The Ohio State University  
Board of Trustees  
December 7, 2007

**TOPIC:**

Debt Management

**CONTEXT:**

The purpose of this presentation is to give Board members an understanding of debt management and its implications for the University as a whole.

**SUMMARY:**

- Debt capacity is a strategic concept not a rigid formula.
- The University has adhered to a written, Board approved debt policy since 1997.
- The University has successfully maintained its credit rating, even though the amount of debt has grown significantly.
- OSU's debt capacity can be successfully managed in the future as long as:
  - Approved policies are followed
  - Clear priorities are established and adhered to
  - Off balance sheet debt is managed effectively
  - Other programmatic and financial goals are met

**CONSIDERATIONS:**

- Is there additional information the Board would like to have?
- How will alignment with the Academic Plan be assured?
- How will deferred maintenance be addressed?
- What happens next?

**REQUESTED OF THE BOARD OF TRUSTEES:**

For information and discussion. No vote required.