

**BOARD OF TRUSTEES
FINANCE AND FACILITIES COMMITTEE**

**John R. Jakubek, Chair
Scott R. Schulick, Vice Chair**

**BACKGROUND MATERIALS
Tuesday, September 18, 2012**

- 1. Fiscal Year 2012 Fourth Quarter Comparison of Budget to Actual for the General Operating Fund** **Tab 1**
- 2. Budget and Interfund Transfers for the Quarter Ending June 30, 2012, Reportable under Policy Number 3010.01, Budget Transfers, of the *University Guidebook*** **Tab 2**
- 3. Technology Master Plan Update** **Tab 3**
Progress to date on major technology initiatives, as defined in the Technology Master Plan, is summarized for the areas of Computer Services, Media and Academic Computing Services, and Network Telecommunications and Security.
- 4. Status of Interfund Loans** **Tab 4**
- 5. Designated Fund Report for Fiscal Year 2012** **Tab 5**
- 6. Update on IUC Shared Services** **Tab 6**

YOUNGSTOWN STATE UNIVERSITY
Budget to Actual Comparison
For the 12-month period of 7/1/11-6/30/12

Overall, actual general fund revenues and expenses are below budgeted levels.

- Tuition and mandatory fees as a percentage of the annual budget was 95.0%, lower than budgeted. This is attributable to a combined fall-spring enrollment decrease of 3.8%. This was compounded by the fact that the budget was based on expected enrollment growth of 1%. The University took a number of actions during FY2012 to counterbalance this revenue shortfall, primarily in the form of major spending reductions.
- Other tuition and fees include non-resident surcharges, lab and material fees, college fees, graduation fees, and application fees. These fees as a percentage of the budget totaled 98.5% at the end of the fourth quarter. This is lower than budgeted, which is also attributable to the drop in fall and spring semester enrollments.
- State appropriations are on target through the fourth quarter. However, the Ohio Board of Regents finalized the State Share of Instruction formula calculations in December, which negatively impacted actual funding levels relative to budget, resulting in a 1.1% negative variance.
- Investment income, consisting of realized net gains and interest income, was 52.5% of the annual budget, lower than budgeted. This was largely due to planned changes to the composition of the investment portfolio, from bonds to equity funds and the shift of funds from investments to liquid assets for anticipated operational needs. This trend is not expected to continue in the new fiscal year, as the University has reduced its reliance on investment income by reducing the FY2013 budget by 13%. Additionally, the University does not anticipate the need to make similar investment changes in the new fiscal year.
- At 96.2% of the annual budget, combined revenues through the fourth quarter are below budgeted targets. A caution indicator was assigned due to two main factors: (1) the largest category of revenues—tuition and fees—are below budget, as described above; and (2) concerns persist over future enrollment levels, the primary driver of revenues.
- At 95.6% of the annual budget, combined expenses and transfers through the fourth quarter are below budgeted levels. Actual expenses in nearly all a major categories were under-budget, reflecting the University's efforts to curb spending in light of reduced revenues as described above.
- The largest categories of expenses—wages and benefits—were below budget, largely due to the extraordinary level of vacant staff and faculty positions combined with significant reductions in health care expenses.

YOUNGSTOWN STATE UNIVERSITY
Budget to Actual
For the 12-month period of 7/1/11 - 6/30/12

FY2012 Revenue 4th Quarter, 6/30/12	Fiscal Year 2012		Actual as a % of Budget	Business Indicator	FY11 actual compared to FY12 actual
	Budget	Actual			
Tuition and mandatory fees	\$105,781,730	\$100,534,261	95.0%	●	↑
Other tuition and fees	7,388,510	7,277,197	98.5%	●	↑
Student charges	1,632,686	1,397,591	85.6%	●	↓
State appropriations	39,801,707	39,347,845	98.9%	●	↓
Recovery of indirect costs	1,742,748	1,845,586	105.9%	●	↑
Investment income	1,600,063	839,715	52.5%	●	↓
Other income	752,556	1,351,607	179.6%	●	↑
Total	\$158,700,000	\$152,593,803	96.2%	●	↓

● On/Above target

● Caution

● Warning

FY2012 Expenses 4th Quarter, 6/30/12	Fiscal Year 2012		Actual as a % of Budget	Business Indicator	FY11 actual compared to FY12 actual
	Budget	Actual			
Wages	\$83,048,660	\$81,263,804	97.9%	●	↓
Benefits	28,058,721	26,346,550	93.9%	●	↓
Scholarships	4,512,574	4,620,857	102.4%	●	↑
Operations	14,658,494	12,171,467	83.0%	●	↑
Plant & maintenance	8,131,806	7,403,320	91.0%	●	↓
Fixed asset purchases	326,641	175,832	53.8%	●	↑
Transfers	20,136,950	19,910,121	98.9%	●	↑
Total	\$158,873,846	\$151,891,951	95.6%	●	↓

● On/Below target

● Caution

● Warning



YOUNGSTOWN STATE UNIVERSITY
Reportable Budget and Interfund Transfers
Quarter Ended June 30, 2012

BUDGET TRANSFERS WITHIN THE OPERATING BUDGET (i.e., General Fund and Auxiliaries):

FROM	TO	AMOUNT	REASON
None.			

TRANSFERS OUTSIDE OF THE OPERATING BUDGET:

FROM	TO	AMOUNT	REASON
Parking Services (Auxiliary)	Parking Reconfiguration (Auxiliary Plant Fund)	\$637,647	Transfer fund for parking reconfiguration project.
Athletic Facility - Gifts (Restricted Plant Fund)	Debt Service Reserve Fund - WATTS Gifts (Restricted Plant fund)	\$274,730	Transfer quarterly residual cash received on Athletic Facility pledges/gifts to a debt service fund in accordance with Board Resolution approved in June 2010 directing that any private contributions received for the WATTS Center after the payoff of the interfund loan be transferred on a quarterly basis for the Bond Series 2010. Outstanding pledges at 6-30-12 total approximately \$200,000.
General Fund	Various Start Up Projects (Designated Fund)	\$119,200	Transfer to set-up start-up funds for faculty projects.
Dana School of Music Gifts (Restricted Fund)	Irene and Duane Sample Scholarship Fund (Quasi-Endowment Fund)	\$75,000	Establish Quasi-Endowment Fund.
General Fund	YSUF Cushwa Fellowship Fund (Restricted Fund)	\$54,250	Fund matching requirement.
General Fund	Center for Excellence in Advanced Material Match Fund (Restricted Fund)	\$51,139	Fund matching requirement.

TRANSFERS OUTSIDE OF THE OPERATING BUDGET:

FROM	TO	AMOUNT	REASON
Property Acquisition Fund (Unrestricted Plant Fund)	Unallocated Plant Fund (Unrestricted Plant Fund)	\$47,526	Standard quarterly transfer of interest income/losses.
Various Grants (Restricted Funds)	Grant Residual Fund (Designated Fund)	\$45,709	Transfer residual grant funds from external grants to designated fund in accordance with Guidebook Policy 1013.04
New WCBA Bldg - Gift Fund (Restricted Plant Fund)	Debt Service Reserve - WCBA Gifts (Restricted Plant Fund)	\$44,445	Transfer quarterly residual cash received on WCBA pledges/gifts to a debt service fund in accordance with Board Resolution approved in September 2009 directing that any private contributions received for the new WCBA building from July 1, 2009 forward be transferred on a quarterly basis. Outstanding pledges at 6-30-12 total approximately \$4.5 million.
URC Grants Central Fund (Designated Fund)	University Research Council Projects (Designated Funds)	\$36,473	Transfer from central fund to individual project funds.

***Youngstown State University
Information Technology
Master Plan***

September 2012 Update

Banner Project – R. Marsico

- A purchasing bidder system was recently implemented at the request of Procurement Services. The application was originally designed by The Ohio State University and adapted to the University environment. The system provides for greater equity in the bid request process. Potential bidders are provided access to the web-based bidder system enabling them to store information describing their offerings. Procurement Services uses the system to publish bid opportunities and to notify registered vendors or contractors whose offerings match detailed specifications.
- In addition to implementing and maintaining the technical infrastructure associated with Banner Web Time Entry, Computer Services has delivered all custom reports requested to date. The project team is now directing its attention to automating the process for leave time request and approval.
- In June, an Employee Discounts Website was implemented at the request of Procurement Services. The site has recorded over 950 employee hits during its first two months of operation. Campus discounts are available to faculty and staff on items such as sporting events, theater presentations, YSU Bookstore purchases, and Rec Center memberships. Through the University's Medical Mutual coverage, employees have access to discounts on memberships to fitness clubs and weight loss centers, free services from health coaches and nurses as well as promotions from organic farms. Vendors are offering special pricing on items for the home office, car rentals, and wireless communication plans. Discounts are also offered by local fitness centers, area restaurants, amusement parks, childcare providers and online retailers. Employee discount links are accessible via the "Employee Discounts" tab on the MyYSU portal.
- A formal scope statement has been developed and accepted by the Vice President for Finance and Administration defining the University's Business Intelligence (BI) strategic initiative. The BI initiative will deliver a data analytics capability contributing to the strategic decision making process. Project delivery is tentatively scheduled for second quarter 2013.
- A WebFOCUS report was developed to retrieve course information residing in the archived legacy data tables. The custom report provides the Student Records staff with the ability to view older archived course information for former students with unverified and/or incomplete academic records which are otherwise unavailable via the unofficial

transcript report. Student Records is now able to more readily address queries concerning older academic history that previously required manual record lookup.

- A data load was developed integrating the Blackboard virtual learning environment with the Banner system. The automated load securely delivers user, course, and enrolled student and faculty data to the Blackboard system. Further enhancements include the capability to link Blackboard data with the Starfish retention solution facilitating electronic attendance recording as well as the porting of Blackboard's grade book. These enhancements will enable the Center for Student Progress to further assist students contributing to their academic success. Noteworthy, is the vendor's acknowledgment that the Information Technology Services staff was the first to succeed in delivering the Banner-to-Blackboard data integration without the need for Blackboard consulting services.

Media & Academic Computing – M. Hrishenko

- Efforts to achieve a unified desktop technology environment were accelerated by the formation of a dedicated project team to move 200+ YSU administrative staff to the Enterprise Domain (ysu.local). During June and July, the team surpassed their 200+ computer goal.
- Information Technology Services has initiated an aggressive effort to replace the student email system and related services (e.g., calendaring, file storage, collaboration) for the Fall 2012 Term. Under the project leadership of Media & Academic Computing, equipment purchases and a hosted software environment (Microsoft's Office 365 cloud solution) have been acquired and a team is actively engaged in making this goal a reality.
- Media & Academic Computing has redesigned and augmented its technology web presence. Goals achieved with the new web site include a look and feel that builds on campus-wide standards, refreshed content and information, and new links and information for ITS projects such as the Enterprise Domain and Office 365 (student email) initiatives.
- Current generation computers were ordered for teaching stations in nearly all (80+) campus classrooms outfitted with permanent multimedia technology. Readiness is anticipated for the beginning of the Fall 2012 semester. New computers will enhance, update and further standardize tools and software available to faculty for instructional purposes.
- The Blackboard 9 Learning Management System is being updated to current service patch levels. Beyond typical product enhancements, this update facilitates integration of the Banner and Blackboard systems to automatically generate rosters in Blackboard for YSU courses. As a pilot effort for Fall 2012, auto-rostering will enhance ease of use and Blackboard availability by course. This in turn, through increased use of Blackboard, could enhance distance education preparedness and provide additional data for use in the Starfish system to positively affect student retention.

Network Telecommunications & Security – J. Rakers

- Network Telecommunications implemented shared services for printing and copying functions with the Office of the CTO. This has eliminated duplication of external expenses with ComDoc.
- University switchboard operations were moved to the Office of the CTO upon retirement of the former part-time University switchboard operator. This effort eliminated the need to hire a new employee with the previous operator duties transferred to another existing part-time employee.
- Network Security completed evaluations of malware appliances from several vendors. The new security tool will help to mitigate malware infection and compromise on-campus systems.

YOUNGSTOWN STATE UNIVERSITY
Status of Interfund Loans
June 30, 2012

From	To	Original Loan Amount	Balance as of June 30,		Comments
			2011	2012	
Kilcawley Center	Bookstore	\$600,000	\$100,000	\$0	Authorized at the March 19, 2004 Board of Trustees Meeting as an interest-free interfund loan for the purpose of providing funding for the expansion component of the Bookstore with repayment to be made by June 30, 2009. Resolution to extend due date of the remaining \$200,000 interfund loan to June 30, 2013 approved at September 2009 Board of Trustees meeting.

Changes in Fund Balances
Designated Funds
Period July 1, 2011 to June 30, 2012

Title	Beginning Balance	Income	Expenses	Net Transfers Out/(In)	Additions	Ending Balance
Sick Leave Conversion Fund (excludes year end adjustment)	(\$1,745,100)	\$0	\$1,134,034	(\$200,000)	\$0	(\$2,679,134)
Federal Match Reserve	0	0	0	0	0	0
Stabilization Reserve	0	0	0	0	0	0
Legal Contingency Reserve	529,273	0	154,684	0	0	374,589
ERIP OPERS Fund	(1,530,304)	0	932,157	(2,462,461)	0	0
Reserve for Adjustments	(7,847)	0	0	0	0	(7,847)
Operating Carryforward	(630,153)	0	0	(630,153)	0	0
Fringe Benefit Reserve Fund	157,076	0	0	157,076	0	0
Institutional Enhancement Reserve	176,280	0	69,995	(29,500)	0	135,785
Grant Clearing fund	84,462	0	0	0	0	84,462
Unrealized Investment Reserve	2,021,119	0	102,787	0	0	1,918,332
Faculty ESP Plan	(1,490,253)	0	(705,110)	(909,109)	0	123,966
Scholarship Reserve Fund	28,319	0	0	(19,195)	421,267	468,781
Steinway Piano Fund	15,797	0	5,609	(3,562)	0	13,750
Technology Master Plan	3,237,158	0	1,658,577	(616,444)	0	2,195,025
University Development Project	13,335	0	26,387	(13,052)	0	0
SciQuest Project Fund	12,627	0	0	0	0	12,627
Voluntary System of Assessment	45,127	0	9,299	0	0	35,828
URC Grants Central Fund	97,954	250	68	69,878	0	28,258
Research Support Unit	18,958	0	0	0	0	18,958
University Research Council Projects	38,583	0	47,118	(74,232)	0	65,697
Unrestricted Gifts	10,357	0	26,247	(14,316)	0	(1,574)
Visiting Committees	3,065	0	6,756	(16,876)	0	13,185
Technology/Lab Material Fee Carryfw	457,756	0	32,736	(514,321)	0	939,341
Research Incentive Carryforward	451,883	0	22,524	(6,027)	0	435,386
Student Activities Carryforward	128,401	0	0	10,000	0	118,401
Grants Residual Fund	134,977	0	7,032	(54,201)	0	182,146
Employee Wellness Program	778,339	8,303	141,582	(62,742)	0	707,802
Centers of Excellence	531,730	0	426,087	(425,000)	0	530,643
College Fee Carryforward	36,853	0	188,111	(358,650)	0	207,392
Natural Gas&Water Resources Instit	0	0	2,993	(6,000)	0	3,007
University Start Up Funds	78,167	0	36,972	(119,079)	0	160,274
	\$3,683,939	\$8,553	\$4,326,645	(\$6,297,966)	\$421,267	\$6,085,080

Shared Services Update - August 10, 2012

YSU hosted a meeting of the five NEO public Universities and the four NEO Community Colleges addressing small-scale shared services. The focus was on getting institutions together to get several projects started with a few willing partners. All institutions sent representatives. The meeting was deemed to be very successful. One major decision was to collectively review the "Jensen Report" on implementing a Northeast Ohio Common Procurement Initiative. In addition, a small group agreed to look at common healthcare; another small group agreed to look at common travel policies and processes; and yet another group volunteered to look at more detailed procurement issues. The small groups will meet over the next several months, and the large group will meet again in October.