

**BOARD OF TRUSTEES
FINANCE AND ADMINISTRATION COMMITTEE**

**November 2, 2012
9:00 a.m., University Center, Room 214**

Agenda

1.0 Action Items

1.1 Audit Report Resolution F23-12 Action

An overview of the fiscal year 2012 audit results will be provided by representatives from the firm of Crowe Horwath LLP.

Education

An explanation of the newly adopted GASB reporting requirements of state-operated pensions and its implications upon affected public universities' future financial statements will be provided.

1.2 AY12-13 Adjunct Faculty Stipend and Schedule Resolution F24-12 Action

Increases the adjunct faculty stipend beginning with the 2013 spring semester.

1.3 Computing Operations and Infrastructure Administrator Resolution F25-12 Action

Creates the position of Computing Operations and Infrastructure Administrator in the UIS department.

1.4 Policy to Establish a Taxonomy of Fees, Fines and Charges Resolution F26-12 Action

Establishes a taxonomy of fees, fines and charges for Board review and approval.

1.5 Amend Alternative Retirement Plan (ARP) and Authorize Future Amendments to the ARP and 403(b) Plan Resolution F27-12 Action

Amends the Shawnee State University Alternative Retirement Plan (ARP) to comply with applicable law and to authorize the Vice President for Finance and Administration to execute the adoption of technical non-discretionary amendments to the ARP and the Shawnee State University 403(b) Plan.

2.0 Information Items

2.1 Financial Aid Default Rates Information

Mr. Bob Trusz, Associate Vice President for Enrollment Management and Director of Admissions, will provide a report on student loan default rates and their impact upon SSU practices.

2.2 FY13 Revenue Update Information

An update will be given regarding FY13 revenue.

2.3 Personnel Information

In accordance with Policy 5.16Rev, President's Authority University Personnel Actions, the attached listing summarizes personnel action(s). All personnel activity for the dates reported is in the attached consolidated report.

2.4 Investment Report Information

The University's investment performance will be reviewed for the date reported.

2.5 Capital Status Report Information

The capital status report provides an update on major capital projects.

RESOLUTION 23-12

ACCEPTANCE OF FY12 AUDIT REPORT

WHEREAS, pursuant to O.R.C. 117.11 the financial statements of Shawnee State University must be audited every year; and

WHEREAS, the required audit has been performed by Crowe Horwath LLP, an independent accounting firm engaged by the Auditor of State, in accordance with O.R.C. 117.11; and

WHEREAS, the results of the audit have been reported to the Board of Trustees' Finance and Administration Committees; and

WHEREAS, the auditor has issued an "unqualified" report:

THEREFORE, be it resolved that the Shawnee State University Board of Trustees, accept the Report of Independent Auditors on Financial Statements of the Shawnee State University, as reported.

(November 2, 2012)

RESOLUTION F24-12

APPROVAL OF ADJUNCT FACULTY STIPEND INCREASE AND ADJUNCT FACULTY STIPEND SCALE

WHEREAS, Shawnee State University employs adjunct faculty to augment the instructional services provided by full-service faculty; and

WHEREAS, the adjunct faculty stipend scale was last adjusted fall semester 2011; and

WHEREAS, a proposed 2% increase in the adjunct faculty stipend is recommended by the President;

THEREFORE, BE IT RESOLVED, that the Board of Trustees of Shawnee State University approves the attached stipend scale that is based upon experience and education levels, effective beginning spring semester 2013; and

THEREFORE, BE IT FURTHER RESOLVED, that the Board of Trustees of Shawnee State University authorizes the Provost, or delegate, the authority to pay other than these established rates on an exception basis.

(November 2, 2012)

ADJUNCT STIPEND

(Effective Date Beginning Spring Semester 2013)

STIPEND SCALE

	Board Approved Rate Effective Fall Semester 2011	Proposed Rate Effective Spring Semester 2013	Board Approved Rate Effective Fall Semester 2011	Proposed Rate Effective Spring Semester 2013
B.S./B.A. Degree	\$452/Lec. Hr.	\$461/Lec. Hr.	\$375/Lab Hr.	\$383/Lab Hr.
Master's Degree	\$543/Lec. Hr.	\$554/Lec. Hr.	\$431/Lab Hr.	\$440/Lab Hr.
Ph.D. or Other Terminal Degree*	\$624/Lec. Hr.	\$636/Lec. Hr.	\$503/Lab Hr.	\$513/Lab Hr.

* Note: As determined by the appropriate Dean and the Provost according to the appropriate accreditation standards for baccalaureate degrees.

(November 2, 2012)

RESOLUTION F25-12

APPROVAL OF COMPUTING OPERATIONS AND INFRASTRUCTURE ADMINISTRATOR POSITION

WHEREAS, the University-wide policy 5.16Rev, President's Authority, University Personnel Actions, provides for Board of Trustees' approval of new full-time administrator positions; and

WHEREAS, this position is essential in order to address the growth in server virtualization technologies and to address the labor-intensive monitoring of hardware operations: and

WHEREAS, addition of this position will be cost neutral in that it will be funded by the reduction of contracted services and savings resulting from a lower-cost replacement of an open vacancy;

THEREFORE, BE IT RESOLVED, that the Board of Trustees of Shawnee State University approves the creation of the position titled Computing Operations and Infrastructure Administrator.

(November 2, 2012)

RESOLUTION F26-12

POLICY TO ESTABLISH A TAXONOMY FOR THE REVIEW AND APPROVAL OF TUITION (INSTRUCTIONAL, GENERAL AND TECHNOLOGY FEES) AND OTHER FEES, FINES AND CHARGES

WHEREAS state law requires the Board of Trustees to establish all tuition that includes instructional, general and technology fees and other student fees applied uniformly to students, and permits the Board to establish other fines and charges; and

WHEREAS the bylaws of the SSU Board of Trustees charge the Finance and Administration Committee to consider and recommend to the Board on financial matters, including tuition and student fees; and

WHEREAS the SSU Board of Trustees currently approves all General Fees, Miscellaneous Fees and changes to Course Fees annually; and

WHEREAS the Board has requested that a comprehensive list of all student charges, including fines and cost recovery charges, also be provided to the Board as information annually;

THEREFORE BE IT RESOLVED that the SSU Board of Trustees hereby approves Policy 4.90, Taxonomy for the Review and Approval of Tuition and Other Student Fees.

(November 2, 2012)

Shawnee State University

SUBJECT: TAXONOMY FOR THE REVIEW AND APPROVAL OF TUITION AND OTHER STUDENT FEES, FINES AND CHARGES	POLICY NO. : 4.90 ADMIN CODE: 3362-4-60 PAGE NO.: 1 OF 2 EFFECTIVE DATE: 11/02/12 NEXT REVIEW DATE: 11/02/15 RESPONSIBLE OFFICER(S): VPFA APPROVED BY: BOT
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1.0 PURPOSE

This policy establishes taxonomy to be followed for the review and approval of tuition and other student fees, including the comprehensive review of fines and cost-recovery charges assessed to students.

2.0 ANNUAL BOARD APPROVAL OF TUITION AND OTHER STUDENT FEES

The Shawnee State University Board of Trustees shall approve annually the Tuition, Course Fees, and Miscellaneous Fees that will be assessed to students in accordance with any parameters established in the state biennial budget bill or other state law.

2.1 Definitions:

(a) Tuition – Fees charged to all students each term on a per-credit-hour basis, based on their enrollment status.

1) Includes Instructional, General, Technology, Alternative Course Tuition, Graduate Workshop Credit, fees assessed for a specific purpose (e.g., University Center Bond Fees), and any future fees meeting this definition.

(b) Course Fees – Fees charged only to students enrolled in courses for which a supplemental fee has been established to defray the cost of lab supplies, technology needs, or other special requirements of the course.

(c) Miscellaneous Fees – Fees assessed to students based on their participation in specific activities (e.g., Health Sciences application fee).

3.0 ANNUAL BOARD REVIEW OF FINES AND COST RECOVERY CHARGES

The University shall establish fines and cost recovery charges approved by the President that may be assessed to students. A list of all fines and cost recovery charges will be presented annually to the Board of Trustees for review.

3.1 Definitions:

- (a) Fines – Fines assessed to students as a result of disciplinary action.
- (b) Cost Recovery Charges – Charges assessed to students to defray the cost of providing an optional service (e.g. express mail charge for a rush transcript).

4.0 UNIVERSITY ESTABLISHES ALL OTHER CHARGES

With approval by the President, the University shall establish all other charges for its services (e.g. facility rental fees). Such charges will be reviewed with the Board on a periodic basis.

RESOLUTION F27-12

APPROVAL TO AMEND THE SHAWNEE STATE UNIVERSITY ALTERNATIVE RETIREMENT PLAN AND AUTHORIZATION FOR ADOPTING FUTURE AMENDMENTS TO RETIREMENT PLAN

WHEREAS, the Board of Trustees originally adopted the ARP, effective March 1, 1999;
and

WHEREAS, the University amended and restated the ARP on November 12, 2010, and
subsequently amended the ARP on November 30, 2011; and

WHEREAS, the University has the ability to amend the ARP from time to time; and

WHEREAS, the University desires to amend the ARP to make certain changes in
accordance with applicable law; and

WHEREAS, the University sponsors the 403(b) Plan; and

WHEREAS, the University has the ability to amend the 403(b) Plan from time to time;

THEREFORE, BE IT RESOLVED, that the amendment to the ARP, in substantially the
form attached hereto as Exhibit A, be and hereby is adopted effective as stated therein; and

BE IT FURTHER RESOLVED, that the Vice President for Finance and Administration,
is hereby authorized to execute the amendment to the ARP and any other agreements,
certificates, instruments, documents, or conveyances necessary to effectuate the amendment to
the ARP; and

BE IT FURTHER RESOLVED, that if in the future, further amendments to the ARP Plan
document or to the 403(b) Plan document (or to any ancillary documents to the ARP Plan or
403(b) Plan) of a technical, non-discretionary nature become necessary, in order to (1) secure or
maintain compliance with federal tax laws; or (2) conform to amendments of the governing
provisions of the Ohio Revised Code, then the Vice President, Finance and Administration, is
hereby authorized to take such actions and execute such documents as are necessary to effectuate
such amendments and ancillary documents, without further review or resolution by the Board.

(November 2, 2012)

Amendment to Shawnee State University Alternative Retirement Plan

WHEREAS, Shawnee State University (the "Employer") maintains the Shawnee State University Alternative Retirement Plan, effective as of March 1, 1999, amended and restated on November 12, 2010, and subsequently amended on November 30, 2011. (the "Plan"); and

WHEREAS, pursuant to the authority of Section 8.3 of the Plan, the Employer desires to amend the Plan to make certain changes in accordance with applicable law;

NOW, THEREFORE, effective November 2, 2012, the Employer hereby amends the Plan as follows:

1. The second sentence of Option 2 in Section 1.8 of the Plan shall be deleted in its entirety and replaced with the following:

"Participants may choose among those companies that have entered into a provider agreement with the Employer in accordance with ORC Chapter 3305."

2. Section 5.2 of the Plan shall be deleted in its entirety and replaced with the following:

"Subject to the Provider's rules for transfers and the ORC, a Participant may specify that a part or all of such Participant's Account may be transferred among different investment options offered under the Provider's Annuity Contract.

Subject to any terms and conditions established by the Employer and the ORC, a Participant may make an election to change to another authorized Provider at any time during the Plan Year. If a Participant makes an election to change to a new Provider, the Participant may specify at any time that a part or all of such Participant's Account be transferred to the new Provider. Provided however, a Provider is not required to immediately transfer any part of the Participant's Account invested at the Participant's election in a fixed annuity account if the contract with the Participant under which the investment was made permits the Provider to make such a transfer over a period of time not exceeding ten years and the contract was filed with and approved by the Ohio Department of Insurance (see Item 8 of Appendix A)."

3. The reference to "Option 2" in the first paragraph of Item 2 in Appendix A shall be deleted and replaced by a reference to "Option 1". The second paragraph of Item 2 in Appendix A shall be deleted in its entirety.
4. The remainder of the Plan remains unchanged.

IN WITNESS WHEREOF, the Employer hereby adopts this Amendment to the Plan, this 2nd day of November, 2012.

SHAWNEE STATE UNIVERSITY

By: _____
Elinda C. Boyles, Vice-President,
Finance and Administration

Background Summary for Board Approval of the Amendment of the Shawnee State University Alternative Retirement Plan and Authorization for Adopting Future Amendments to Retirement Plans

Background on the Alternative Plan

The University's Alternative Retirement Plan (the "Alternative Plan") is an alternative to participating in the Ohio State Teacher Retirement System, the Ohio Public Employee Retirement System, and where applicable, the Ohio School Employees Retirement System. The Alternative Plan is a tax-qualified retirement plan and participants do not pay taxes on their contributions or accounts until those amounts are distributed. The Plan also is subject to Chapter 3305 of the Ohio Revised Code.

The Alternative Plan is maintained pursuant to the provisions of a written plan document. Under the current Alternative Plan, the Board must approve amendments to the Alternative Plan.

Background on the 403(b) Plan

The University also sponsors a tax-deferred annuity plan under Internal Revenue Code Section 403(b) (the "403(b) Plan"). The 403(b) Plan provides participants an opportunity to make voluntary salary deferrals from the participant's compensation. The participants do not pay taxes on their contributions or accounts until those amounts are distributed.

The 403(b) plan is maintained pursuant to the provisions of a written plan document. Under the current 403(b) plan document, the Board must approve amendments to the 403(b) plan.

Summary of Changes

Previously, under Chapter 3305 of the Ohio Revised Code, the Ohio Department of Insurance designated entities to provide investment options under the Alternative Plan. Recently, the Ohio General Assembly amended Chapter 3305 of the Ohio Revised Code to transfer this responsibility to the Ohio Board of Regents.

Previously, under Chapter 3305 of the Ohio Revised Code, Alternative Plan participants were only permitted to change investment providers once per year. Recently, the Ohio General Assembly amended Chapter 3305 of the Ohio Revised Code to permit provider changes at any time during the year, subject to terms and conditions established by the employer.

The Alternative Plan document is being amended to incorporate these statutory changes. Under the current Alternative Plan document, the Board must approve amendments to the Alternative Plan.

The Alternative Plan document and the 403(b) Plan document currently require a resolution by the Board in order to amend the plan documents. The resolution will approve an expedited process for executing amendments to the Alternative Plan and to the 403(b) Plan such that technical amendments will not require full Board approval.

Purpose of the Resolution

The resolution would approve the amendment of the Alternative Plan, effective as of November 2, 2012 as described in the "Summary of Changes" section above. The resolution would also authorize the Vice President, Finance and Administration, to take action and execute such documents and/or his or her designee to take actions and execute such documents to sign the amendment and any other documents needed to carry out the Alternative Plan amendment.

The resolution would also give authority to the Vice President, Finance and Administration, to take action and execute such documents as are necessary to effectuate future amendments to the Alternative Plan or the 403(b) Plan, and ancillary documents, without further review or resolution by the Board in the event such amendments to the Alternative Plan or 403(b) Plan are of a technical non-discretionary nature.

November 2, 2012

Cohort Default Rate at SSU

Every year the Department of Education tracks and publishes data related to “Cohort Default Rates” (CDR) for all colleges and universities receiving Title IV funds. An institution’s CDR is an important metric because it determines the way in which loan funds are managed by an institution and ultimately whether an institution’s students are even eligible to apply for and receive government subsidized student loans.

An institution’s CDR is calculated by dividing the number of students in default by the total number of students who were scheduled to enter into repayment during the fiscal year. The FY2010 rate is based on the cohort of borrowers whose first loan repayments were due between October 1, 2009 and September 30, 2010. “Students in default” are defined as those who are in default as of September 30, 2011. A loan is defaulted if the student does not make payments for 270 days. Loans that are included in the cohort default rate are subsidized and unsubsidized Stafford loans.

The default rates are based solely on the number of borrowers who enter repayment or default. Thus a student who may have more than one loan or loan type will only be “counted” once.

Like the national trend, SSU’s default rates are rising. There are several factors causing this trend: the economy, the job market, higher loan limits, parents’ financial situations, etc. Default rates are also connected to student retention. Students who do not graduate are more likely to default on student loans than students who complete a degree.

	<u>FY2010 CDR</u>	<u>FY2009 CDR</u>	<u>FY2008 CDR</u>
Shawnee State University 2 year rate	15%	11.3%	9.5%
Number in Default	208	136	104
Number that entered repayment	1378	1193	1094
Shawnee State University 3 year rate		17.5%	
Number in Default		209	
Number that entered repayment		1193	

Because our CDR has risen above 15%, there are consequences to our students. Beginning immediately, any student who is approved for a “one semester loan” will receive their payment in two disbursements. We are also required to delay the first disbursement of a loan for **first-time, first-year undergraduate borrowers** for 30 days after the term begins. While the loan money will be applied to the student’s account, SSU will not receive the loan funds until 30 days after the term begins. In turn, those students will not receive their refund until SSU receives the loan funds. In the late 1990’s, SSU followed this procedure as our default rate was over 10% (the penalty rate at that time).

After the loan has been processed, students receive notification from the Financial Aid Office regarding the disbursement dates to SSU.

Default Management

We take steps to minimize the number of defaulted students. As students prepare for graduation, we provide in-person exit counseling to students. During the exit counseling we discuss in detail the repayment options available to students. If a student stops attending SSU, we notify the student that they need to complete exit counseling. Currently, there are no ramifications to the student if they do not complete the exit counseling. We receive a list of students who are delinquent in making their student loan payments. We send each student a letter outlining their options and encouraging them to contact their lender.

In an attempt to reduce the default rate, we will continue to evaluate our procedures as well those of the other schools and the Department of Education.

PERSONNEL INFORMATION ITEMS
NOVEMBER 2012 BOT MEETING
Changes processed August 24 to October 15, 2012
(Developed from information received in the HR Department through October 15, 2012)

DIVISION OF ACADEMIC AFFAIRS

Appointment– Administrative

Dr. Donald L. Washburn, Director of University Outreach Services, beginning September 4, 2012, at a fiscal year salary of \$64,703. Dr. Washburn possesses a Doctor of Education in Educational Leadership and Administration, a Master of Education in Computing, and a Bachelor of Science in Communication Systems Management from Ohio University.

Retirement – Administrative

Dr. Timothy E. Scheurer, Dean of the College of Arts & Sciences, retirement effective July 1, 2013.

Retirement – Faculty

William W. Sykes, Professor and Program Director of the Radiologic Technology Program in the Department of Health Sciences, retirement effective January 1, 2013.

DIVISION OF FINANCE & ADMINISTRATION

Nothing to report

PRESIDENT'S OFFICE / CENTRAL ADMINISTRATION

Nothing to report

DIVISION OF STUDENT AFFAIRS

Resignation – Administrative

Alan J. Siebel, Alcohol and Other Drugs (AOD) Counselor, in the Department of Counseling and Psychological Services, resignation effective November 9, 2012.

DR. DONALD L. WASHBURN

2304 NORTH SECOND STREET, IRONTON, OH, 45638

POSITION OFFERED

Director, University Outreach Services

Effective Date: September 4, 2012

EDUCATION

Educational Doctorate, Educational Leadership and Administration <i>Ohio University</i>	2003
Masters of Education, Computing <i>Ohio University</i>	1995
Bachelor of Science, Voice/Data Communications <i>Ohio University</i>	1992
Bachelor of Business Administration, Finance <i>Ohio University</i>	1992

PROFESSIONAL EXPERIENCE

Project Director <i>Southeast Ohio Virtual STEMM Platform</i>	2011 - present
Adjunct Faculty, Curriculum & Instruction <i>Shawnee State University</i>	2011 - present
Adjunct Faculty, Educational Administration <i>Ohio University</i>	2006 - present
Curriculum Supervisor <i>Lawrence County Educational Services Center (ESC)</i>	2008 - 2011
Technical Consultant <i>Central/Southeast Region High Schools That Work Program</i>	2004 - 2011
Curriculum Consultant <i>South Central Ohio Educational Services Center (ESC)</i>	2004 - 2008
District Coach, South Regional School Improvement Team <i>South Central Ohio Educational Services Center (ESC)</i>	2004 - 2006

PROFESSIONAL ACCREDITATIONS

- Ruby Payne's Framework for Understanding Poverty Trainer
- Making Standards Work and Power Standards Trainer, Center for Performance Assessment

Note: This summary contains a partial record of the candidate's full qualifications. A complete resume/vita can be obtained in the Human Resources Office located in Administration Building, Room 021.

STATUS OF CONSTRUCTION/RENOVATION PROJECTS THROUGH OCTOBER 31, 2012

PROJECT TITLE	STATUS	PROJECTED CONSTRUCTION BUDGET	FUNDING SOURCE
Founders Plaza Project	<ul style="list-style-type: none">• The plaza area between the Administration Building and the Athletic Center will be totally renovated.• Construction documents complete.• Revised scope of work and schedule being developed.	TBD	State Capital
Administration Building Renovation	<ul style="list-style-type: none">• New office and classroom space to be created.• New HVAC equipment will be installed in newly renovated areas.• Construction documents complete.• Project to be bid mid-October.	TBD	State Capital
310 Chillicothe Street	<ul style="list-style-type: none">• Programming complete.• Design development underway.• First floor will be renovated for office and classroom space by January, 2013.	TBD	Local