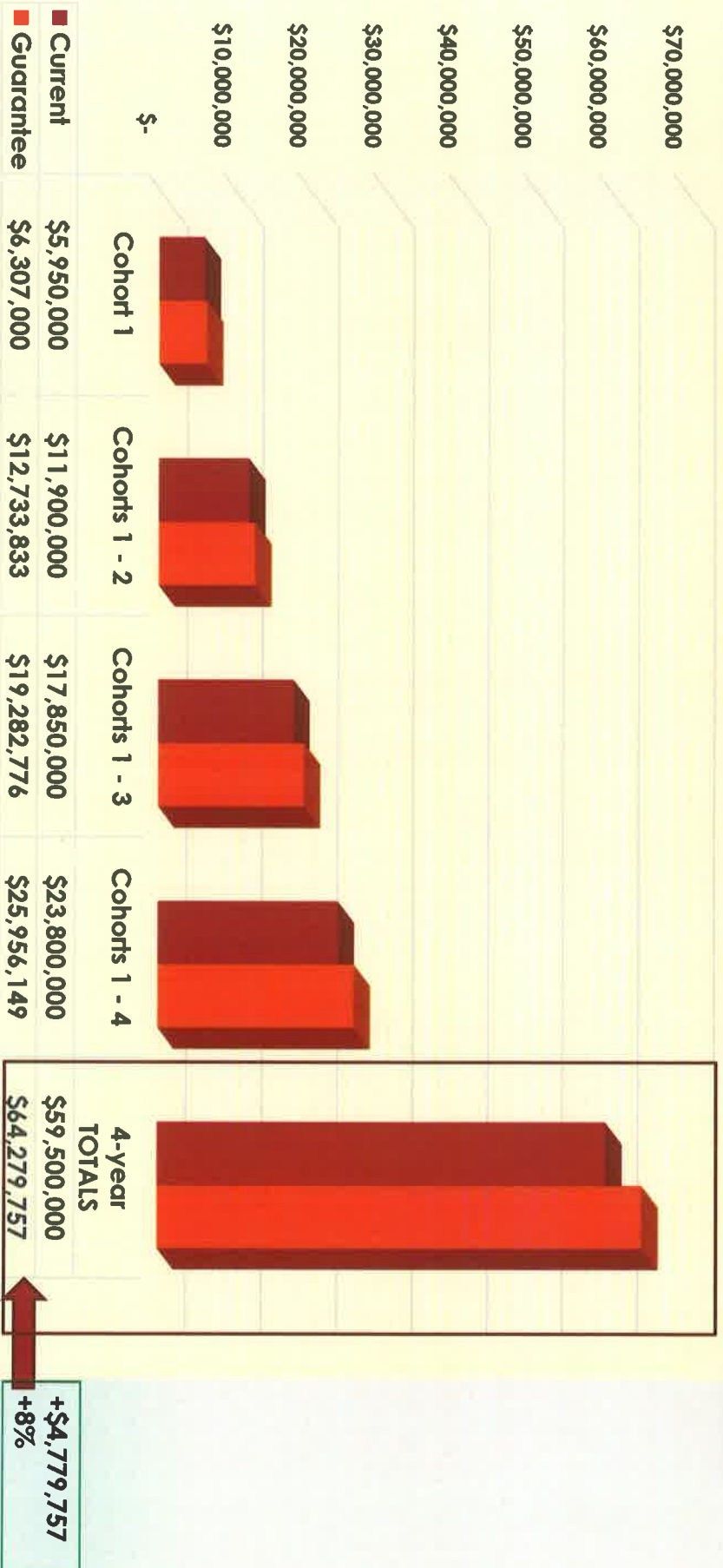
Illustrations

Current

VS

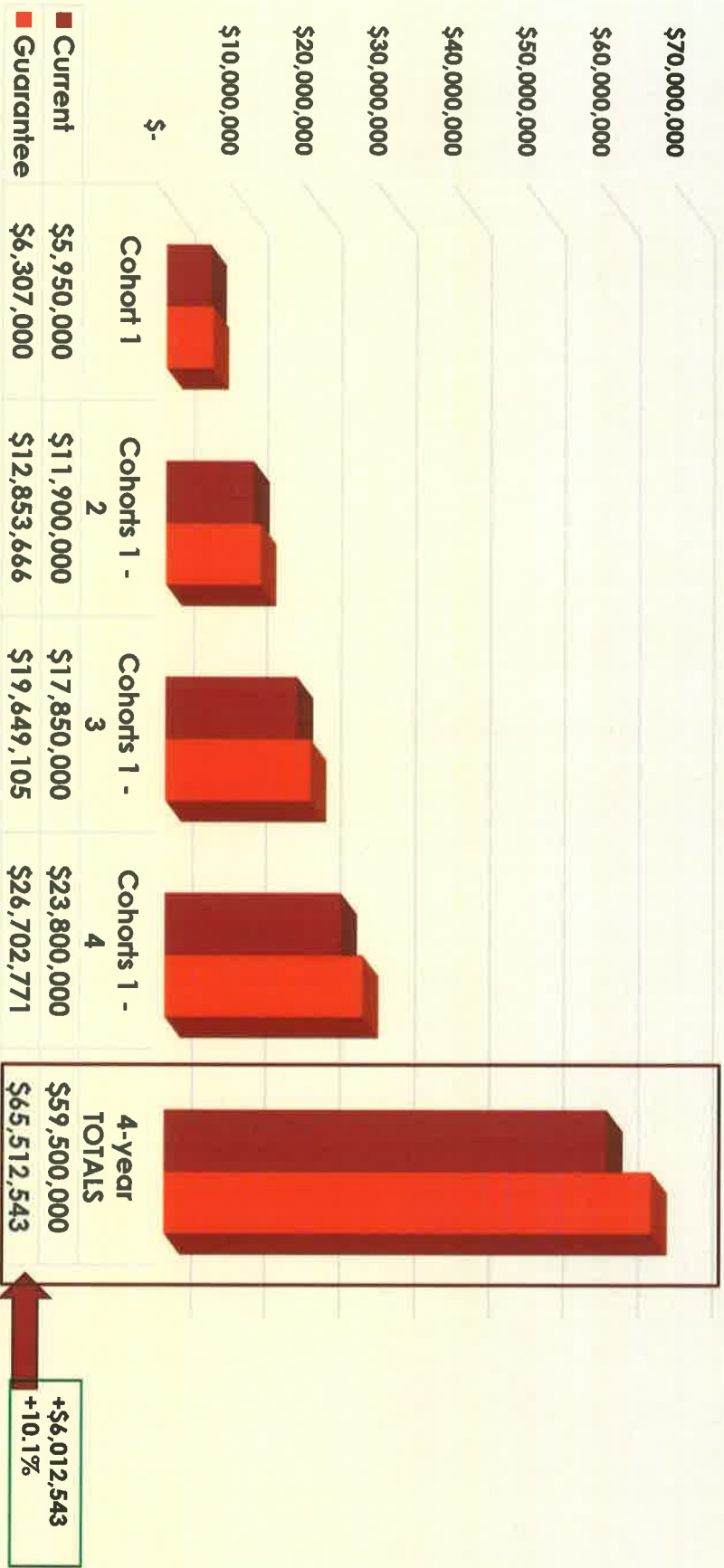
Guarantee

ILLUSTRATION – Current Legislation 4-YEAR COHORT CURRENT VS GUARANTEE




Current legislation: 6% year 1; CPI remaining years (ex. 1.9%)

ILLUSTRATION – Proposed Legislation 4-YEAR COHORT CURRENT VS GUARANTEE



Proposed Senate legislation: 6% year 1; 2XCPI remaining years (ex. 3.8%)

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Major Considerations

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Tuition and Fees Rates	Technical systems	Marketing and Communication
<ul style="list-style-type: none">• Avoid complexities but sufficient flexibility for students and university• Maintain equitability<ul style="list-style-type: none">• (e.g., variable course/program costs)• Constrain future inflationary costs for services	<ul style="list-style-type: none">• Managing and tracking multiple rate structures• Internal budgetary allocations	<ul style="list-style-type: none">• Initial strategy<ul style="list-style-type: none">• complicated (e.g., new structure, new students, continuing students)• Effective ongoing student and parent information

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Orientation 2017
A POSITIVE EXPERIENCE

BREAK – Time for a Positive Experience

June 3rd (Scholarship) Orientation Results

- ▶ Total Attendance: 92
- ▶ Total Show rate: 96%

June 6th Orientation Results

- ▶ Total Attendance: 117
- ▶ Total Show rate: 95%

June 8th Orientation

- ▶ Registered Students: 120
- ▶ Fee paid: 82%
- ▶ College Ready: 73%



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Retirement Incentive

Model Estimates

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Retirement Incentive Description

- ▶ Eligibility Criteria – state retirement systems as of January 1, 2018 for all full-time regular employees
- ▶ Proposed Incentive – 2.0% current annual wages for every year of service, max 25 years of service (ex. \$100K X 2.0% X 25 yrs. = \$50K)
- ▶ Anticipated Number of Employees Eligible by Group - 60
 - ▶ Administrators – 7 employees
 - ▶ Faculty – 28 employees
 - ▶ Support Staff – 25 employees

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Retirement Incentive Model - Assumptions

Same Incentive

- Faculty
- Administrative
- Staff

100% Accept

- No savings identified for time lag before rehire
- All positions are rehired

Eligible

- January 1, 2018; retire by July 1, 2018

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Retirement Incentive Cash Flow Impact

Employee Group	Retirement Incentive Payouts	Accrued Leave Payouts	Total (Cash) Cost to Implement
Administrators	191,298.08	122,444.18	313,742.26
Faculty	708,117.18	420,895.90	1,129,013.08
Staff	327,440.26	127,692.12	455,132.38
Total	1,226,855.52	671,032.20	1,897,887.72

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Retirement Incentive Operating Budget Impact

Employee Group	FY18 Payouts	Salary Savings*		2-Year Savings (Costs)
		FY19	FY20	
Administrators	191,298.08	22,189.48	22,189.48	(146,919.11)
Faculty	708,117.18	658,851.74	658,851.74	609,586.29
Staff	327,440.26	186,133.14	177,776.92	36,469.81
Total	1,226,855.52	867,174.36	858,818.14	499,136.99

* Includes Variable Benefits

Assumes:

Administration: Year 1 – replacement hire rate at 90% market; year 2 adjustment unknown

Faculty: Year 1 – replacement hire rate \$50K; year 2 salary adjustment unknown

Staff: Year 1 - replacement hire rate @ step 1; year 2 step 2 rate is known

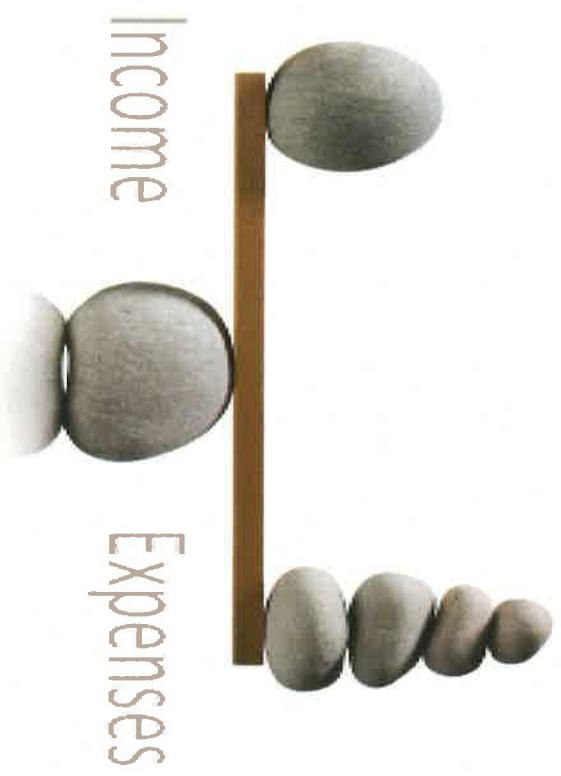
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Discussion - Operating Budgets

- Projected FY2017 EOY
- BUDGET DEVELOPMENT FY2018 and FY2019



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FY2017 – GF Operating Budget Projected End-of-Year

	FY16			FY17			FY17
	ACTUAL AS OF 5/31	ACTUAL FULL YEAR	% AS OF 5/31	ACTUAL AS OF 5/31	BUDGET FULL YEAR	% AS OF 5/31	EOY PROJECTION
Operating Revenue	\$46,891,798	\$47,365,578	99.00%	\$43,283,446	\$47,158,268	91.78%	\$45,447,210
Operating Expenditures & Transfers	\$44,430,961	\$49,315,437	90.10%	\$42,225,326	\$48,900,803	86.35%	\$47,333,331
OPERATING SURPLUS (DEFICIT)	\$2,460,837	(\$1,949,861)		\$1,058,120	(\$1,742,535)		(\$1,886,121)

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FY2017 Revenue Projected End-of-Year

	FY16			FY17			FY17
	ACTUAL AS OF 5/31	ACTUAL FULL YEAR	% AS OF 5/31	ACTUAL AS OF 5/31	BUDGET FULL YEAR	% AS OF 5/31	EOY PROJECTION
REVENUE							
State Funding	\$15,128,746	\$16,303,575	92.79%	\$12,962,335	\$15,716,455	82.48%	\$15,811,534
Tuition & Student Fees	\$30,914,375	\$30,120,603	102.64%	\$29,463,028	\$30,319,355	97.18%	\$28,700,970
Other Income	\$586,421	\$679,143	86.35%	\$568,532	\$832,908	68.26%	\$645,156
Transfers from Other Funds	\$262,256	\$262,256	100.00%	\$289,550	\$289,550	100.00%	\$289,550
TOTAL	\$46,891,798	\$47,365,578	99.00%	\$43,283,446	\$47,158,268	91.78%	\$45,447,210

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FY2017 Expenditures Projected End-of-Year

	FY16			FY17			FY17
	ACTUAL AS OF 5/31	ACTUAL FULL YEAR	% AS OF 5/31	ACTUAL AS OF 5/31	BUDGET FULL YEAR	% AS OF 5/31	EOY PROJECTION
EXPENDITURES & TRANSFERS							
Compensation Expenditures	\$30,483,092	\$33,400,534	91.27%	\$29,227,033	\$33,809,921	86.45%	\$32,117,179
Non-Compensation Expenditures	\$10,559,553	\$12,538,407	84.22%	\$9,693,964	\$11,791,054	82.21%	\$11,911,824
Transfers to Other Funds	\$3,388,317	\$3,376,497	100.35%	\$3,304,328	\$3,299,828	100.14%	\$3,304,328
TOTAL	\$44,430,961	\$49,315,437	90.10%	\$42,225,326	\$48,900,803	86.35%	\$47,333,331

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FY2017 Planned Use of Reserves

FY17 One Time Uses of Reserves				
Oracle Implementation Costs		\$385,951	\$270,000	142.94%
Oracle Project Support		\$101,638	\$75,000	135.52%
STEMM Enabling Project		\$161,574	\$0	-
ADASTRA Grant Support		\$0	\$25,000	0.00%
Massie Hall Chiller		\$70,850	\$71,000	99.79%
	Total	\$720,012	\$441,000	163.27%

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Preliminary Projection – FY2017 General Fund Outcome

Preliminary	GF Operating Deficit	(\$1,886,131)
Preliminary	GF Reserves One-time Use	(\$720,012)
	Total	(\$2,606,133)
	GF Investment Gain (as of 5/31/17)	\$1,418,821
	EOY Use of GF Reserves	(\$1,187,312)

Preliminary Only

Preliminary

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Budgetary Assumptions

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FY2018

- ▶ Enrollment Revenue - Decline
 - ▶ Tuition and Fees – Reduction to be determined based on estimated enrollment
 - ▶ Additional scholarship support from SSUDF
- ▶ State Funding
 - ▶ SSI down by \$613K
 - ▶ Supplement up \$211K
- ▶ Expenditures
 - ▶ Retirement Incentive Implementation Cost \$1.2M
 - ▶ Compensation – reduce through attrition
 - ▶ Non-Compensation – reduce to reach goal

FY2019

- ▶ Enrollment Revenue - Flat to FY2018
 - ▶ Tuition and Fees - Increase above FY2018 from tuition guarantee
 - ▶ Continued scholarship support from SSUDF
- ▶ State Funding
 - ▶ Flat to FY2018
- ▶ Expenditures
 - ▶ Retirement incentive year 1 savings \$867K
 - ▶ Compensation – faculty contract
 - ▶ Non-Compensation – reduce to reach goal

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Contingencies

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Continue vacant position freeze

Retirement Incentive

Continue reduce non-compensation

Monitor low enrollment courses

Continue invest in growth programs

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Contingencies

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Furloughs

Structured position reduction

Assessment of services and academic programs

Maximize course scheduling

Reductions to all expenditure lines

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FY2018 Planned Use of Reserves – Projects and Growth Initiatives

- ❑ Renovation projects – Facility Master Plan
- ❑ Retirement Incentive Implementation Costs
- ❑ Technology Upgrades
- ❑ Athletic Expansion
- ❑ Scholarship Expansion

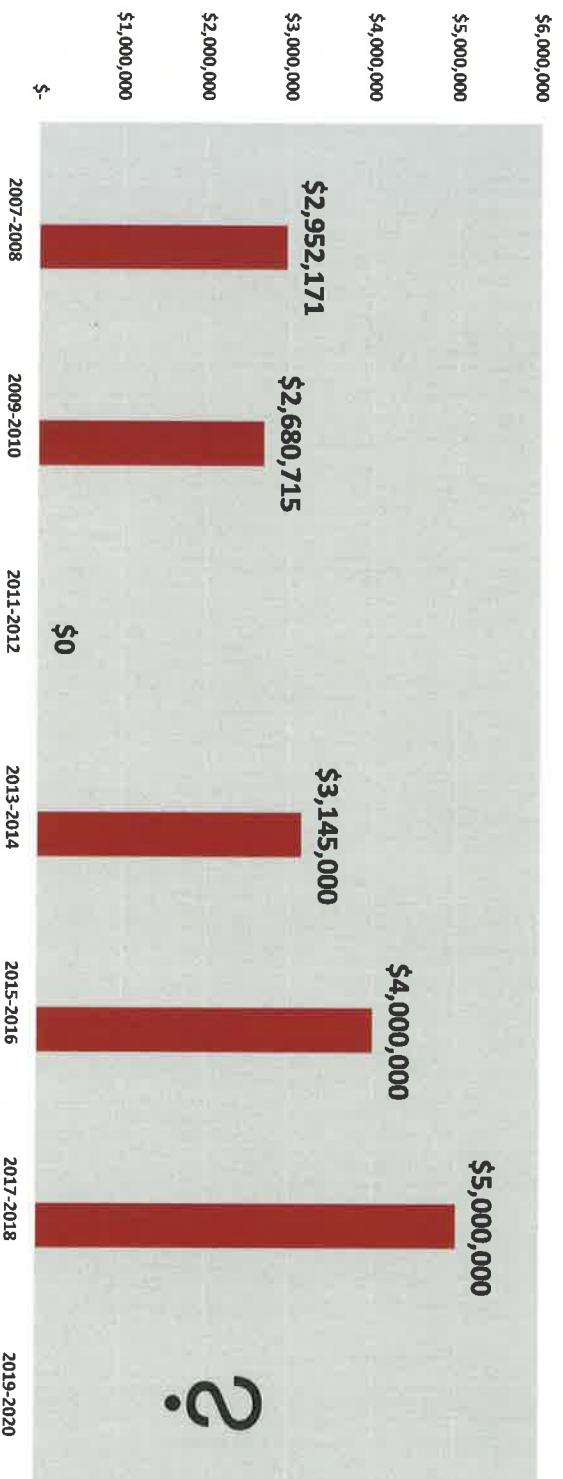
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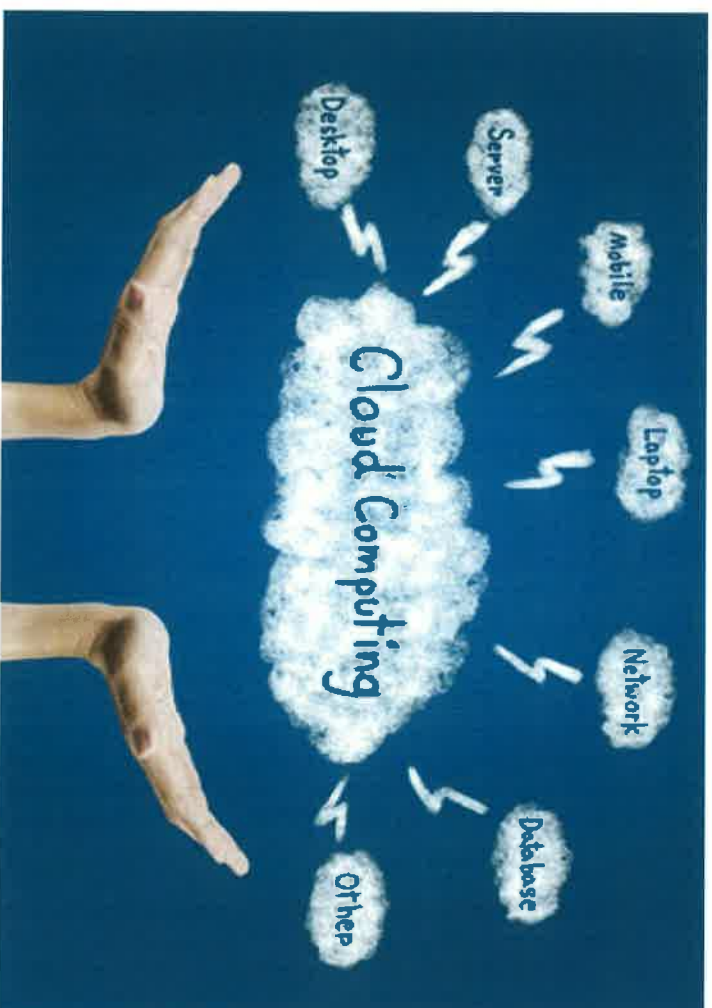
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Biennial Capital Bills since 2007-2008 through 2017-2018 anticipated 2019-2020



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Oracle Project Update



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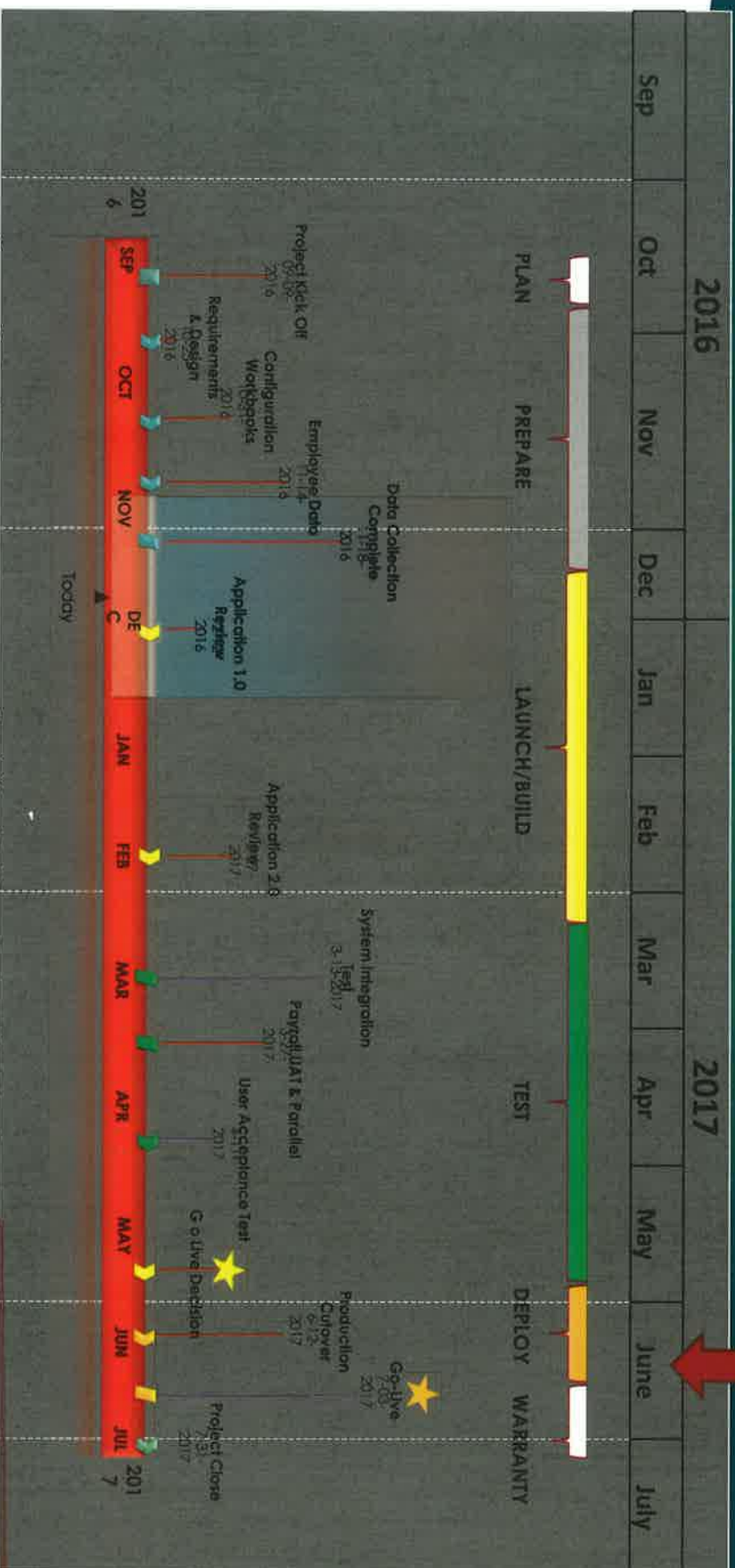
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Oracle Implementation Timeline

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Green = On Track, Yellow = At Risk/Behind with Possibility of Catchup, Red = Behind/Significant Impact

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Board of Trustees August 11, 2017

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- Tuition Guarantee Program
- FY2018 Operating Budget
- Draft FY2019 Operating Budget

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The Kricker Center

Bringing Innovation, Creativity & Entrepreneurship Together

Project Overview

Proposed Building Programming:

Basement:	Innovation Accelerator & Maker Space
Main Floor:	Retail; Public Hotel Space; Shared Offices & Conference Space
Main Balcony:	Accelerator and Incubator Administrative Offices
Second Floor:	Advancement & External Affairs Division Offices / Incubator Space Center for Community Data Analytics
Third Floor:	SSU Center for Digital & Immersive Technology (Motion Capture Labs; Virtual Reality Labs)

Project Timeline:

Jan – Feb 2017	Discussion involving new location for center building
Mar 2017	Charitable bargain sale agreement negotiated for new building location
Apr – May 2017	Due diligence & preliminary programming; gifts secured for acquisition
Jun 2017	Building acquisition; RFQ for engineering & architect; EDA pre-app
Jul 2017	Building programming; EDA full app; Block grant app & ODOT safety app
Aug – Sep 2017	Construction & Upfit of AEX Offices & CDIT Center
Oct 2017	Move-In to AEX Offices & CDIT Center
Nov – Dec 2017	Construction & Upfit of Innovation Accelerator & Maker Space
Jan 2018	Kricker Center public opening

Center Capital Funding:

Current Funding:	State Capital Funds \$200,000 (Acquisition or Upfit) Foundation Gifts & Grants \$650,000 (Acquisition or Upfit) RAPIDS Grant \$492,000 (CDIT Lab only)
Funding Sought:	EDA \$1,250,000; ODSA Block grant \$500,000; ARC \$250,000

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Innovation District & University District:

Campus & Community Benefit: US-23 Route reconfiguration; Innovation District; University District; and Anchor for campus-community corridor. Active partnership with State of Ohio, SOPA, City of Portsmouth, ODOT, OVRDC & EDA.

Innovation Accelerator (Kricker Center) Advisory Board:

1. Develop Entrepreneurship Programming
 - a. OSU South Centers will provide (a) evaluation tools; (b) customized Small Business Development Center outreach curriculum with sequenced course delivery (6 mo. or 1 year cycles); and (c) is developing short form web-based courses that we can use to promo the center through email.
 - b. Ohio University's TechGROWTH program will provide tech commercialization resources.
 - c. Make plan to for Center coordinator and SSU faculty push-pull model: Work with faculty to drive entrepreneurship into freshman orientation, curriculum, and first year experience; Center coordinator pulls with resources and through networking and events; Get students to the Center and engaged on-site.
 - d. Need to advance faculty IP polic(ies).
 - e. Networking development: Focus area meet-ups, Message Boards, TechGROWTH & LIGHTS special events
2. Year One Goals
 - a. Develop evaluation and assessment tools for persons/companies in the door;
 - b. Develop modules and programs to address needs identified in assessments;
 - c. Create mentorship network of talent, resources, and funding;
 - d. Develop matchmaking service for technical expertise and funding streams;
 - e. Develop new ventures competition for (i) alumni/community members; (ii) student and non-student categories;
 - f. Develop seed money prizes and mandatory curriculum for competition winners;

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