

THE UNIVERSITY OF TOLEDO
Minutes of the Faculty Senate Meeting of March 29, 2022
FACULTY SENATE

<http://www.utoledo.edu/facsenate>

Approved @ FS on 4/12/2022

Summary of Discussion

Note: The taped recording of this meeting is available in the Faculty Senate office or in the University Archives.

President Bigioni: Let's see. That's a much better number. Since there are a reasonable number of people here now, I'd like to call this meeting of the March 29, 2022 Faculty Senate to order. Secretary Nigem, are you ready to call the roll?

Senator Nigem: All set.

President Bigioni: Please do. Thank you.

Present: Anderson, Baki, Bamber, Barnes (sub-McBride), Bigioni, Bornak, Brakel, Case, Chaffee, Chou, Compora, Coulter-Harris, Day, De la Serna, Duggan, Duhon, Edgington, El-Zawahry, Garcia-Mata (Fayoumi- sub), Gilstrap, Green, McBride, Guardiola, Hall, Harmych, Hefzy, Inch, Jayatissa, Kistner, Koch, Krantz, Lammon, Lawrence, Lecka-Czernik, Lee, Lipscomb, Metz, Modyanov, J. Murphy, Niamat, Nigem, Pattin, Ratnam, Reeves, Reynolds, Rouillard, Shan, Smith, Stepkowski, Steven, Telehaimanot, Topp, Van Hoy, Vesely, Wedding,

Excused Absence: Huntley, Kujawa, Pakulski

Unexcused Absence: Ali, Chaudhuri, Elgafy, Hanrahan, Milz, Perry, Welsch

Senator Nigem: President Bigioni, I believe we do have a quorum.

President Bigioni: **President Bigioni:** Great. Thank you, Secretary Nigem. Our next item on the agenda is the adoption of the agenda. So you see the agenda before you, and unless there are any objections, we will adopt this agenda. Okay, hearing none, then we will adopt this agenda. *Agenda Approved.*

The next item on the agenda is the approval of the Minutes from the March 15, 2022 meeting. Those Minutes were sent out yesterday, and hopefully you've had a chance to take a look at them, particularly the speakers. Are there any corrections or additions to be made to the Minutes? Hearing none, then we can move on to the approval of the Minutes. Unless there are any objections, we will approve the Minutes by general consent. Again, hearing none. Those Minutes are approved. *Motion Passed.* Thank you.

We will move on to the next item on the agenda, which is my *Executive Committee report*. I'll just preface this by saying that I plan to keep this relatively short because Matt Schroeder and his team are joining us and they have a lot of material to through. So, I would like to provide them with as much time as possible. I should also note that they were very kind to meet with President-Elect Gary Inch last week in order to really communicate well about what people are looking for in order for us all to make the best use of their valuable time. So, I appreciate that very much, and I appreciate them joining us today.

The first thing to report about Executive Committee activities is that President-Elect Inch and I met with Dianne Miller. We just talked about some general things, Constitution update, where we are with that. She advised us on the current status of the Divisive Concepts Bill in Columbus, and essentially that is crawling along at best and perhaps just at a standstill. So, that is good news that that's not progressing

more rapidly. And then we also talked about general perspectives on masks and what we're hearing from different faculty. And, of course, we've since changed our mask policy in classrooms and instructional laboratories, so that's good news to get back to some semblance of normal, especially since Lucas County under the current CDC guidelines is green. It is always nice to get back to normal.

Next, we met with Provost Bjorkman. Most of the talk centered around budget matters, and of course, we'll hear directly from Matt Schroeder today, so I won't get into any particular details about that. One point in particular, though, that I would like to mention is that it became clear with regard to college budget advisory committee representation, we had a little bit different ideas of what that was supposed to look like. And so that was a very productive conversation and we both understood each other's points of view much better. Provost Bjorkman agreed that it was a reasonable ask to talk to the deans about adding one Faculty Senate representative to each of those college budget advisory committees. So, that was good progress there.

With regard to Constitution, that is all on track. We've had a couple of weeks of informational sessions. Senator Rob Steven and Dr. Mark Templin have made themselves available to answer lots of questions from the faculty in order to educate themselves about the upcoming vote. Senator Louie Guardiola's Elections Committee is working hard on getting that ratification vote prepared and are not too far off from doing that, so hopefully you will see an email about that in the near future. Once that ratification vote is done and assuming that it is affirmative, then it will go on to the Board of Trustees in their June meeting to finally approve before that Constitution goes into effect.

Another point that's important to update you on are the deans' evaluations. We had geared up to do the deans' evaluations, and we have a little bit of change in plan because of Institutional Research. Apparently they are quite overburdened at the moment, and just don't have the bandwidth to help us out. So we were investigating a couple alternatives, perhaps through Qualtrics, perhaps Blackboard, to get that done. I'll have to update you more on that next time.

And then finally, there was a lot of talk about parking in the last meeting. That perennial topic that doesn't ever seem to go away. I contacted Sherri Kaspar who works for Park UToledo, who is the company overseeing parking. She has agreed to come talk to us at our next meeting on April 12th. I have briefed her on a few of the things that faculty are interested in and she'll have a short presentation and will be happy to talk to you about all the changes and answer your questions.

That concludes my Executive Committee report. Are there any Executive Committee members who would like to add to it?

President-Elect Insch: President Bigioni, I'll just add quickly. To help get prepared for today, the Faculty Senate Executive Committee, we put together an email to help Matt and his team understand what the things we thought we were looking for. So, he and his team met with me last Thursday to walk through that and try to get a better sense of what kind of things that we would like to learn about today. So, that is the background here. I think the 'key' to this is there's a lot of information, and it is a long presentation to try to cover as much as you can. So, just be aware that there's a lot of moving pieces and it's still not all put together. He and his team are going to do its best to try and satisfy, explaining how things are working and give us a better sense of what the model looks like in its current iteration. Thanks, President Bigioni. And thanks, Matt and his team; it was a very candid and interesting conversation

President Bigioni: Great, thank you. Are there any other Executive Committee members who'd like to add to that report? Okay, hearing none, are there any questions?

Senator Pattin: President Bigioni, this is Carla Pattin, representing the Honors College.

President Bigioni: Okay.

Senator Pattin: I just have just a brief statement about the Constitution. I would definitely be reaching out to the appropriate parties about it. Just on behalf of Honors, the Constitution proposes that us faculty - - so we have five fulltime faculty including myself and one visiting faculty -- it says that we have to serve on each of Faculty Senate subcommittees. However, we are such a small college and I am not sure if that is possible. Is there any way there could be a notation written in the Constitution about Honors' numerical limitation? But again, like I said before, I just wanted to voice that, and just kind of talk about that on the floor a bit. But I will definitely be reaching out to the appropriate parties to follow up. Thank you.

President Bigioni: Thanks for your question. So that point has also been brought up to me by other means and I've already forward that on to the Constitution Committee to review and come up with a plan. There are certainly provisions within the Constitution for resolving issues like that. So we'll have to look to the Constitution Committee to advise us on the best path forward. Hopefully we'll be able to sort that out soon.

Senator Pattin: Thank you. I appreciate it.

President Bigioni: Okay, thank you for your question. Are there any other questions? Okay, then, that will conclude my Executive Committee report. And I'm pleased now to introduce President Greg Postel, who will give us an update on how things are going.

UToledo President Gregory Postel: Well, good afternoon, everyone. President Bigioni, thank you so much for the invitation to attend today and the opportunity to make a few remarks. I know you have a very full agenda and we're anxious to dig right into Matt Schroeder's presentation, so I'll keep my remarks to just a few minutes. I did want to do just a little bit of reflection because it is hard to believe, we look at the calendar and we find ourselves five weeks away from the graduation ceremonies of May 6th and May 7th. It seems like just a few weeks ago we were all over at the Savage Arena, celebrating the success of our graduates for the Winter Commencement, and so time has flown. It has been a very, very difficult two years here at the University of Toledo. I want to take this opportunity to thank all of you who work not only as faculty members who are the heart of the institution, but also give of your time to serve on the Faculty Senate, which is a very time consuming and critical role at a university. You've seen a lot happen during our COVID era. We have been living for two years, and change now with a pandemic that has changed our communities, have changed our lives, and has added an unmeasurable layer of difficulty to all the work that we've done. But despite that, we have not let the opportunity pass to make progress and continue striving for longer term goals here at the University.

I want to mention just a few of them quickly, and I want to start with the Constitution since you just mentioned it. I'm very proud of the fact that that we have partnered with the Faculty Senate to help bring this very, very long project to completion. I understand this began years before my arrival, and so I was thrilled to work with President Bigioni to get it to the point where it is now. I understand there's still a few housekeeping items that needs to take place before the work is complete, but that we feel good that we're in a pretty good space with that and we were happy to be of assistance. As you know, we have been

spending a lot of time working on things here at the University that are problems that are not new, things that we've known for years needed to be addressed. But, we've taken the 'bull by the horns' during this COVID era and addressed them. So, the hospital deteriorating over a very long period of time, both financially and functionally is now in a much better space. It is stable. Financially, we're looking at important partnerships. Most notably, an evolving partnership with the University of Toledo physicians. We're thrilled to be finding better and better ways for our family to work together. The organizations that make up the UToledo Enterprise can really lock arms and find ways to do things in a better way going forward. We have disassembled and reassembled our strategic enrollment management program with new people, new information technology, new processes, new marketing, and there's still a lot of work to do, but we feel very good about the foundation that's being laid there for enrollment efforts of the future. We have also started to give a lot of attention to our facilities. [They've been] long neglected. We understand that there is approximately \$440 million dollars' worth of deferred maintenance on the Main Campus, alone. So, you've seen buildings starting to come down that are not being used that are beyond repair. You'll see more of that. You'll see a lot of attention by our Board of Trustees and others around modernizing our housing and creating far better facilities for our students who choose a residential experience for their undergraduate education. And so, not just nibbling around the edges, but very big projects designed to modernize the campus and address years and years of deferred maintenance that has been accumulated.

We've been participating in innumerable searches for very important leadership positions. In recent months, you've seen us welcome individuals such as LaFleur Small, our Vice Provost for Faculty Affairs, Floyd Akins, a long awaited Vice President for Advancement, Dilip Das, who will join us May 1st as our new Vice President for Diversity, Equity, and Inclusion, Bryan Blair, who will join us May 1st as our new Vice President for Intercollegiate Athletics and Director of Athletics, Doug Huffner, who is doing an excellent job heading our Enterprise Risk Management Program, and Anne Fulkerson, who has revolutionized our approach to institutional research. There are many others, but just these are examples of very, very high caliber and diverse individuals that we have brought to campus as part of very inclusive search processes to help lead the organization going forward.

We had a visit from the Higher Learning Commission. A massive undertaking, a year's worth of preparation and a knock it out- of- the park result with a 10-year approval requiring no monitoring of any type. So, a 10-year full clean approval from our regional accrediting body. We have participated in numerous labor negotiations. We've been working in the past year mostly with our staff unions, a number of which were in the queue for the development of new collective bargaining agreements. We are embarking now on a big project of working with the AAUP in the year ahead as that contract is also at an inflection point. So we're excited to begin that work and approach it very earnestly. The Higher Learning Commission, in its reaffirmation, was particularly complimentary of two things that we're spending a lot of time on. One, is our strategic planning process. I'm happy to say the Faculty Senate is playing an active role in this as we invite them to do in all of our campus processes and searches. And so a yearlong strategic planning process is underway with focus early in the year on short term goals and focus later in the calendar year on longer term, more difficult to achieve goals. That committee is taking the responsibility extraordinarily seriously. They're spending a lot of time under the leadership of Jason Huntley and Anne Fulkerson. The committee meets regularly and is making real progress trying to understand the things that are most meaningful to the campus as a whole, and the things that have the potential to really move us forward. So the HLC was very, very pleased to hear that. The other thing the

HLC spent a lot of time focusing on and [I] appreciate it, was the fact that we were pivoting to a data driven approach to connecting our institutional research and our student success measures, and those sorts of metrics with our approach to academic budgeting. And this, of course, takes the form of our incentive based budget, which is being developed as we speak for implementation 1st of July. This is a fundamental exercise that many institutions have gone through in recent years and has demonstrated fine results at many, many places. It's a tremendous investment in time and effort, but it's well worth it in the end. It forces us to focus on prioritization of resources, incentive-based concepts where Deans and unit leaders can have the opportunity to retain the benefit of their hard work and reinvest those resources in their units, and progressively less involvement by the central administration as more decision making gradually moves in a peripheral direction. So, this is an extremely important initiative this year and was a cardinal element in our success with the Higher Learning Commission.

I'll use that sort of as a prelude to the tremendous amount of interest that exists around campus in the budget process. I think it's terrific that people are as engaged as they are and have as many questions as they are. I know that Matt, Sabrina, Brenda, and the Provost will be able to do a masterful job this afternoon, helping to present the current state of affairs and address as many questions as time allows.

So, you know, I go through this list really just to remind everyone that you should feel good about the work you've been doing as faculty members and as faculty leaders at the University of Toledo. We've made it through two years of pandemic, but we've done a lot more as that list suggests. It has not been a time where we have 'just suffered' and gotten through this period in our history. We've actually made progress and have found ways to stay focused on longer term goals. So again, my thanks. I'm always happy to be with you. I appreciate these invitations, and I'll look forward to remarks here and the rest of your agenda.

President Bigioni: Great. Thank you. Are there any questions for the President?

Senator Stepkowski: Sir, my name is Stan Stepkowski and I thank you very much for your kind words about us and about the University. Can you tell us what is the financial situation of the University and how you evaluate it?

UToledo President Postel: So, we are going to hear a detail here in this meeting from Matt Schroeder and his team around the budget process. So, I really don't want to preempt their remarks. But, what I will say, is that the University is at a point where we must start making critical decisions about our ability to invest in our future. The University is not in financial peril. We have a Standard & Poor's (S&P) 'A' stable bond rating, which is very good by university standards. And it's an indication that we're doing a very good job being stewards of our resources. We always find a way to make ends meet, so that is good. That is obviously required by law. But, it is not good enough. As a university that is facing the future, it's not just a matter of making ends meet. It's a matter of having resources so that we can make selective investments in areas where we know we do well, and in areas where we know we can do even better still. Where is there a demand for more education? Where is there a demand for more research opportunities? Where are places where we can make a difference in promoting the economic wellbeing of our community? You know, if we don't have additional resources, if we don't have latitude in our budgeting to make those kinds of investments, then those opportunities will pass us by. Too often I hear faculty, and Deans and others complain about how someone from Ohio State or Michigan has swooped in and stolen a very key faculty member by making a better offer, or a better start up package, or something. And we

have limited ability to withstand this type of action. We have to be able to. We have to be able to retain and incent the best and the brightest among us and invest in things that matter the most. So, I think what I would say is that the University is not in a precarious position at all. But, the University is in a position where it is not strong enough to face the future and to be able to invest in a robust way so as to grow and assure that we remain in good financial standing for years to come. With that, again, I really don't want to preempt the budget presentation, but I'm just trying to provide those summary remarks.

President Bigioni: Thank you. Are there any other questions for the President?

Senator Jayatissa: President Postel, thank you for coming today. I have to ask one question. Now, again, this is related to the sudden budget situation. This situation, I think you did not expect last year, but this moment we have some difficulty as we hear from our dean in the college faculty meeting. So, in the such sudden situation, do you get some support from the Ohio Governor, or some other? For example, our committee has two house representatives and senators. Do you get any kind of support to fix this sudden budget situation at all?

UToledo President Gregory Postel: So, I guess I'll respond to that by saying that there is no 'sudden' budget situation at all. What we are looking at here is a university that has had an enrollment that has been declining for 12 years in a row. And the appropriate steps to respond to that declining enrollment since 2008 have never been taken. Over that period of time, the University has lost \$100 million dollars in revenue. There were no steps to correct it. Enrollment management until last year was not addressed. The budget was never right sized. We didn't look at campus right sizing initiatives. Deferred maintenance was allowed to accumulate so as to avoid making difficult choices. This has gone on year after year after year. There's an old expression and it says, 'the chickens have come home to roost.' I guess it shows the years that I lived in Kentucky. They say thing like that still down there. But for people who are not from Kentucky, what it means is that finally, the things that have not been dealt with properly have gotten to a point where there simply must be some corrective action. So, we're at such a juncture. The changes have been made incrementally, but in such a way that any kind of further change seems dramatic, seems sudden, seems like all of a sudden something has changed. And, it hasn't. These are the same old problems that have occurred year after year after year and have been ignored. So, I want to make sure that if there's one message I convey today is that there is not 'suddenness' to any of this. We are trying as a campus community to be responsive, and accountable, and to deal in a way with this longstanding problems so that it is not a problem year after year after year. We don't want to be talking about this next year, or the year after. We want to be in a better space. In order to be in a better space, we have to make some changes. So, I mean, that's the answer to the question. The State provides us with SSI as well as some money for capital, which of course, is very much appreciated. But that represents just a little over 10% of our budget. There's no additional money available for any circumstances, because again, we are not facing anything unforeseen or anything sudden.

Senator Jayatssa: Thank you. That clarifies a lot. Thank you so much.

President Bigioni: Okay, are there any other questions?

Senator Vesely: President Postel, I am curious about this idea of investment that you're talking about. So, what I am wondering is, you were very excited earlier about hiring all these new administrators and yet, the college budgets are being gutted and we're not getting the lines that we need because programs are not just curriculum, they're also people, and you're excited about hiring more administrators. Last time

I checked, administrators didn't teach any students, but, maybe they do now. Can you help me on how that's a wise investment?

UToledo President Gregory Postel: Well, I'll be happy to. You know, I'm asked about this occasionally and I'm perplexed. So, let me just mention the names I went through because none of these are new hires. So, La Fleur Small as the Vice Provost for Faculty Affairs replaced Cindy Gruden, who left the University to be a Dean in the eastern United States. Floyd Akins as the Vice President for Advancement replaced three people who had been serving in that role. All three of them were receiving a stipend. Those stipends were eliminated and that formed the salary for this single position. Dilip Das is a replacement for Willie McKether, who left last year to go to Philadelphia to be a chancellor at one of the Thomas Jefferson branch campuses. Bryan Blair, the Athletic Director is replacing Michael O' Brien who is retiring next month. So, with the exception of Doug Huffner, which is a new position in Enterprise Risk Management, all of these are simply replacements for people who have either retired or moved on. One thing that I think it would be helpful for the campus community at large to see is we have prepared a diagram that shows over the years how much money is spent on faculty, how much money is spent on staff, how much money is spent on administrative positions. And from your question, I think you would be surprised to see the appearance of that graph, because the line for administrative expense is sharply downhill. There has been a continual reduction in the number of individuals serving in the central administration at the University and in support roles. Much, much different than what the staff and the faculty lines look like. So, I would not be excited about going out and hiring a bunch of new administrators. That is absolutely not what we have been doing. We have been replacing people who served in critical roles and they are replacements, not new hires.

Senator Vesely: Well, thank you for that explanation. Replacements, that would be nice too, in terms of faculty, but we don't get faculty replacements. Thank you for your time today.

Senator Wedding: President Bigioni?

President Bigioni: Yes? I was about to call on you. Senator Wedding has a question for you

Senator Wedding: Dr. Postel, I have one comment here, not a question. A number of faculty on this campus, at least in the AAUP Bargaining Unit, both lecturer and tenure track has remained approximately constant since about 1992. I have that data and I've given it. So, I don't think there's been a growth in faculty, at least on the Bancroft Campus among the AAUP. The other factor is that you talk about a budget, but when you talk about a budget, you're talking about the entire University. And I understand that we have a UTMC and we have other activities outside of academics. But our academic budget here is roughly around \$400 to maybe \$450 million, depending on the year – and faculty represents less than 20% of this. It's a strange thing that we have lost all of these students over the last 12 years, yet the surpluses, the budget surpluses, the actual surpluses reported each year to the Board of Trustees have been up. They certainly have not been a deficit. We've had surpluses year after year in the academic budget. I mean, those financials are submitted to the Board of Trustees and they are accurate. So, the question is, here we have these budget surpluses, which I admit are anomaly in view of all the declining enrollment, which we all know is there, we see it. But yet, we have these surpluses year after year in the academic area. We don't necessarily have surpluses over in other areas, but we have them. And at the same time, they're taking the colleges, the 12 or 15 colleges, depending on your number, and they're now being given deficits. I'm wondering how you end up with deficit budgets when the whole itself has a surplus?

It's a mystery to me. And again, I'm not suggesting that we don't have a problem here with enrollment. We do have [one]. But, that enrollment problem is not the faculty problem. It's the administration that's been in charge these last dozen years, not us.

UToledo President Gregory Postel: Dr. Wedding, I guess, you know, we could get into this and it will prevent Matt and his team from doing their presentation on the budget today, which I don't think is a great idea. I guess what I would say is, I think it would be important here soon for you, and anyone you wish to bring, and Mr. Schroeder and myself to sit down in front of a computer and look through some screens and talk about the budgets that are presented to the Board. Because I do not agree with the way you're using the word 'surplus.' The data that is presented to the Board varies from quarter to quarter, depending on the time of year at a university. Our income comes in basically in two big lumps, right? We get two big hits of income during the year. Our expenses, which are mostly salaries are relatively constant throughout the year. So depending on which month you look at the financials; if you look at the financials right after a lot of money is received, it shows a surplus. If you look at it a couple months later, the surplus goes down because there has not been any more income, but, the expenses have continued. And so, I think it would be extremely important before we suggest to anyone that the University has all of these surpluses, for us to really look at these numbers together and make sure we understand what we're talking about because there's a different reality than what you have described.

Senator Wedding: My reality is June 30th of every year. The end of the fiscal year on June 30th, a report is given to the Board of Trustees, which I assume is accurate. They show surpluses. Last fiscal year we had \$79million surplus. The year before, we had \$46 million surplus. That was after the deficit was forecast at \$20 million. We ended up with \$46 million. That's \$125 million [in surplus] for those two fiscal years. These are surpluses reported to the Board of Trustees for the academic budget. I am not talking about any other thing on this campus. I'm not talking about athletics, which has a \$25 million dollar deficit. I'm not talking about athletics, which has a budget greater than any college on this campus, except the Medical School. I'm only talking about the surpluses being generated by academics, even as we have enrollment declines. I'm concerned that the enrollment decline is going to be used by the administration to start canceling programs and terminating faculty. That's where I'm coming from.

Executive Vice President of Finance and CFO, Matt Schroeder: Dr. Wedding, this is Matt Schroeder. I'd like to follow-up on Dr. Postel's comments. I'm happy to do this with Faculty Senate Exec., AAUP, etc., but more than willing, as you know, Sir, on previous conversations, to do a deep dive with you, AAUP, Faculty Senate etc. on this topic. I think given that it is 4:45 p.m., and I know President Bigioni, you still have a number of agenda items, and what we have to talk about from an IBB standpoint is going to push to 6 o'clock and beyond. I would like to extend to Faculty Senate and any other stakeholder group an opportunity to take this offline with whomever you wish.

President Bigioni: Fair enough, Senator Wedding?

Senator Wedding: No further comment.

President Bigioni: Okay, thank you. I agree that we should move on. President Postel, I appreciate you answering so many questions for us, and spending the time with us. But, we should move on to the next agenda item, which is the Provost report. Thanks again.

President Postel: Thank you.

Provost Bjorkman: Well, good afternoon everyone. And thank you, President Bigioni. It's a tough act to follow. Given the fact that the agenda is quite packed and we're already behind, I'm going to keep my remarks fairly brief. It's a busy time of year for everybody. We've got less than five weeks of classes left in the spring semester. You know, the good news is there's light at the end of the tunnel and it is not a train. It is that 2,708 of our students will complete their degrees and receive their University of Toledo diplomas at the Spring Commencement on May 6th and 7th. This is of course, always a great event in the life of our academic community. It's the best part of the year, as far as I'm concerned, and for our students and their families. I hope that many of you will be able to participate in the Commencement ceremony with us. We did send out an email last Thursday with information on each of the ceremonies. They include the Doctoral Hooding and Graduate Commencement ceremony on Friday evening, May 6th in Savage Arena and the two Undergraduate Commencement ceremonies on Saturday, May 7th at 9 a.m. and 1 p.m., also in Savage Arena. Please note that the College of Medicine, the College of Law, and the College of Pharmacy will have their own events. We do ask that you RSVP at the link provided in the email if you plan to attend, because we want to make sure that we reserve the appropriate number of seats for faculty who are attending. Just a reminder again, the deadline for faculty to rent regalia from the bookstore is this Friday, April 1st. The orders have to be made in person as payment is due at the time you place the order.

We have some exciting speakers for this year's Commencement ceremonies. For the undergraduate ceremonies we will hear from one of our recent graduates, Mr. Randolph Thomas. Mr. Thomas is an inspirational wildlife researcher and educator whose passion for endangered species and conservation has taken him to land and water habitats around the world. In 2021, he was selected to participate in the Discovery's Shark Academy, and he also worked as a research volunteer in the Bahamas where he engaged in shark-related research activities. He earned his Bachelor of Science Degree in Environmental Sciences from UToledo and worked closely with our faculty conducting research on the effects of cyanobacteria that's found in Lake Erie on the immune systems of turtles and other species. He's currently working as a wildlife researcher for the U.S. Geological Survey in Southern California where he conducts field and lab research on the endangered Mojave Desert tortoise. Our graduate Commencement speaker is Dr. Rhonda Foster. She is a widely published and sought-after healthcare consultant who has served as an executive officer at leading medical centers across the country. She is an expert on the development of leadership cultures that support inclusion and engagement, and has worked with healthcare organizations, both here in the U.S. and internationally. She earned her undergraduate degree in nursing from the University of Toledo and a doctorate from Bowling Green State University. We look forward to hearing from both of these speakers at our Commencement on May 6th and 7th.

I do want to give a brief shout out today to Dr. Jennell Wittmer, associate professor of management in the Neff College of Business and Innovation. Dr. Wittmer is working with students in the Klar Leadership Academy who are organizing a volunteer drive to pack 163,000 meals at UToledo to help feed children and their families in Ukraine and other areas of need around the world. More than 800 volunteers will assemble the meal packets with students, alumni, and community volunteers working in two hour shifts this Friday and Saturday in the Health Education Building on the Main Campus. So I want to thank Dr. Wittmer for her leadership on this much needed humanitarian initiative.

Before concluding my remarks today, I do want to mention a few things that will be taking place on campus over the next few weeks. Next week, the University will be holding our 5th annual Day of Giving campaign. It runs from 6 a.m. Wednesday, April 6th, to 6 p.m. Thursday, April 7th. We're hoping for

broad participation in the campaign. Gifts can be designated to any of the 2,000 UToledo Foundation funds that are available based on the donor's passions and interests. Every gift matters. We will be hearing a lot more about the Day of Giving campaign later this week, and early next week leading up to that.

I also want to remind you that the call for Faculty Equity Champions is now open for Fall 2022. The deadline to apply is next Friday, April 8th. Since Fall 2020, 144 instructors have participated in the Equity Champions program and it has made a big difference. All faculty and instructors are eligible to apply, and this year we're going to open applications for department cohorts as well. So information on that initiative and a link to the application form is available on the main page of the Provost Office website. I also hope you will save the date and participate in the Office of the Provost's Summit on Student Success. It's going to be held virtually on Friday, April 8th, from noon to 3 p.m. The virtual event will include faculty, staff, administrators, and students as we examine some of the best practices that support our student experience here at UToledo. There's additional information on that and the registration link also on the main page of the Provost's Office website. I hope you'll plan to join us. And with that, I know we have a lot to get to. So, I'm going to conclude my remarks and I'm happy to answer any questions you may have. Thanks.

Senator Jayatissa: Provost, I want to ask you one question. I talked to our Dean also and he encouraged me to ask this question. Our college and also other colleges have work freedom. That means that both faculty and staff can stay at home and work from home because of the pandemic situation, especially. Now, faculty come to the college and teach face-to-face students. Everybody come. More than 90% participate in all activities in my classes, [which are] reasonable numbers in some classes. We need essential things sometimes for offices, at home, or somewhere else, and it is very difficult to get the sign in help. So therefore, I propose that you and President discuss and make all the office people, for example, the chair, the dean, the graduate director, and undergraduate director, those kinds of supporting helping people stay in the college at this moment, the last moment of the academic year. This is help for student and faculty. I know that officially...is not declared by your office, but I think that time has come to do that. Thank you.

Provost Bjorkman: Well, thank you Senator Jayatissa. I do appreciate that comment. I want to say that, you know, I think it's really important that as much as possible we be here on campus for our students, because that's why they come here. And so, I think it's really important that they be able to find people in-person, and they would be able to go find someone in their office and that people are present. I recognize that during the pandemic, obviously, we were all doing things remotely, because we really had to. Now that we have so many options: we have vaccines, we have medicines to help with COVID. We've gotten to a point where cases are way down. People are still welcome to, and encouraged to, if they wish to wear a mask, but it's not mandated anymore. I just think that it's really important that we all remember that ultimately our students come here to interact with our faculty and with our staff. The faculty are the number one reason why students come here. They want to have that interaction with you, and they want to learn from you and so it's much easier to do that in person than it is remotely. So, yes, I agree with you that I think we would like to have as many people as possible available in person. We understand there may be some cases where that's still not possible, but I think for most people, I hope it is possible that they can be on campus.

Senator Jayatissa: Thank you.

President Bigioni: Okay, thank you. I think we should best move on. So, thank you for your report. We will move on to the Programs report. That would be Senator Patrick Lawrence.

Senator Lawrence: Undergraduate Curriculum should go first.

President Bigioni: I'm sorry, I am not looking at the agenda. Now I am. So our next agenda item is actually the Undergraduate Curriculum Committee report from Senator Anthony Edgington. Thank you.

Senator Edgington: Thank you very much, President Bigioni. I'm going to bring up the report here today. So we only have two new course proposals and four course modifications for you. So I am going to go ahead and go through all of these together, see what questions you have, and then do a vote on them as a whole.

Our first one is **OCCT 1000, Toledo Transition(T2)-Postsecondary Program Seminar**. "Addresses topics on independent living, self-determination & student development, academics, and employment. NOTE: This seminar is restricted to students enrolled in the 2-year or 4-year Toledo Transition Certificate program."

Our other new course proposal is **HEAL 4960, Political Determinants of Health**. "An examination of the political determinants of health, that is, the upstream political forces and policy decisions that are the causal sources of the social conditions that lead to health inequities. This course introduces the importance of power, politics, advocacy, and policy in public health. Students will learn models of health equity and the political determinants of health and apply these to contemporary case studies with particular attention to the health effects of racism."

Modifications:

Then we have four course modifications. Our first is **BIOE 4830, Additive Manufacturing**. "Change to course prerequisites (addition of BIOE 1000 as option). Updated syllabus. SLOs added. NOTE: BIOE students are not required to take MIME 2650 but obtain the content they need in BIOE 1000 to enroll in this course. Changing the prereq. to include BIOE 1000 will allow BIOE students to enroll."

Our second course is **EET 4600, Industrial Robotics**. "Change to prerequisites (adding ENGT 3050, EECS 2300, and EECS 2340 as options; elimination of EET 3350. Updated syllabus. Updated learning outcomes. NOTE: Adjust the pre-requisite to open the course for other engineering majors at UG and GR. Revised student outcomes to match ABET new Student Outcome criterion (criterion 3), labeled from 1 to 5 instead of a-k. Applicable students outcomes for EET4600 are 1, 2, and 4."

Next up is **CIVE 2550, Sustainability Problem Solving**. "Change to course credits (move from 1 to 3). Change to catalog description. Updated syllabus. SLOs added. NOTE: This course will now offer once as a 3 credit course rather than once a year as a 1 credit course. Our student advisor board felt that one hour did not allow enough time to focus on the project. This will allow more depth on the project study and eliminate the logistics of changing project teams as student go on and off co-op. The faculty teaching the course concurred."

The final course modification is **BIOE 5200 (4100), Physiology and Anatomy for Engineers**. "Course not repeatable for credit. Updated syllabus and SLOs. Prerequisite change (elimination of EECS 2300). NOTE: Students no longer need to know the content covered in EECS 2300."

Senator Edgington cont'd: These are our two new course proposals and four course modifications. Are there any questions or comments on any of these six courses? Hearing none. I believe we can go then to a vote. So, in the Chat Box, put 'yes' if you approve the courses, 'no' if you do not, and 'a' if you are abstaining.

President Bigioni: Looks like that is approved. *Motion Approved.*

Senator Edgington: Thank you very much.

President Bigioni: Okay, thank you for your efficiency. And now we will go to the Programs Committee report with Senator Patrick Lawrence.

Senator Lawrence: Okay, we can go through these pretty quickly. I have five proposals to go over today. These first set of four is the program modifications. We have **Chemical Engineering, BS Degree**. Faculty Senate has already approved these three courses: CHEE 3110, CHEE 4500, CHEE 4550 increased from 2 to 3 hrs. (FS approved), remove CIVE 1550 or EECS 2340 from requirements. That would keep their total hours the same with those two changes.

Environmental Engineering, BS. They have reviewed the learning outcomes aligned with their accreditation, ABET. Based on assessment from that and their students, they are making some changes to remove EEES2150 (5 hrs.) and Physics II (5 hrs.). Then, we just approved CIVE 2550, which is revised from 1 to 3 credit hour. They are going to add another three courses: CIVE 1100, CIVE 3120, CIVE 4610 and add technical elective (3 hrs.). Those changes collectively do not alter the program total hours requirement.

Environmental Sciences, Minor is replacing EES 2010. That course has essentially been replaced by two other courses. Those courses already been approved That is: EES 2020 and EES 2030. It will increase the hour slightly for the minor up to 21 hrs. to make that change.

Then the **Healthcare Administration, BS.** This is a replacement of MATH 1320 and replace MATH 1730. This is in direct result to the recent changes that were made to the COBI major. This degree is offered in H.ED.H, but in coordination with the College of Business. That is the reason for that one.

I think I can just go through them, the next one as well and maybe vote on them all as one.

We have one new undergraduate program proposal. This is a new **BS in Computer Science** in the College of Engineering. It is 47 hours in the major; 128 hours total. We have a complete plan of study, student learning objectives, curriculum map. This is based on student and market need. If you can indulge me just for a moment, I'm going to read from some notes from feedback I got from the proponents just to clarify if this question might come up. We currently do already have an existing Computer Science in Engineering program and an existing Computer Science Engineering Technology degree. This would add a third degree in that general field, but I want to just explain some of the differences why this is being justified to create a new BS. It does not replace the other two I just mentioned. It would be a third offering. But, the Computer Science Engineering program is one of the very selective [eight] in the country. It's clear, however, in looking at trends in the field that there's a growth in computer science programs. It's much faster than computer science engineering program. When comparing the computer science engineering program to computer science programs across the country, the growth is lagging. Major reasons for that is there's a large percentage of students, industry, and employee needs that do not

want to take or need the hardware courses that are the focus of a computer science engineering degree. So, they're creating this new computer science degree, which focuses more on software, allows them to develop a science sequence. They essentially took the existing computer science engineering program and stripped out the hardware courses, replacing them with software that are already available. They did add one, which is already in place. They benchmarked universities and other programs, and their own expertise to develop a very strong curriculum that they're proposing for this new degree. Again, just to clarify the differences between this proposal and the existing, which will remain the computer science engineering technology degree is there's a major difference as well. Typically, technology programs are less math intensive. The core course is focused on hands-on education. For example, the current students in the engineering technology degree take three required math, two of which are technical calculus. The computer science students in this particular proposal would take Single Variable Account I, Account II, Multi-Variant Calc., Numerical Methods, Linear Algebra, Algebra, and both majors require Statistics. But the students in this proposed science program will take Engineering Stats while the current students in engineering technology do comply. So, in summary, this proposal for the Computer Science degree is much more...and theory intensive than the existing computer science, engineering technology. And again, just to be clear, we're not eliminating any of those other two programs. It is adding a third degree, the Computer Science, BS. Before we vote, I'll entertain any questions on these?

Senator Anderson: I have a question on the Healthcare Administration. Is it going to be like the ones that were in the College of Business that if the students still want to take MATH 1730, they can?

Senator Lawrence: One second. Let me just take another quick look at that one. I believe that's the case. I'm just going to review the proposal, make sure I have that correct. Yes, that appears to be the case.

Senator Anderson: Okay, thank you.

Senator Lawrence: Hearing no other questions. These comes as recommended proposal from our Committee to approve these. It does not require a motion. So, I'll entertain a vote on these four program modifications and the new undergraduate program, Computer Science.

President Bigioni: It looks like the votes are slowing down. It's unanimously 'yes,' so those passed. Oh, they are speeding up again, but nonetheless, it's unanimous. I think that it is enough votes to make an affirmative vote. *Motion Passed.*

Senator Lawrence: Thank you.

President Bigioni: Okay, great. Thank you. So not too far off from my five o'clock goal. We have almost an hour to spend with our guests, Matt Schroeder and his team, Brenda Grant, and is Sabrina Taylor here with you too?

Mr. Matt Schroeder: Yes, she is, Sir.

President Bigioni: Okay, great. Well, the floor is yours. Oh, you know, I should say something briefly. So there's a lot of material to get through so if everybody can be patient with their questions. And the other is that they are working with rules set by an advisory committee. They didn't make up the rules that govern the model and so keep that in mind when you have your questions for Matt and his team. Okay, please, go ahead.

Mr. Matt Schroeder: So thank you, President Bigioni. This is really a joint presentation with Academic Affairs and Central Finance partnering. I cannot stress enough to Faculty Senate, the role that Provost Bjorkman along with Brenda Grant, and as you referenced, going back 18 months or so ago, we had Miggie and JD Smith involved from the Faculty Senate standpoint to really, you know, the initial development of the model. And so I'd like to also thank, as you alluded to in your opening remarks, Gary Insch for spending an hour, hour and-a-half with us last week. I also want to thank Faculty Senate Exec. where in February - President Bigioni, I think it was February - we had an opportunity to spend some time with Faculty Senate Exec. What I want to do in terms of 'teeing' some things up, is maybe outline where we are from a current state standpoint, and then also transition into fiscal 23 budget assumptions, and then really dive into the model. I will say to Faculty Senate, not only are we going to go over a lot of information today, but later in the presentation, Brenda Grant will outline where Faculty Senate or anyone tied to the UToledo community that has a utad account can go and find this information. But more importantly, what we've heard from Faculty Senate Exec. is really look at the data and understand the data. I also want to stress, as Brenda Grant is pulling up the slide deck, that we are happy to come back. And as I said to Dr. Wedding, happy to come and present on any topic at any stakeholder group across our campuses.

Perfect. So the first few slides I've shared these with AAUP back in November and other groups, but I sort of want to level-set everything with Faculty Senate Exec. Brenda, if you go to the next slide. This slide we have shared often and it essentially, as Dr. Postel referenced, really looks back to Fall of 2010 - the blue line detailing out, [signifies] the fulltime equivalent students and the production that we've seen from an enrollment standpoint over that period. Then we've correlated that with the annual institutional aid or scholarships spend. Why this slide is important? It essentially just demonstrates through data points that a long time ago, the University of Toledo made the decision that they were going to 'buy students by increasing the aid spend.' That has obviously not worked, and as Dr. Postel outlined in his opening remarks, the pivot that is underway from an enrollment's management standpoint, looking at how we handle merit, need based aid, and financial aid in general is going to be critically important as the University looks to stabilize enrollment, but also grow enrollment. Brenda next slide.

So in Dr. Postel's opening remarks, and I know we've talked about this in Grad Council and other areas, and folks often get a little confused. We'll throw out \$100 million dollars plus in terms of lost revenue or lost revenue production from the decline in student FTEs. And I wanted to quickly explain to Faculty Senate where that number comes from, because I know some folks will go back and they'll look at some of our financial presentations. This is really an impact number that we've come up with. So, when you look at the previous slide, we've essentially lost just under 30% of our student FTEs over that period of time, just over 6,000 student FTEs. That equates to roughly \$78 million dollars if you look at what we charge today or Fall of 2021 from a tuition standpoint. We also then looked at state share of instruction, which is obviously a zero-sum performance based model. And, we look at what SSI would have been today if we were able to maintain those 6,000 student FTEs. So you combine those two numbers, you get north of \$100 million. You get right at \$120.5 million in terms of revenues that we have lost or have foregone due to the declining student FTE population. Obviously, in that period of time, there were a few years under the Kasich administration where 0% increase to tuition and fees. There are also a few years under previous administrations here where we proactively decided 0% increase to tuition and fees. And then roughly four falls ago, we were required through the Department of Higher Ed. and Revised Code to introduce the Tuition Guarantee, which is great that we can increase tuition based on CPI and whatever

percent is allowed in the Revised Code. However, as we plan for Fall 2022, it will be our fifth cohort. It is essentially 25% or so of our undergraduate population will bump up, but then when you break that out over a four-year period, really doesn't do much in terms of moving the needle in a very inflation rich environment. Brenda, if you want to go to the next slide. This is just a visual representation of everything that I just outlined verbally. If you want to go on to the next slide.

To some of Dr. Wedding's questions, and again, I can go much, much deeper on this offline. But, as a general reminder to Faculty Senate, we are one university. We are one enterprise - academics makes up a significant portion; clinical makes up also a significant portion. Just from a pure revenue standpoint, you can see just under 65%, if we were to quantify this for you, just under 65% of our revenues either come from the clinical side of the house or the non-clinical side, meaning, the academic from a tuition and fees standpoint. Despite popular belief, States Support of Instruction only makes up roughly 7.6% of our revenue on the academic side. The best way to think of SSI is essentially .27 cents, plus or minus on the dollar. Often folks will bring forward ideas or concepts that the end game will be, 'well, it will increase SSI.' And more often than not, it does not because again, it is a zero-sum gain. So as the University fights to gain market share, we're going up against, when you look at it like a waterfall, the Kent States, the Ohio States, and then it trickles down from the biggest to the smallest. So, it's often an uphill battle to regain any type of market share on an SSI basis. Brenda, do you want to go to the next slide? What I've done here, and Dr. Wedding, this will maybe start to address some of your questions. But again, it's a much deeper conversation than what we have time for today. This is a snapshot in time. This is purely a sources and uses representation or presentation of our performance on a consolidated basis. So, it is academics, auxiliaries, and clinical. This is what was presented to the Board through the second quarter of this fiscal year. I want to call everyone's attention to the budget column. The budget column under fiscal year 2022 is what the Board approved last June. The budget column is based on where we believe we will end at the end of the year. So if you go all the way to the bottom line, essentially from a pure sources and uses standpoint - and I'll speak to in a minute, Dr. Postel's comments about deferred maintenance etc. - we essentially built a budget to break even this year; and again, looking at those three buckets, academic, auxiliaries, and clinical. As of halfway through the year, we were \$21.8 million to the good. As Dr. Postel said in his opening remarks, that will continue to melt down to where we believe we will land, you know, close to the break-even number. Now, Dr. Wedding, to your comments about last fiscal year, Fiscal 20-year end. You were correct, when we presented to the Board at the September Board meeting for the General Fund, I should say was a pure sources and uses basis. Pure cash was \$37.5 million to the good. But we also need to remember last fiscal year, auxiliaries finished in a deficit, north of \$9.2 million because of underperformance on the housing dining side and other auxiliaries. But what this does not take into account is the aging infrastructure around us. Go to the next slide, Brenda. This will tie back. And I encourage everybody to really peruse data sources that all of us have as employees at the University of Toledo have access to. The number one is the institutional research (IR) site. There's a tremendous amount of data that IR produces in an unbiased manner as it relates to facts at a glance, 15th-day Census reports, etc. So through the first half of this year, and this will tie back to our fully accrued financials which is different than our sources and uses that we just talked about, were just over \$10 million dollars to the good. If you look at the next slide, from a balance sheet standpoint, and I know I may be getting a little too technical for folks here, but what I want to speak to real quick on the balance sheet is over-time. When you look at Fiscal [year] -21 audited financials, 2020, 2019, 2018, going back, our performance continues to erode the balance sheet. So, when we look at balance sheets snapshot in time, how are we performing and comparing this to same time Fiscal 2021 compared to same time Fiscal 2022? You see, in

those two red circles, the erosion to our balance sheet, given that we are not investing in the University. So, we are depreciating more than we are investing in our physical facilities. Those of you on this call today - and that's just one example - that are in the College of Engineering, you witnessed it firsthand yesterday. We had a number of classrooms go offline due to essentially a water leak tied to one of the rooftop units. Things like that happen on a day in and day out basis, because we have made the decision over the years to forego capital investment in order to preserve the academic side of the house to avoid dollars that have flowed into the University. Stimulus not only supporting the non-clinical, but also the clinical elements of the University. But now that hopefully COVID, knock on wood, is in the rear-view mirror, you can see how we are forecasting this cash position to burn down. Now, the good thing here is this assumes business as usual. And, I could not agree more with the President's comment that now is a very important inflection point for the University to really start to identify what do we do well, invest in those areas. But also identify future opportunities and potential for growth and in areas that we might not be in. So, when you look at the forecasting out, you see little blips. This also corresponds to what Dr. Postel suggested, or stated, is that we essentially from an academic side of the house, we see infusions of revenue three times a year: once in August, once in January, and then once in May. That corresponds respectively to Fall, Spring, Summer. But during those periods of time, it is essentially a drought from a cash standpoint and so you'll see that cash position burn down. The next slide, Brenda. So, I'm going to turn it over now to Sabrina Taylor who is going to talk about Fiscal 23 budget. She'll start with some of the assumptions and then we'll transition into incentive based budgeting.

Mrs. Sabrina Taylor: Thank you, Matt. This really is Sabrina Taylor, even though my display box is Rachel. Stanford, one of my teammates. I apologize. I was having some technical difficulties. Like Matt said, we were just trying to lay the groundwork a little bit and give some perspective before we start digging into the data. We did think that it was very important since we are currently still in the midst of developing the budget for Fiscal 23, just to review some of the budget assumptions in a very high level manner. So on the first sheet, we're talking about the \$18 million budget gap. So that's on a sources and uses basis. About \$12 to \$13 million dollars of that is a direct result of a forecasted decline of enrollment of 6%, plus or minus. Right now we are still feeling that, that number is solid at this particular point in time. Obviously, registrations ebb and flow, and so we are keeping a very close eye on the actual activity going on. Underneath that 6%, you can see the actual fall enrollment decline, which is taken directly from the Institutional Research website. Fall 2021 was down 8.1% and Fall 2020 was down 7.4%. Obviously, those are very significant numbers. So, that is what's causing a significant amount of our \$18 million structural deficit. Some of the items that we are able to use to offset some of that is we do have the guarantee cohort. It is hard to believe it's the fifth year now. The State is allowing us a 4.6%, increase in tuition and fees. That is a little bit larger than what it has been in recent years and that's a direct result of the current inflationary environment that we're under. That is the max that we're allowed to increase. So that is what we are going to propose with the Fiscal 23 budget. There's also a 2% tuition increase that were allowed for non-cohort students. As we get further into our cohorts that is becoming a very small pool of students. So, at some point of time, you'll see that completely drop off and most students will be part of a cohort. On the graduate level side, we aren't constrained by the state in terms of how we manage that tuition. We are still working through that process with the colleges in terms of their recommendations. Each Dean comes forward with what they recommend. It could be anywhere from zero on up. On the expense side, obviously, inflation is a large part of that, that we are working with the Department of Economics on, just kind of trying to get some more solid information. But we are including 2% salary increases. That is for contractual increases as well, as non-contractual increases. So at

this particular point in time, on the non-contractual, that's still just a plan for the 2%. The Board has not voted on that. I know some people as soon as they start to see some of our assumptions they want to know exactly what those increases are going to be. So, at this particular point in time, that's just part of our planning assumptions. No decisions have yet been made. Operating expenses, we know that we have those. Inflation plays a significant part. One of the examples I use fairly regularly, one of the changing phenomena on the IS side is that most of the services we pay for are subscription based, or have increases that are built in year over year. That is a very challenging situation that Bill McCreary in his group has to manage. It's real. I know each year he goes in and looks at how can we gain efficiencies, what is it maybe that we just can't do anymore. I mean, these are real expenses with real increases going on. The last line is institutional aid. Again, the budget is still under development. Things still could move and settle a little bit. But at this point in time, we're holding that number flat. I will say, part of that is due to last year when we loaded the budget, we actually had a little bit of a disconnect on our end where we were looking at actuals in budget and what we reduced. We thought we were reducing one amount and it was the other. So the budget that we loaded was a bit lower than what it needed to be. So, at this point in time, we're projecting that's going to be flat. Those are just the high-level budget assumptions. On the next sheet is just a continuation of one of the prior slides that Matt presented. So, this just adds one more year to the cumulative tuition decline at today's tuition dollars. So just to give the magnitude of what that looks like, you know, I think a lot of times we just forget this has been going on for so long and the impact that it actually has on the institution.

We're now going to roll into the incentive based budget model. I promise we are only going to lay just a little bit of groundwork. We did include at the back of this presentation some reference slides. We will not review those. We just think it's good information to keep together in this slide deck because we are going to post the slide deck as well. So, we wanted to try to have as much information in here as we can. I do fully expect that this is going to be the first of probably many conversations that we have. Just keep in mind, this has been a process that we've worked on now for nearly 18 months. So, it's virtually impossible for us to sit down in one session and get the faculty completely up to speed with every amount of detail that has been going on in 18 months. We're trying to give you the best information that we think we have to start building that foundation. A lot of what you will see is going to be very small. It's the actual numbers. We didn't try to roll too many things up. We are posting those out on the myUT site and Brenda has a slide where she'll show you where to find them so you can then, on your own, pull those up, expand them, make them readable, and really start to dig in to try and comprehend a massive amount of data. I know this has been a question that has been asked, so we are now sharing this. I will say, it does take a lot to comprehend and understand the data. I know even for us starting out, it was a bit overwhelming. So if you feel that way, please don't feel bad. It's going to be an evolution and a process, honestly, for the entire institution. So this line right here is just a summary of the key model decision points. I won't review it, but it is in the slide deck.

Next slide. We get asked this question quite a bit. On the left side you'll see the revenue primary generating colleges. We have 10 of them. In the middle, you see the academic auxiliaries and there are four of those. And then on the right side, you will see the support units, cost pools, overhead areas. I hear them refer to as a lot of items, but there are 14 cost pools that we are allocating current expenses in the model across to the primary colleges. In all of the data that you will see in the models that are out there, these were actual expenses in those years that are based on actuals. And then the last year that we have is Fiscal 22, that's based on budget. So, these are what the actual costs were in those years that the

University has already paid for. Brenda, I think you had a few talking points on this slide you wanted to add? Maybe not. Brenda, if you decide if you want to add on to this, just let me know. Otherwise, we'll go to the next page. I see her moving her mouse.

Mr. Matt Schroeder: Brenda, you are muted.

Mrs. Brenda Grant: All right, I couldn't find the unmute button as someone sharing the presentation. My apologies. I did just want to say for the academic support for a few of the possible areas, just to give perspective, on what is included in those cost pools. As an example, under Academic Support, you have Institutional Research Office, the Registrar's Office, CISP, Center for International Student Programing, the Provost Office. There's several more areas that make-up those expenses under academic support, pre-health advising, student success coaches etc. Examples under the administrative support area are Matt and Sabrina's direct office, you have the Controller's Office, the Bursar's Office, Accounts Payable. So those are the types of areas under the administrative support. Research is Frank Calzonetti's team. So it's research and sponsored programs and the folks that work in that area that work with the PIs and work with getting those grant applications in and supporting our faculty in those areas. So, I just wanted to provide some context of the type of expenses behind some of the support units. It's a simple word that has a lot of depth to it. All right, Sabrina, back to you.

Mrs. Sabrina Taylor: Thank you. The next sheet is just the part of the model mechanics, and it's the allocation metrics for the cost pools. So, on the left side you see all 14 costs pools again. Then on the right, you will see the metrics that we are using to allocate. And I'll be the first one to say, there is no right or wrong way to do this. I come out of public accounting. I've seen it done in many, many industries. You can make it as simple as you want, or you can make it as complicated as you want. What we really use were best practices in higher ed. as well as recommendations from our outside consultant and recommendations from the steering committee. These are all of the agreed upon drivers that were chosen for the model. We will continue to evaluate these over the years. You know, we're just getting ready to move into year one. What the model looks like in terms of our sophistication and skill level is going to evolve; where most institutions start at similar to us, it really takes about five years to really mature in the model. So we will be making tweaks as we go along. Now, I can tell you making changes to this does not change the total dollar that we're allocating. I've seen firsthand where we've had folks say, well, you know, ' maybe in my college, I don't think we should have to pay for' -- and then you fill in the blank. I mean, we've probably heard it all. But they are still all costs of the University- the cost of the library, the cost of facilities, the cost of payroll. All of that is going to get paid, regardless of the drivers. There's an actual cost for the institution. I know a lot of people refer to this a lot just to get an understanding. The overhead is something a lot of people have never seen some of the details about. They understand it's going on. But to actually see the detail is really one of the primary advantages to going to an IBB type model, it's the transparency into all of the details in the model.

Mrs. Brenda Grant: All right. Thank you, Sabrina. I'm going to pick up for a little bit here and share with you some high-level details of the models and where you can find the models. So, I realize this is going to be very tiny font. I apologize. But really, the important thing that I want to draw your attention here to this particular slide is just the orientation of the model itself. As these big boxes show, the dark blue box here is the allocated and direct revenues that will flow into the primary colleges. Across the top here, I know it's tiny font, but when you see the real model, these are the colleges that are the revenue generating colleges. And so down each column you'll have a college, and then you will see across each

row the revenue, which is described down through these lines. Then you'll get into the college direct expenses. So that's this red bubble. Then you'll go into the support unit. So those 14 support units and you'll see again, the driver or the metric of how that support unit cost is allocated. And then at the bottom, you'll get the central funding mechanisms. So, the suspension, and then the strategic reinvestment into the University. So, I will say at this point in time as we develop the Fiscal year 23, we have not ironed out subvention, nor have we set aside a piece to go into the University's central strategic investment because we have such a large budget gap that needs to be addressed as we're going into this new incentive based budget model. So this is just to orient you to how the model is set up and structured. To the right at the top here, you'll have some additional columns. You'll have the total of the academics. Then you will have the auxiliary units, and then you'll have the support unit totals, and then the University total. So hopefully, as you dig into the actual models themselves, this will be helpful to refer back to. This slide is just to show you where we are going to house the actual PDF versions of the model. So, when you log into myUT and you click on your employee tab, this is the top section. You're going to be scrolling down, and look on the right-hand side to you come to 'Workplace Tools.' Now, right now the site is live. It's actually incentive based budget model, and it's a little bit higher up. I think it got sandwiched between Accounts Payable Information. But you will see the link over here within or under Workplace Tools that will say, Incentive Based Budget Model, and you will see all four years listed there. Just so you know, those are available. This is just an example again, I know, tiny font, of what you will see when you open up the link. This happens to be fiscal year 19 baseline model. So a couple of things I want to let you know is for each college there's two components behind each college. It's the restrictive funds as well as the general fund or the unrestricted funds. Just so you know that the totals include both. We do want to again point out when the model was developed, it was developed to tie directly to the University financial statements. So, every number here can be tied to Banner on an individual college basis and ties to our financial statements. This is the view that you'll see when you open up each of the PDF versions of each of the baseline models. So then I just want to show you, these are snips. Out there you will see the FY 2020 baseline model, the FY 21 baseline model and I want to make it very clear, 2019, 2020 and 2021 are actuals. It's actual spend, actual revenue. So it's the cash basis and the actual spend. Very different than building a budget. You have to keep in mind that, you know, 20 and 21 were COVID years. They were no spend years. Spend was way down. So, it is really difficult to compare each year independently, or compare them to each other, is what I am trying to say. These are very difficult years to compare to each other. So, please keep in mind that when you get to the FY 22, it's a projected revenue and the FY 22 loaded budget. It is not spent. So, 2019, 2020, and 2021 are actuals tied to the University financial statements. The 2022 model is based on the projected revenue. All right, so, again, the models are out there under the myUT link. You can go and start bringing them up and viewing them and you can download them to your own computers and study them as you like. So next I am going to share our student credit hour induce matrix ---

Mr. Matt Schroeder: Brenda, real quick.

Mrs. Brenda Grant: Yes?

Mr. Matt Schroeder: Inevitably there's going to be a lot of questions coming out of that. If any of our faculty members have questions, who should they direct those to?

Mrs. Brenda Grant: You can direct them to probably both Sabrina and I, and we will work on answering your questions. If you want to email us, that would be perfect.

Mrs. Sabrina Taylor: I would also envision that we would be coming back to the Faculty Senate to review. Do keep in mind, we ‘live and breathe’ the budget, so we do love to talk about it. We love to answer questions. I love it when people get engaged, and understand and want to learn. I do want to say we are still in the middle of trying to solve for our budget gap, and you know, get a budget together that we can present to the Board. So I think our responsiveness at this particular point in the year may not be as timely as what we would like it. But rest assured, we will absolutely make sure that we answer all your questions. The one final thing I will say about the models is what we have learned from our consultant, is typically when they go through this kind of process they only do one model. It's the actual model of the most recent financial year that has been audited. So, they use that to make sure that we tie out and to make sure that everything is flowing through the model as intended through the agreed upon model. Now, I think a lot of you may know that sometimes more information isn't always better. My personal opinion, because we have four models, that three look back on actuals and one is based on the current budget that wasn't developed under an IBB model. I can for sure tell you that it has been confusing for a lot of deans and business managers to work through. It seemed like a really good idea at the time to do additional years, to look at trends, but because we have not been under a stable enrollment environment and then throwing COVID in there. You know, we've had people say, well, I'm looking at these and the numbers are all over the place from year to year to year. And that would be why. So, don't be surprised when you start looking at the models that you're going to see a lot of fluctuations.

President Bigioni: May I ask a quick question that I'm sure a lot of people who are already on myUT might be asking? There are only PDFs uploaded there. Can you put the Excel files there too?

Mr. Matt Schroeder: I want to talk to my team about that, and I'm not trying to hide anything. It's just, you know, we've run into issues just at the college level where we push out Excel documents and then the data is manipulated. And then it is suggested, and I'm not blaming anyone, that that was the baseline when it really wasn't. So, let me let me talk to both Sabrina and Brenda on a good way to do that.

President Bigioni: Thank you.

Senator Stepkowski: May I ask a general question of Mr. Schroeder? I hear this in relation to enrollment. You stressed that for the last 12 years, and President also [of the] University stressed that for the last 12 years there is decline in enrollment. However, you are not saying the fact that the Medical Center Campus, not only didn't have decline enrollment, has increasing enrollment. I don't believe that that's okay without saying the comma, and saying, ‘but except of Medical Campus that actually had enrollment increase for the last 12 years.’

Mr. Matt Schroeder: So when we speak to enrollment, we speaking at a high level in the aggregate. You know, obviously, the College of Medicine has a number of cap seats. I think they're at 135 at one point, bumped up to 175 in recent years. I don't remember exactly when that was. Obviously, demand outpaces supply. So the College of Medicine has been doing an exceptional job. I would also say, so too as the College of Law in the last couple of years. Again, when we look at enrollment it's in the aggregate, it's undergrad and grad. But yes, Medicine has been stable. The College of Law, I think the last two years has seen significant uptick and we are forecasting that again for this fall as well. I'm not sure if this is the slide or not, I think it is. But, this might be a nice opportunity to transition, though to student credit hour production, which I think really says a lot, in addition to just the aggregate level of enrollment.

Mrs. Brenda Grant: That is actually a perfect segue. This induced credit hour matrix, I'm going to show you three years of data. We have data further back in time as well. An induced credit hour matrix just means like, the cross section of the credit hours being taught, and who owns the student, or who the college of record is. So the student at home college, when we talk about the incentive based budget model, is the College of record. So you'll see that on the vertical. And then the course college, which is the instructional college, which is the language we've used in the incentive based budget model is on the row. And then you can see the total by college. So to your point, you'll be able to look at Medicine over time and see that your credit hour productivity has been stable or on the rise. Each college can do that independently. This credit hour matrix has been shared with the deans and the business managers at this point in time. So I want to draw your attention to a couple of things. We're going to look over time at what, as Matt said, the University student credit hours has declined. The credit hour, why is that so important? It is so critically important because it drives the revenue. It is where our revenue comes from. So, for each college this is the critical piece. We sum that up in FTE in headcount, but it is the credit hour that's driving that revenue that is so important. So, if you take a look here. And again, you'll be able to study this at your own leisure on a college by college basis. The total of 549,000, and I am going to switch slides. We are going to go to the next year, which is 2020-2021, and you'll see that this declined to 504,000 credit hours total for the University for that year, which is a 45,000 credit hour decline, or a 9% decline from the prior year. Now we are going to switch to 2021-2022, and you'll see this is at 465,000. Look at the two-year difference from 2019, 2020 to 2022. It is [a] 84,000 credit hour decline, or a 15.4% decline. So, this is a crux of getting at our revenue dilemma. When I go back to 2016, 2017, 2018, we stay in the 560,000 mark. So, if you just think about the fact that we have gone from being hovering in the 560,000 credit hours being generated, dropping all the way down to 465,000, that's a lot of credit hours that we've declined as an institution. And again, you'll be able to look at college specifically, who might be impacted the most.? Or, you know, everyone is impacted, right? Again, except Medicine and Law, they've been able to stay fairly stagnant. But this is the crux of our issue, right? Over time our credit and our student enrollment is really slipping. So, I just wanted to share that with you. That provides context and some additional data relative to those declines. At this time, I'm going to have the presentation back over to Sabrina.

Mrs. Sabrina Taylor: Thank you, Brenda. Again, as we keep saying, these numbers are small ---

Senator Hefzy: I have a question. Can we go back to any of the previous slides? I have a very simple question, please.

Mrs. Brenda Grant: Sure. Which one?

Senator Hefzy: If I pick any college, for instance Engineering. I have a total result of 49,290 and on the vertical, I have 81,529. What does these two numbers mean? What does 81,529 and 49,290 mean?

Mrs. Brenda Grant: So we'll start with the vertical. Based on the student home college, so this should be your college of record students, your Engineering students take 81,529 credit hours during the year. Engineering taught, if we switch to where are your students taking classes at? Your Engineering students took 48,457 credit hours in their home college. If we look at your Engineering students and we look at Arts and Letters. Arts and Letters taught 10,056 credit hours to your students. So your students went to Arts and Letters and took 10,000 credit hours. Does that make sense?

Senator Hefzy: Yes, I understand so far.

Mrs. Brenda Grant: Okay.

Senator Hefzy: So what about the result and total? [For] the result and total, I have 49, 290. What does that mean?

Mrs. Brenda Grant: Incentive based model, for your revenue for Engineering you would get 80% on the dollar for each credit hour that you're instructing. And you're getting 20 cents on a dollar for the students that are your own students on the undergraduate side. This view includes undergraduate and graduate. I should have said that earlier. The graduate student credit hours that are part of these numbers, you get 100% of the revenue from that credit hour.

Senator Hefzy: I think I understand. Thank you.

Mrs. Brenda Grant: You're welcome.

Mrs. Sabrina Taylor: So, again, this is very small. We will put this out on the myUT website. We do have the four models out there. I didn't have time to get these PDF'd and over to MarComm to get them populated. I will do that tomorrow. So, what we have tried to do on the sheet right here in a simple format for discussion, review, and analysis is we took the Fiscal 22 budget that was approved by the Board last June, and we put it into the IBB model. The top half is the budget. So you'll see it is budget adopted 7/1/21, and then it shows all of the categories under the IBB area group. So, revenues, financial aid, GA support, etc. Across the top then you will see each college. Keep in mind, the budget was developed in an incremental basis. So we've kind of taken that budget and we've really basically shoved it into the IBB model, just to try to get a perspective on what that might look like. Now, I will tell you, when we actually developed the budget under the IBB model, it will more than likely, look different. Same categories, but the mindset behind how they are building it will be different. Then on the bottom is the actuals through December 31, 2021. And again, most of the same categories. Now, because this is actuals you won't see subvention. So these are only the actuals that are flowing through the financial statements. And because it's six months, you're only going to have half of the year. So this is just a snapshot in time to start looking at and getting an understanding of what our budget to actuals will kind of look like in a generalized format once we move into IBB for Fiscal 23. Now, on the bottom half on the actuals, you'll see, I dropped in some percentages on the far right hand side of the sheet. So you can see, our actuals for revenue are about 52% of what we've budgeted. That's about where we would expect that to be. Depending on the particular time of year, we know kind of exactly where we should be in terms of revenue. You know, we talk about that the University gets basically three paychecks a year: your Fall semester, Spring semester and Summer semester. That number is really very regulated and anticipated. And then below that, you'll see financial aid is about 55% of what we budgeted, GA support was at about 62% of what is budgeted, overall expenditures, 48%, about half way and so that kind of seems about right. And then the last category is the overhead and allocated support unit cost. You can see that's only 29%. I will say on the administrative side we really are managing expenditures. One of the phrases you'll hear us say a lot is 'we really are focused on mission critical spend, and keeping our powder dry.' Once we actually spend, you can't get it back, right? So we are only going to be spending when we absolutely need to be spending. The other item I will say about that category is under the administrative units, we also hold some funds on behalf of the institution that are really for the overall benefit of the entire institution. Debt service, that number is large and it gets counted under administration and then gets allocated across, at least the piece that is for the overall institution. We also have some debt service that is for very specific areas, and then

that would get charged to those specific areas. We also hold a university contingency budget. It's \$5.5 million. We've not spent any of that in the first six-months of the year. So, that is contributing also to that positive variance. So, just a lot of factors going into this. We've tried to put it in a format that we think is understandable. What I would anticipate is as we go forward and have more conversations, we'll probably start digging into the details in this type of model. I know some people have referred to it as a shadow system for this first year. So this is what we are seeing. The first six-months of this fiscal year, the budget and the actuals under an IBB type of model. Again, a lot of information here. This will be out on the myUT site. Please feel free to pull it off. Start looking at it, familiarizing yourselves, and then we can answer questions. I'm sure this will be a topic at a future meeting that we can cover as well.

One of the other items that have come up a lot are the overhead units and what their budgets actually look like. I think we are specifically asked for, like, a P&L kind of presentation for each of the support units. So this is what we have prepared on this slide. Again, I understand it's small, so you'll have to pull it up on your own to try to really dig into the details. But, we have set it up very similarly to the rest of the models where we have revenue. Along the first column: labor, direct expenditures, and you'll see the categories: transfers, and then a grand total. Across the top, you will see the 14 support units. So in the first column, administrative support, you can see that \$44.5 million. So in there, we do have that \$5.5 million contingency. We do have the debt service. There are also funds that are held centrally that really, go to cover items that really are overall University-wide support. So, even though it says 'administrative,' that's a really big bucket. I'm sure that will be an area that we will be digging into and getting into some more detail with this group. Then you can see each of the other areas as you go across the worksheet as well as a grand total on the far right column. I guess the other thing I will say, the revenues, if they are positive, which they should be, are presented on this sheet as a credit. So they're in brackets. It's just because they're credit and that's how it exports out of the system. Brenda, anything else you might add on this sheet?

Senator Jayatissa: Looking at the budget, we cannot see anything plus or minus here. For example, negative, you don't have enough money, or extra money, you have a plus. You don't have any such a thing. That mean you did not make this budget assuming your ideal case. So, it looks like you have all positive numbers here. So, this is just you try to balance the budget, or something like that. I mean, it is not really a budget for me.

Mrs. Sabrina Taylor: This is just the budget. It's not comparing anything, so it doesn't tell you the performance or where any of these units ended. This is just the budget for each of these areas that would have been loaded on July 1st, under an IBB model ---

Mrs. Brenda Grant: In brackets it's showing revenue coming in. I realize the bracket is traditionally, our minds think that's a negative. In Banner world, our revenue comes in as negatives. So the negative here is a good thing, because that is revenue that's helping offset the direct expenditure. So when you look here at this direct expenditure, this list of direct expenditures -- well, starting at the labor, I'm sorry. When you started at the labor and you go down these are the costs. This is the budget and how much we expect to spend. But luckily, there is some revenue that comes in that helps offset those expenses. We'll look at the library for a second. Look over here at the library, there is a fee that we charge our dear students for a library resource fee. That revenue comes in and it helps offset the cost of our library and bring down the amount it has to be funded from our colleges that are the primary revenue generating colleges. So, that would be some additional context of how you would kind of look at this. And again, it's budget. It's not

actuals. It's not year to date spend. It is just what was loaded, the expected revenue to the expected spend for Fiscal Year 22.

President-Elect Insch: Brenda, we still have the colleges listed. Are you talking about the expense areas because I don't see library on here?

Mrs. Brenda Grant: Oh, okay. That is weird. What do you see now? Do you see a mostly white screen that says estimated IBB 22 performance?

President-Elect Insch: Yes, but all that's on there are the colleges.

Mrs. Brenda Grant: Okay, do you have the percentages over here?

President-Elect Insch: Yes.

Mr. Brenda Grant: All right, let me switch screens. Do you see FY22 IBB Model Overhead/Allocated Support Unit Cost?

President-Elect Insch: No.

Past-President Brakel: I can see it.

Unknown Speaker: I can see it too.

President-Elect Insch: There is one line for it. Okay, it came up for me. Maybe my internet is slow. Thanks, Brenda. Sorry.

Mrs. Brenda Grant: This is what we were talking about so hopefully, that makes more sense now.

Mrs. Sabrina Taylor: These are the 14 support units. The library is the second to last column on the right.

President-Elect Insch: Am I the only one that's seeing the blue supplemental materials budget modernization introduction slide? All I see is the big – Are you with me, President Bigioni?

President Bigioni: No.

President Elect-Insch: I mean, I don't generally 'self-medicate' for Faculty Senate <laughter>.

President Bigioni: I think your internet is slow. I see the spreadsheet.

President-Elect Insch: All right, good. Well, that just matches my brain, so everything is great. Thanks. Sorry, Brenda.

Senator Jayatissa: Thank you.

Senator Hall: President Bigioni, can I ask them a question?

President Bigioni: Okay.

Senator Hall: I just wanted to ask one question about this slide. The budget for marketing appears to be about \$3.8 million dollars. That seems like a really small amount for a university our size. Does anybody from the administration care to comment on that?

Mr. Matt Schroeder: Yes, I agree. It is very small. This year, utilizing some of the one-time money that Karen through this Strategic Reinvestment had available over the last 12 months or so, there was an additional \$1.5 million of one-time dedicated to marketing for various enrollment campaign. But I would agree, all day long it is frankly embarrassing what we have been spending to market this University, and on top of that, I would also argue that some of the channels that we have been in historically were not the appropriate channels. And so, I think for the last 12 months or so you've seen a little bit of a switch or pivot as it relates to how we approach not only direct from high school students, but transfers as well. And then what are our selling point?

Senator Hall: So if we're going to reverse the enrollment declines, it seems to me that that's going to have to be increased in future budget models.

Mr. Matt Schroeder: Yes. So that \$1.5 million that came in as one-time money, that is a permanent budget assumption for Fiscal 23. And, you know, we need to continue to look at that. Agreed. I mean, you think about it; if any of us were starting up a business, typically in your pro forma you're going to assume roughly 10% of your top line revenue is going to go towards marketing.

Mrs. Brenda Grant: Honestly, it gets worse when you look at the fact that the salary and wages is half of that. Right? They really only have \$1.5 almost to spend on literally placing ads in locations. Even though their team does great work and their hands-on-deck in developing, but yeah, to pay for and purchase advertising space [there's] not enough money.

Mr. Matt Schroeder: The other comment I would make, and I don't know what this number is off the top of my head, but, you know, marketing is similar also to our capital spend - never enough money. But, I would imagine, and Brenda Grant, you can correct me if I'm wrong, or even you Mark Merrick, or others on this call. But there's also spend that is occurring at the college level outside of the line of sight of a support unit, just like there is spend happening at the college for capital or capex.

Senator Hall: I hate to put it this way. Some of the colleges certainly have been doing that and they're doing a fairly good job, but I think those might be in the minority. I think at the college level, they're under the impression that the University is responsible for all that and they're not necessarily doing very much themselves. And if that is really needed to fix our enrollment issues, I think that discussion has to be very clear to the colleges as they make their budgets.

Dean Mark Merrick: If I can weigh in on that just a moment as a Dean, and thank you for the opportunity to do so? It's not that we don't recognize the need. It's that the colleges don't have discretionary funding available to try to put into marketing because we have historically tried to take our cuts, and when we've had reductions in ways that preserve our staffing and our personnel, which largely means that things like marketing budgets within the college is one of the first things to ultimately get slashed. I think that that's a long term strategic mistake we're going to have to change. So, it is less that we believe it's the University's job. I think it's all of our job, but, we would have the same issues in the colleges that you have over in MarCom, Marketing and Communications, where the pile of money from which we draw to do those things is smaller than we would like, and smaller than we need to cover all the other things that we need to do. Hence, the need for really understanding how this works and to change the budgeting model that we're working on.

President Bigioni: Is any of the marketing spend coming under Enrollment Management?

Mr. Matt Schroder: Enrollment Management does have a spend. I cannot quantify that off the top of my head, but they have a line item from marketing, yes.

President Bigioni: Okay. Thanks.

Mrs. Sabrina Taylor: Just in their communications line they have \$1.1 million. They probably have about another, looks like, \$600,000 in other miscellaneous areas.

Provost Bjorkman: There also was a significant investment through the reinvestment process for enrollment management, specifically over this past year to be marketing our programs to students coming in this Fall, potentially.

Mrs. Sabrina Taylor: The remaining slides in this slide deck, we're just supporting information so we won't review them. But once we post the slide deck tomorrow, if you ever want to reference those, they are out there.

Senator Rouillard: I have a question, Matt. So on this last slide that we saw, the allocation costs for the support units, are we to conclude that it costs \$119 million dollars for all of these support units?

Mr. Matt Schroeder: I'm sorry, I'm nodding my head, yes.

Senator Rouillard: And when you breakdown where this money is coming from, you're saying that administrative support takes \$22 million from the tuition and fees bucket. Is that right?

Mr. Matt Schroder: We are showing \$22.2 million as a source from tuition fees and other student, yes.

Senator Rouillard: For a total of \$30 million? That's about 1/6th of what we collect in tuition, isn't it? Just in general figures?

Mr. Matt Schroeder: Brenda Grant, do you want to go back to one of the earlier slides through Q2, so we can see what it is budgeted for?

Mrs. Brenda Grant: Slide? Do you want the estimated FY22?

Mr. Matt Schroeder: Actually, I got it up on my screen. I'll put it up just to make this quicker. So, Dr. Rouillard, we had budgeted this year \$252.1 million for tuition and fees.

Senator Rouillard: That's a pretty big increase over last year. That's about \$70 million increase in tuition.

Mr. Matt Schroeder: I don't believe so. Hold on. I've got another---

Senator Rouillard: I am looking at Audited Financials for 2021, and tuition and fees was \$187 million.

Mr. Matt Schroeder: I am showing what we took to the Board in June 30, 2021, of an actual \$262.8 million.

Senator Rouillard: Okay, am I looking at the wrong page then?

Mr. Matt Schroeder: I am not sure what you're looking at.

Senator Rouillard: I'm looking at the Audited Financial too. Okay, I see a line that says \$187 million for tuition and fees.

Mrs. Sabrina Taylor: Dr. Rouillard, if you let me know what page that is, we can take a look at that.

Senator Rouillard: All right, I see. It is on page 20.

Mrs. Sabrina Taylor: I'm going to get back to you. I don't have the audited financials in front of me. So, we'll make sure that we get that and respond to your question.

Senator Rouillard: Okay, thank you.

Mr. Matt Schroeder: Dr. Rouillard, you're looking at the cash flow statement.

Senator Rouillard: Well, changes of net position too on page 18. I see \$187 million too. Where is your \$250 million?

Mr. Matt Schroeder: I'm looking at the Board stuff. We will clarify this offline.

Senator Rouillard: Okay. All right, thank you.

Mr. Matt Schroeder: Happy to do that.

President Bigioni: I don't know if I missed it, but did we see the auxiliaries? I know a couple of people have asked me privately about them.

Mrs. Sabrina Taylor: We did not put those in there, but we can certainly put that together and put it out there on the site.

President Bigioni: Great. Thank you.

Mrs. Brenda Grant: [There's] a column on the baseline models for the auxiliary units, but they are condensed, they're consolidated. It's not the individual auxiliary units.

President Bigioni: Okay. There's a question from Collin Gilstrap in the Chat. Senator Gilstrap, do you want to just ask it?

Senator Gilstrap: Sure. I just had a question about how SSI for research specifically works in this model. Are colleges allocated like, SSI research based on their headcount or does kind of SSI for research [just] roll up to the top and then get sent out based on competitive grants? Because in the College of Business, I mean, you know, we don't do a lot of competitive grants, but we do have significant expenditures on data for our research and stuff. And so I was just wondering or trying to understand how COBI would apply for research funds and things like that.

Mrs. Brenda Grant: In the IBB model, the expected portion is distributed on a 75/25 split. So, 75% of the SSI is going to the college of record. So you would get 75 cents on that dollar. The other 25% of the total SSI is distributed to colleges based on funded research. So, if your college has, you know, a lesser percentage of the funded research than other colleges, then you would get a smaller portion of the of that 25%.

Senator Gilstrap: So research SSI is basically seed money for bigger grants, like, across the board? Is that sort of the philosophy?

Mrs. Brenda Grant: Not seed money. It just comes in as revenue. It just follows the P&L for the college, so it's just part of their revenue.

Senator Gilstrap: So what about colleges that do research, but they don't do grant based research? I mean, they are not publishing '20 journals.' What's the deal there?

Mrs. Brenda Grant: Steering Committee collectively worked and considered many options for the distribution of the model when it came to the SSI, and that was the decision that was collectively determined by the Steering Committee to implement at the University of Toledo.

Senator Gilstrap: Okay, thanks. I mean, it is a little disappointing because it makes it so for us to recruit in the College of Business, you know.

Mrs. Brenda Grant: I would say, the focus was, you know, we are in R2. We have a big focus on funded research and that was probably part of the decision going down that path is to continue to be competitive in that area and within the state.

Mr. Matt Schroeder: Hey, Senator Rouillard, real quick just for the sake of this group, and I will send you an email. But you're looking at a net number and I was talking about a gross number. And so I'll map that out for you.

Senator Rouillard: I think I found the difference. The difference is the \$75 million of student aid. I'm assuming that is scholarship. So you were reporting to the Board the revenue before backing out the scholarships and the discounts?

Mr. Matt Schroeder: That is correct. So you were talking a net number [and] I was talking gross, but yes, we would look at both grad and undergrad institutional aid, which would be what the University is spending to not only recruit a student, but it would also be GA fee waivers, stipends, etc.

Senator Rouillard: Okay. But then on the same page under 'expenses and operating expenses,' you list as scholarship expense, \$29 million. So, that doesn't square with the \$75 million that is listed above in the revenue.

Mr. Matt Schroeder: What page are you on now?

Senator Rouillard: I'm on page 18. But even on page 10, I see \$187 million of tuition.

Mr. Matt Schroeder: Yes, so the \$187 million is the net number after our discounting, if you will. I'm on page 18. right now. And again, we can take this offline. What was the other number you were looking at?

Senator Rouillard: Well, I see on page 18. You report \$187 million in tuition and fees, net student aid of \$75 million. Then down below under 'expenses,' scholarship is listed at \$29 million.

Mr. Matt Schroeder: I'll send you an email, but there's a contra going on up high in the revenues, then there's additional under the expense. I'll send you a note explaining it.

Senator Rouillard: Okay. Thank you very much.

President Bigioni: Senator Day asked an important question in the Chat, and I see that she just dropped off unfortunately. So I'll just read it to. She says, "Since it takes five years to mature into this model, as you said, does that mean there will be no big changes to programs etc. for five years as we all adjust?"

Mrs. Sabrina Taylor: So, I can start that conversation. All the IBB model does is give us a more strategic way to allocate our resources based on the college that is generating them. It doesn't tell you what you should or shouldn't do. If our enrollment continues to decline, let's say it's a worst case scenario, and it continues to reduce for the next five years. I don't think any of us can say what we may or may not do in year three, four and five. I think what we have seen across the institution over the 10 to 12 years of enrollment declines is that there's probably been a little bit more of a temporary mindset. You know, let's get through this year. You know, we figured out how to cobble the budget together, but it will be better next year. You know, enrollments going to turn around. And so that has just been compounding. I know what a lot of areas have felt like, is that a lot of the budget reductions, even though they weren't all across the board, they felt like they were across the board. So, they weren't strategically allocated to, you know, programs that we thought were our highest priorities or highest performers. Instead, a lot of folks will say that maybe we were 'starving' the entire institution across the board. So at the end of the day, if our revenue's going down and our expenses are going up, we're going to have to make decisions on how to bridge that. I don't think anybody here is saying that we have the answers on how to do that. So, I don't think anybody can say for five years, we won't make any changes because if our enrollment continues to go down, we're going to have to make changes.

President Bigioni: Okay, thank you. Let me ask one other question that I've gotten privately from other people. There is currently this \$18 million dollar projected structural deficit, right? That doesn't seem to include UTMC. So what share of that deficit is UTMC bearing?

Mr. Matt Schroeder: So the \$18 million dollars is for the General Fund only. The expectation is that UTMC will bring forward a balanced budget. We are also looking at and, you know, it started two years ago, the support, if you will. This was identified as a financial opportunity as part of the Huron assessment along with the academic portfolio assessment. We are looking at making sure that UTMC is paying their fair share. But, as it relates to budget development, the expectation is that there will be no underwriting of UTMC in terms of short falls. I think everyone on this call remembers going back to Fiscal 15 through Fiscal 20, that there was underwriting of the clinical enterprise, whether that was calling upon resources within the captive, the UTMAC, or in earlier years, simply the rest of the enterprise underwriting those losses. Again, that is on a sources and uses basis or a cash basis. So, we have made it very clear to them that what we expect to see from them this year is a balanced budget.

President Bigioni: I appreciate that. I guess the question as it was posed to me was, in that context of that history of us sub venting the UTMC losses for many years -- well, I guess the person put it quite bluntly, that it's time for UTMC to pay us back with the \$18 million dollar deficit that we're looking at. So, that is kind of the context of the question that was posed to me.

Mr. Matt Schroeder: President Bigioni, I'll answer it as follows. I think a good example to look to is Ohio State, just down the road a couple of hours. There were a number of years before, you know, their clinical arm, Wexner, really elevated to the point where now Wexner is supporting a significant amount of the academic side of the house. But there were a number of years where the academics side was supporting Wexner. It is my expectation, the role that I have is that, as UTMC stabilizes that the academic side will be supported. Is it going to happen in Fiscal 23? We'll see. They're doing their budget development now. I've had some preliminary conversations with Rick, their CEO, but it's too early to tell where they are heading. But again, it is my expectation similar to an Ohio State, that as the clinical arm of our enterprise is stabilized, that we would see some academic support coming back from the hospital.

President Bigioni: Thank you. That would be great to get there. Are there any other questions?

Senator Jayatissa: Yes. Let's say the budget that we build conduct this manner, 22-23, and we lost a significant amount of money, we cannot balance the budget. What are we going to do? Are we going to carry out to the next year? Or, you borrow some money, or some kind of donation or something to fix the situation? How do you typically manage that situation?

Mr. Matt Schroeder: Yeah, and I'll start and Brenda Grant, Karen, Sabrina, please chime in. But, you know, obviously, one of the things with incentive based budgeting, you know, the model doesn't fix the problem. But what incentive based budgeting does, it discloses earlier on to the Deans and others what the problem is looking like. Many have described it as a black box. You know, now there's now a line of sight into everything in the inner workings of the University. This also touches to one of Mark Merrick's comments. That as an institution, you see it in the student credit hour production, you see it in the enrollment numbers. Where we are currently, we have to do our best to get to a balanced budget, number one, and then number two, what are some of the changes we're going to enact as a University? And these changes really driven by the deans, the provost, etc. to start fixing things. We cannot continue to cut, cut, cut, cut, cut. Right? We've had essentially 12 plus years of incremental cuts year over year, over year. And we're now, at the point where, you know, to the question about marketing - why aren't we spending more on marketing? We absolutely should be spending more on marketing and we absolutely should be targeting those opportunities for growth. But there are certain areas in this University, humanities etc. where its core is part of our academic mission. So, as we work towards a balanced budget, we also have to take into account revenue generating ideas, but then we also need to have the difficult conversations of, what doesn't really make sense anymore for the University to be focusing on? For the last 12 years, everything has been incremental year over year, whether it's cuts or adding different expenses or burdens onto the overall University. It's just simply not sustainable anymore. Karen, I don't know if you have additional thoughts to weigh in there?

Provost Bjorkman: No, I mean, that's exactly right. We would love to do lots of things, but right now we simply don't have the income to do it. And I'm hopeful that under IBB, if we grow our enrollment that will provide additional funding that we can invest in those things that we need to be doing and to continue. I mean, you can either go one of two ways. You can go on a death spiral downward, or you can be in a growth spiral upward, and we would prefer the latter.

Senator Jayatissa: I asked that question because...every day there is a budget cut, right? It's like, we cannot do anything especially because every year [it's a cut]. If you go to the dean, if you go to the chairman, and if you ask for help - sorry, budget cut. So that is the word we hear continuously, and nobody fixed that. I am a little bit wondering what will happen in the future. Thank you.

President Bigioni: Other questions? I see more is coming up in the Chat, but [they are] maybe more comments than questions. Any other questions?

Senator Wedding: During the last 12 years, when we were losing a \$100 million dollars in enrollment decline. What about some of the other operations, for example the hospital, UTMC, which we were supporting during that time, at least in part? They lost probably over \$100 million. And for certain, the Athletic Department, and I go to all the football and basketball games, I pay and donate to them, but, the fact is they lost during that 12 years probably twice that, maybe over \$200 million. You'd have to go back and add them up, but they're losing a ton of money. The Provost says we have to decide where our

priorities are and where we want to go. Well, I think we would want to go in the direction of athletics, away from athletics, or at least cut that down some to maybe a lower division or maybe get rid of football. There's a lot of things we can do on this campus, but we shouldn't be cutting academics. We should not be cutting academics. That's what we do. That's our job. That's our business.

President Bigioni: That is our revenue.

Other questions? So I remind everybody that you can send email questions, but if you do, please copy me and for that matter, President-Elect Insch, so the Executive Committee can put information together and disseminate whatever we think is important for you to see. So, any last questions?

Mr. Matt Schroeder: President Bigioni, I would just like to say, thank you. Thanks to Faculty Senate as well. I really appreciate the opportunity. I realize the academic year is almost over. I think maybe you have two more meetings left, and I think one of those is your big sort of housekeeping meeting for the year. We are happy to come back at any point in time. That intranet site, as Brenda Grant said is out there. We'll continue to populate it, but as folks transition to summer, anything that comes to mind, please send us an email, we're happy to talk through it. For us, we want to be as transparent as possible, and I truly mean that.

President Bigioni: We really appreciate you coming and being so open. This is certainly complex stuff and some of it's tough too, we really appreciate you spending all this time with us and answering so many questions, and educating us. That's an important part of this process, for everybody to buy into the new process, to make better progress.

Okay, officially, we need to move on to our last item of business. So thanks again, everyone. Thanks Matt, Sabrina and Brenda. Our last item of business is items from the floor. Does anyone have anything pressing that they really need to bring to the floor at this late hour?

Senator Hefzy: I would like to move to adjourn.

President Bigioni: Okay, we can move on to adjournment. In fact, you don't even need to move to adjournment. We will just move on that item on the agenda. I hereby declare this meeting adjourned. Meeting adjourned at 6:38 p.m.

IV. Meeting adjourned at 6:38 p.m.

Respectfully submitted: Kimberly Nigem
Faculty Senate Office Administrative Secretary

Tape summary: Quinetta Hubbard
Faculty Senate Executive Secretary