

February 23, 2004

Dear Faculty and Staff:

I am writing on behalf of the Board of Trustees to follow up on the correspondence you received earlier this month from Dr. Wright and to assure you that the board is proactively involved in efforts to maintain the College's fiscal rating. The Board represents the interest of the public and takes this role very seriously. Fiscal responsibility is the Board's most important job, in this connection, it is significant to note that the College is and has been financially solvent.

As the chief executive of the college and the person responsible for operations and fiscal management, the Board has charged Dr. Wright with the responsibility of resolving this situation. He has developed a negotiated process with the Board of Regents and a communications plan to keep the College community informed. We believe both of these initiatives are appropriate and productive. Mark Walton, a graduate of the College, past chairman of the board and board member for many years, has been intimately involved in discussions and strategy meetings. He met with Chancellor Chu along with Dr. Wright two weeks ago.

In his February 2, 2004 letter, Dr. Wright shared with you the process the Board of Regents uses to review public institutions, GASB accounting procedures and the challenge that Senate Bill 6 presents to the College. He further detailed factors that the Regents do not consider, which brings us to a fiscal rating ratio lower than what we believe is accurate.

On February 6, 2004, Dr. Wright communicated with all of us again, informing us that the process was moving forward with support from Chancellor Chu.

As you can see, we have all been hard at work on this issue and steps have been taken to keep you informed at each juncture. I want to make it clear that the Board feels confident about a positive outcome and in fact, it looks as if our situation will give cause for a reassessment of Senate Bill 6 as it relates to bonds and building programs on campuses across the state.

Our goal was to make informed decisions at every step and to resolve this issue, with the support of our Chancellor, the executive team and our auditors; we believe we have done just that. Tomorrow, when the Board meets, we expect to have more details available to share with the public and will do so as part of our report.

It is important to note that the integrity of Cincinnati State and its mission are always the guiding principles in our decision-making. Any questions concerning the College's fiscal health, this process or measures that will be taken to resolve this matter need to be addressed by individuals responsible and accountable for the outcomes.

The Board of Trustees will meet at 5:30 PM on Tuesday, February 24. □The time has been moved forward so that more of you will be able to attend. □I look forward to reporting to you on Tuesday.

Sincerely,

Annette Smith Tarver
Chairperson
Board of Trustees