THE UNIVERSITY OF TOLEDO
Minutes of the Faculty Senate Meeting of March 14, 2023
FACULTY SENATE
http://www.utoledo.edu/facsenate Approved @ FS on 3/28/2023

Summary of Discussion

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

President Insch: Thank everyone. I appreciate your patience again, just trying to make the technology work for us here. I'm grateful for those who are in attendance and those who have joined us through the internet. I would like to call the March 14, 2023, University of Faculty Senate to order. We will start with the roll call by Secretary Deborah Coulter-Harris.

Senator Coulter-Harris: Good evening, senators. Can you hear me? The ones at my back, can someone say, yes?

Unknown Speaker: Yes, we hear you.

President Insch: We don't hear them.

Senator Edgington: Yes, I think that's the problem.

Senator Coulter-Harris: We can't hear them?

Senator Edgington: Right.

Senator Coulter-Harris: Okay, we need to fix it before I continue.

Senator Compora: I know how to fix it.

[Time Passed]

Senator Coulter-Harris: Would someone say, yes, please?

Group of Senators via WebEx: Yes.

Senator Harmych: Yes, we can hear you.

Senator Coulter-Harris: I will now continue with the roll.

Present: Ammon Allred, Tomer Avidor-Reiss, Gabriella Baki, Sheri Benton, Terry Bigioni, Jillian Bornak, Eric Chaffee, Carmen Cioc, Daniel Compora, Deborah Coulter-Harris, Maria Diakonova, Lucy Duhon, Anthony Edgington, Ahmed El-Zawahry, Collin Gilstrap, Karen Green, Sally Harmych, Samir Hefzy, Mitchell Howard, Jason Huntley, Gary Insch, A. Jayatissa, Catherine Johnson, Michael Kistner, David Krantz, Patrick, Lawrence, Glenn Lipscomb, Kimberly McBride, Alexia Metz, Mohamed Moussa, Julie Murphy, Kimberly Nigem, Grant Norte, Carla Pattin, Elaine Reeves, Jennifer Reynolds, Linda Rouillard, Paul Schaefer, Barry Scheuermann, Kathy Shan, Puneet Sindwani, Suzanne Smith, Stan Stepkowski, Robert Steven, Lee Strang, Steven Sucheck, Weiqing Sun, Jami Taylor, Berhane Teclehaimanot, Robert Topp, James Van Hook, Jerry Van Hoy, Randall Vesely, Don Wedding

Excused Absences: Peter Andreanna, Vicki Dagostino-Kalniz, Hossein Elgafy, Cindy Herrera, Lauren Koch, David Kujawa, Mohamad Moussa, Amanda Murray, Mohamed Osman
Unexcused Absent: Elissar Andari, Prabir Chaudhuri, Yvette Perry

Senator Coulter-Harris cont'd: President Insch, we have a quorum.

President Insch: Thank you, Secretary Coulter-Harris. We'll now move on to the approval of the agenda. If I can have a motion to approve.

Senator Johnson: So moved.

President Insch: Thank you, Senator Johnson. Can I have a second?

Senator Green: Second.

President Insch: Senator Green, thank you very much. All in favor of approving the agenda, say ‘aye. Any opposed? Any abstentions? ***Adoption of Agenda Passed.*** Plus, any discussion on the Minutes from February 28, 2023? They were quite long. I think it came out two volumes, didn’t it?

Senator Coulter-Harris: Yes, 42 pages.

President Insch: Well, I only got through the first half to be honest. Yeah, I’m waiting for the movie version.

Senator Coulter-Harris: Yes<laughter>.

President Insch: So, I see no comments. If you are in favor of approving the Minutes, please say, ‘aye,’ or put ‘yes’ in the Chat. Any opposed, put ‘no’ and if you wish to abstain, put ‘a’ in the Chat, or say, ‘abstain.’

Senator Van Hoy: So moved.

Senator Compora: Second.

President Insch: I believe that has passed. ***Motion Passed.***

Next, then since we approved the Minutes, we will now move on to our Executive Committee report. That’s me. So, good afternoon, everyone. It's great to be here. I appreciate all your service to our community and to UT. I'm going to keep this as short as possible, because we do have a hard stop today at 5:45 so that we can all get to the Promotion and Tenure celebration.

Over the past two weeks, the Faculty Senate Executive Committee and the Faculty Senate committees have all been very active. Linda and I met with Vice Provost Small. We discussed the upcoming promotion and tenure workshop, which is happening this Friday. This afternoon’s Promotion and Tenure celebration, if you're close by, or not in the building, if you'd like to come, we'd love to have you there, starts at 6 o'clock. We also talked about other issues of concern regarding class scheduling and clarifications of the teach to contract guidelines, which are still under discussion.

The Faculty Senate Executive Committee met with President Postel and Vice President for Research Frank Calzonetti. Dr. Calzonetti addressed our concerns regarding the speed and efficiency of the IRB process and other challenges with some of the Research Office’s other functions. Dr. Calzonetti acknowledged these challenges and identified the high turnover in his office as a primary catalyst for these issues and informed the committee that his office is now finally fully staffed. He expects things to improve as the staff gets fully trained. President Postel continued our discussion from the Faculty Senate meeting regarding the budget recruiting issues, including ways that faculty could be more involved in helping him find and implement solutions.

The Faculty Affairs Committee continues to work on a policy to bring equity to the family leave policies of COMLS and Main Campus. The Recruitment and Retention Committee continued their meetings and met last Friday through spring break. I appreciate that. Thank you, Tomer and Dr. Yakov for all the hard work you're doing. And the Faculty Senate Budget Committee continues to set-up meetings with the Provost Office.

Regarding the Dean's evaluations, we are compiling the data as well. Thank you very much Lisa Taylor, who is doing that for us. The Faculty Senate Executive Committee will review the results and then we will distribute them soon.

President Postel recently sent out the call for the Faculty Senate to propose to colleagues to serve on the Provost Search Committee. The committee will have a short introductory meeting later this semester and then the heavy workload will start in the fall as they start to gather resumes and look at the candidate pool. So, there'll be a heavy lift in the fall and then that would continue through the spring. If you, or you know any colleague that you would like to nominate to be one of the Faculty Senate representatives on the Provost Search Committee, please send that name to me. The Faculty Senate Executive Committee will review those names and then propose two of our colleagues to serve on that committee. Self-nomination is fine. We will collect those, and then select our representatives.

Finally, as you are aware, the Faculty Senate is co-hosting the Tenure and Promotion recognition celebration. It is happening just down the hall. I encourage all of you who are in the room with us, please come with us and celebrate this great day in our colleagues' lives. And also, if you are somewhere close by, please stop by. There is food, and it is going to be a very nice event.

So, my friends that is our reports. Are there any questions? You are checking the Chat for me, right, Past-President Bigioni?

Past-President Bigioni: Yes.

President Insch cont'd: And, or if anyone from the Faculty Senate Executive Committee member has something to add? All right, thank you very much. I appreciate you all. We will now move down the agenda to our primary business, which is to get our curriculum moving through. So, we'll start with Senator Edgington.

Senator Edgington: No Provost today?

President Insch: Oh, I almost skipped her. We emailed about this too. I'm so sorry, Provost Dickson. I appreciate your patience. First, our Provost. Thank you.

Provost Dickson: So, are you ready for me?

President Insch: Yes, please.

Provost Dickson: As President Insch has mentioned, this evening, right after the Faculty Senate meeting, we're celebrating 64 of our colleagues who received tenure and/or promotion last year. Combined this group has received more than $20 M in research grants, produce more than 250 published works, and has received a number of awards. UToledo has awe-inspiring faculty, and we are so proud of your accomplishments. For more of their accomplishments, I invite you to come tonight. But in the meantime, congratulations to all of you who are being honored, and to those of you who've mentored and supported them along the way. We all deserve the congratulations for having such amazing faculty and amazing accomplishments.

So, I'll like to start with other faculty highlights, too. I'd like to acknowledge the newest faculty members to hold the honorary title of Distinguished University Professor. These faculty were recognized by the UToledo Board of Trustees on February 08, and they include Dr. Kevin Czajkowski, a Professor of Geography and Planning in the College of Arts and Letters; Dr. Mike Heben, Professor of Physics in the College of Natural Science and Mathematics; and Dr. Revathy Kumar, Professor Educational Psychology in the Judith Herb College of Education. All three Distinguished University Professors represent our University with excellence as high achieving professors who have made extraordinary impact in their respective fields along with teaching and service to the institution and their disciplines.

I also want to recognize Dr. Coral Matus, Associate Dean for Foundational Sciences and Associate Professor in the College of Medicine and Life Sciences. She has been chosen as the University of Toledo's recipient for the 2023, Mid-American Conference Outstanding award for Student Success. This award recognizes a faculty member who supports and develops students both inside and outside the classroom. So, congratulations to all of our amazing faculty. Well done. We're all so proud of you.

So, in terms of Academic Affairs and Provost Office updates. We continue to move forward with the position for associate vice provost for a student lifecycle success. I understand the initial interviews for this position have been scheduled and the committee is moving forward with the initial round of candidates. As many of you know, this is work I'm very excited to begin and have been very committed to over the course of my career. We all look forward to getting a strong candidate in there as soon as possible and as soon as it is reasonable to start this important work.

In terms of budget planning, it seems like 'budget, budget, budget.' That's all we're talking about these days. As we work towards creating a balanced budget to present to the Board this spring, we are actively meeting with the Deans as many of you have heard. As most of you are aware, this has been a very, very busy budget year as we're aggressively looking at ways to reprioritize existing resources to find areas of opportunity and growth. And while this is a difficult exercise, it is also an exciting opportunity to better understand what our priorities are and to strategically focus our resources in line with the strategic plan that we've recently committed [to], and to really make a commitment to our future in terms of who we're going to be and what our disciplinary strengths are going to be moving forward.

So, you also know that we're currently working on fall and spring schedules. And we're working with the colleges to ensure that courses are scheduled in a way that meets student needs, according to plans of studies, ensuring that students can move forward uninterrupted towards their degree. Efficient course scheduling will also facilitate our ability to add courses in new areas created by the colleges as they're approved by the Board and to ensure that we are able to free-up resources, or other areas that we have need as we're kind of shrinking in our budget.

So, these are the things that have come to mind that we've been working on since the last Faculty Senate meeting. I'm happy to answer any questions from the floor.

President Insch: Are there any questions for the Provost? We have a couple, so I'll start with Senator Johnson.

Senator Johnson: Yeah, I just have a question about the criteria that you're using to prioritize, you know, when you come up with prioritizing programs and that kind of thing. Do you have criteria set, or is that something that we're still kind of working on?

Provost Dickson: That is something that the deans have done in terms of the Huron data. I'm not sure what college you're in, but I would suggest that you reach out to the Dean's office and ask what the priorities are for this academic year for where resources are being prioritized. Some of the colleges have new programs that have been approved, others have made decisions to prioritize in other areas. I can't answer you. It's not our criteria. It's based heavily on the Huron data, market data, growing enrollments, or programs, or areas that seem to have declining enrollment. Some of the deans have decided to prioritize, other deans have decided to market in those areas. But, in terms of the criterion, there wasn't one set out from the Provost Office specifically.

Senator Johnson: Thank you.

President-Elect Rouillard: Provost Dickson, one of the first things you did when you came to campus was to do a workload re-review. You were doing this, particularly to make sure that everybody was teaching the contract. Can you tell us if you found any anomalies subsequent to that review?

Provost Dickson: So, I haven't done a review. What I did was I asked the colleges to make sure that everybody was teaching to contract. And I did that Linda, as you know, for a couple of reasons. One, is to ensure equity and consistency across the colleges and within the colleges because that's one of the things I've heard over and over again as I've worked in institutions, is people in some departments believe that they're working more or less. So, that was one of the reasons. The other reason is, I'm very, very tired of hearing about this 'man' who mows his lawn at either 10 o'clock or 2 o'clock on a Tuesday afternoon, whether it's snowing or not. Every legislature, and every board in the country talks about this. And all you have to do is read the National Higher Ed News to know that people think faculty don't work. So, as I've mentioned before, my goal was to be able to say to the Board, I've ensured that our faculty are working to contract, so let's get off that topic and move forward. If there's an issue, it's with the contract, not with the faculty. So what's happened in the meantime, I understand you all have been reporting workload, but in the meantime, there is also a very consistent rumor that appears to have some measure of truth in it. That there will be legislation passed in the State that requires that we show that faculty are working to workload. So, this was not me trying to catch you at anything, or do anything. It's your contract and your elaboration, so I'm not looking for anything but to ensure that the deans and the chairs can say, yes, we have looked at our elaborations and we have looked at faculty workload and all faculty appear to be working to contract. So, I'm not looking for inconsistencies. I'm not looking at individual faculty. What I'm doing is, I'm looking to the colleges to tell me that that's true; so when the Board asks me or the legislature asked the Board, we've already answered that question. We're not going to have people coming in and poking around in our business.

President-Elect Rouillard: Thank you.

Provost Dickson: You're welcome.

President Insch: Are there any other questions for the Provost? Is there one in the Chat?

Past-President Bigioni: Yes.

President Insch: This is from a senator. Is service included in the workload?

Provost Dickson: Absolutely. You know what? I'm just going to say the answer is here. Because it's in your guy's contract. Sorry, I just held up the contract if you didn't know. Absolutely. So what you find is teaching professional work and service are always in the components of faculty workload.

Senator Jayatissa: Actually, Provost, I would like to request from you, especially the College of Engineering service is not counted as a part of workload. We talk about this, but the administration does not make it. Therefore, I think you have to make sure that will happen.

Provost Dickson: What I'm going to tell you is, that is not mine. If you are not being credited for your workload, you need to go to your union. That is the purpose of the union, which is to make sure that your contract is being enforced. You know, that is not an area that I really am willing to get into. So your service as it is outlined in your elaborations is to be counted in the workload, according to the contract.

Senator Jayatissa: Okay, we will try that. But, this is actually a major concern with the whole college. Thank you.

Provost Dickson: So, if Don Wedding is here, I would suggest him to talk to you afterwards.

President Insch: The next question in the Chat is, 'Thank you for recognizing our Distinguished University Professors. Do you know if any University lecturers will be named this year?'

Provost Dickson: It is my understanding that there will be and I think we're in the process of doing that right now. I don't know exactly where we are, but it is my understanding that there will be a Distinguished University Lecturer named this year.

Vice Provost Molitor: If I can add to that? The committee will be convening at the end of this week.

Provost Dickson and President Insch: Thank you, Vice Provost Molitor.

President Insch: So hopefully you got that, that the committee is meeting this week. Thank you, Vice Provost Molitor. Are there any other questions for the Provost? Hearing and seeing none. Thank you so much Provost. I'll probably see you in a little bit at the reception.

Provost Dickson: You will. Thank you all very much. You will now move on to the Senate Undergraduate Curriculum Committee and Chairman Edgington.

President Insch: We will now move on to the Senate Undergraduate Curriculum Committee and Chairman Edgington.

Senator Edgington: Hopefully, everybody can see the spreadsheet here. We have 16 new course proposals and two course modifications for today. I'll go ahead and jump in. **WGST 3150, Proseminar in Women's and Gender Studies.** "Designed for WGST majors & minors. Students reflect on the academic, professional and community activist/engagement dimensions of Women's and Gender Studies. Special emphasis is dedicated to the completion of a portfolio for future career opportunities, community activism/engagement, and graduate studies."

PHM 3700, Career Planning Strategies. "An applied course for which students learn the fundamentals of career exploration, job searching, and professionalism as it pertains to the pharmaceutical sciences industry."

RCBS 4940, Internship-Practicum. “Clinical experience in locations both inside and outside the university setting. Placement to be coordinated with the Program Director or Director of Clinical Education.”

ECON 3750, Survey of Health Economics. “Introduction to the economic analysis of health and health care. Topics include medical and allied manpower, hospitals, drugs and economic evaluation of health programs.”

REL 2320, Judaism. “An inductive introduction to the history, beliefs, and practices of Judaism, with an emphasis on various forms of Jewish culture and identity.”

PHPR 2020, Careers in Cosmetic Science. “An introductory course to careers in the cosmetic industry with interactive keynote guest speakers.”

PHPR 4820, Advanced Formulation Techniques. “An advanced laboratory course in cosmetics and personal care products with an emphasis on specialty and active raw material formulation design techniques, new and emerging product development formulations, and quality control testing methods.”

PHPR 3240, Cosmetics Ingredients Laboratory. “Laboratory introduction to the cosmetic ingredients and active ingredients learned in Cosmetic Ingredients lecture course. Demonstrations and laboratory experiments to prepare students for product formulation courses.”

RCRT 4560, Recreational Therapy Interventions I. “This course provides the student the fundamental skill development needed to implement therapeutic outcomes using Recreational Therapy interventions utilizing leisure education, assistive technology, and animal assisted therapy within treatment settings. Minimum "C" required for RCRT majors. Registration restriction: Acceptance into the RT professional sequence.”

RCRT 4565, Recreational Therapy Interventions II. “This course provides the student the fundamental skill development needed to implement therapeutic outcomes using Recreational Therapy interventions utilizing therapeutic art, horticulture, and stress management/relaxation therapy within treatment settings. Minimum "C" required for RCRT majors.”

RCRT 4570, Recreational Therapy Interventions III. “This course provides the student the fundamental skill development needed to implement therapeutic outcomes using Recreational Therapy interventions utilizing therapeutic fitness and aquatic therapy within treatment settings. Minimum "C" required for RCRT majors.”

EEES 4850, Dimensions of Sustainability. “Dimensions of Sustainability investigates the interactions of human activities with the natural function of the physical and biological systems of Earth. Readings and discussions will evaluate individual issues associated with sustainability, and the ethical responsibility to future generations for stewardship of the global ecosystem and human social structure.”

NSCI 4910, <u>This will not be the new title</u> -From submission to page proofs: a masterclass experience in biomedical research publishing with the University of Toledo’s journal “Translation.” **<u>The title will actually be:</u> <u>Biomedical Publishing</u>.** “Academic and student development course offering an introduction to an open access peer reviewed journal. Offers strategies to gain a better understanding of this example of journal system by examining and eventually assisting with The University of Toledo Journal of Medical Sciences (Translation) through process, procedures, and application.”

NSM 3000, Transformative Ideas in Science. "A broad-ranging exploration of how major scientific discoveries and advances over the past several centuries have transformed and shaped modern science, and throughKkKh that, the modern world. Lectures on transformative topics from all disciplines in NSM, an introduction to critical thinking skills and their application to the pursuit of scientific 'truth', and training and practice in writing about science."

SLP 1400, Introduction to Communication Disorders. "A study of causative factors and characteristics of communicative disorders in comparison to normal speech/language/hearing processes."

SLP 2150, Speech and Hearing Science. "A detailed exploration of the speech and language production system, as well as the hearing mechanism with relation to the auditory environment. Information on aerodynamic and acoustic parameters of speech, the anatomy and physiology of the speech and hearing mechanisms, the neural basis of speech/language/hearing, and the speech perception system is provided during this course. The course is designed with lab experiences so students can get hands-on practice."

Course Modifications

ANTH 4300, Cultural Resource Management. "Elimination of course prerequisites. Updated syllabus. NOTE: The only change made to the course is the removal of prerequisites (ANTH 2020 and 2800). The pre-requisites are not mandatory for students to manage the course content. The course has applicability for non-majors, including individuals who may not have taken the lower-level courses."

FILM 2320, Digital Cinema Production I. "Modified prereqs (adding FILM 2330 as an option). Updated syllabus. Updated learning outcomes. NOTE: There are no changes other than to align pre-reqs with what is stated in the catalog."

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Senator Edgington cont'd: So those are our 16 course proposals and two course modifications. Are there any questions or comments on any of those courses? So hearing none, we will proceed to vote. So online please put 'yes,' if you approve the courses, 'no,' if you do not approve and 'a,' if you abstain. In the room, please say, 'yes' if you approve the courses. Please say 'no,' if you do not approve. Please say 'a,' if you abstain. Past-President Bigioni, as long as we're good online, I think we're good.

Past-President Bigioni: Yes, we are.

Senator Edgington: Okay, thank you very much. ***Motion Passed.***

President Insch: Thank you, Senator Edgington and thanks to your committee, which is doing a tremendous amount of work. We appreciate that very much. So, I'll move on now to the Faculty Senate Academic Programs Committee, Chairman Lawrence.

Senator Lawrence: Give me one second while I share my report on the screen. Okay, here we are. I think these are all pretty straightforward. I think we'll just run through the list, explain these are all program modifications, and then we can entertain any questions. The first that we have here come from the Department of Physics. This is the same change that impacts all four of their BS concentration in Physics. It is complete to replace a required existing course, EECS 1500 with that course or two other options students can choose, CSET 1100 or PHYS 4130. So that's those four; a very simple program modification. Likewise, we have two from Biology in the Neuroscience Concentration, both the BA and BS degrees. They're updating required courses. The BIOL 4250 is not longer being offered and is being replaced with slash course of BIOL or Neuroscience 2050 and BIOL 3050 slash with NSCI 3050. We have a whole suite of new neuroscience courses that we did previously approve with a new neuroscience major. So, there are now other course offerings. Essentially, these students in the Biology Neuroscience Concentrations can choose to meet their degree requirements. Out of Pharmacy, Pharmacology and Toxicology are simply redefining their program learning objectives; does not change in course requirements or hours in that nature. In their BSPS degrees, there are some course changes. One of which, we just approved the course, the PHMS 3700. That is a new required course. The course number PHCL needed to be corrected. We just listed it correctly in the catalog. It didn't cause for a course change, just a clarification. Two courses have been removed, and they updated student learning objectives and plan of study. Then the BSPS, adding that new PHM 3700. They are changing one of their recommended courses to required. They changed their elective hours in their plan of study from 5 to 6. They altered their internship requirements hours, flexible hours and changed the plan of study into fall and hour elective hours. There's no net change in total hours. There's sort of a combination of adjustments of adding and reducing courses and credit hours. But at the end of the day, the total hours remain. And of course, they've updated the student learning objectives and the plan of study. The Cosmetic Science and Formulation BSPS, they are adding 4+1 pathway from their current BS to their master's program as one change. They're also adding three required courses, two of which we just approved. The PHM 3700 and PHPR 3240, plus an existing course, MBC 3310, they removed a course and reduced elective hours, revised their student learning and plan of study. In Finance, the program modification here simply is to allow this degree to be offered online in addition to face-to-face. They're creating an online degree…for this program. And then the final one we have, Natural Science and Math is a modification of their existing BS in General Studies, which has been in that college for quite a while. They are renaming and updating that to a BS Interdisciplinary Science. There's a revised course list of selection of individual concentrations of courses within that college. So, for example, the students could pick biology or the chemistry, etc. It's 120 hours. Fifteen of 34 hours from the department is the core degree. We have a brand new plan of study student learning objectives, and a curriculum map. So, it's really an update, and refining, and clarity around that associated with the name change as well. Those are the proposals that come recommended from the committee.

Before we entertain a vote, are there any questions on any of these? Not seeing any in the Chat. Let me know if you see anything. I haven't seen any pop-up yet. Hearing none, I will move a motion to vote 'yes,' 'no,' or 'abstain' verbally in the room and on the Chat. ***Motion Passed.*** Thank you very much. My committee, we have about 30 more proposals. We are continuing to work through those. And you're probably going to see a similar a list of about 12 to 15 in the coming meetings. We've got several that we were ready for this meeting that had to go out for some clarification, so those have come up and several others. It's been pretty busy as we meet our deadlines. Folks have been speeding things through. So, our work goes on. Thank you very much.

President Insch: Thank you so much. I appreciate it a lot. I appreciate all the work that your committee does as well. We will now move on to our special guest. Matt Schroeder is here, Executive Vice President of Finance, Chief Financial Officer, to talk about and/or answer any questions we might have about the budget.

Matt Schroeder, Executive Vice President of Finance: All right, everyone that's participating remotely, can you see that okay?

Group of Senators: Yes.

Matt Schroeder, Executive Vice President of Finance: All right, excellent. Thank you so much. Well, President Insch, thank you and Faculty Senate for having me back. I think last time I was here was, maybe in November. I believe there is a hard stop, at what time sir?

President Insch: 5:45 pm.

Matt Schroeder, Executive Vice President of Finance: Okay. I'm happy to come back if I run long today. So, Gary was kind enough to reach out, I think right before the February Board meeting. He wanted me to come in and talk about not only what I'll describe as budget to actuals, as it relates to-- in this case, and for today's presentation-- to where we are through January. But also, looking at the impact that spring enrollment has had on the financials. Do you want a little bit more than that Gary? I'm going to talk also about anonomy, where are we through January? And we'll talk a little bit about fiscal 24 budget development. Then I know there's been some interest by Faculty Senate and other stakeholders as it relates to the overall financial planning that we've been working closely with the Board on.

So, what we will do as has been the case, and if there's some other things that Gary, and I think I got to go back and look at my notes from when you and Linda were in the office, but we'll post all of this to MyUToledo underneath the finance section so that you can go back and look at it. So, what you have in front of you today, up on the screen and on your desktops, would be our income statements. This is based on generally accepted accounting principles that says consolidated. So, it is auxiliaries, academic, and clinical, which would be UTMC. So, I'm just going to stay at a high level for today and talk through some of the red boxes. Through January of this year, from a revenue standpoint, the clinical side of the house, the net patient service revenue really continues to be a main driver, not only budget to actuals. I should point out what Mike Dennis has done in this presentation. The fiscal 23 budget column -- that is our budget through January. That is not annualized. And so, a few of these red boxes will be impacted from timing issues. But it's our best way--even though we don't budget on a monthly basis outside of clinical-- it's our best way to get Faculty Senate and the Board etc. a good snapshot in time of how we're performing. So, as has been the case throughout the year, the clinical side of the house from the net patient service revenue, not only continues to be a material driver year over year, almost $24 Million. If you go to the top right-hand corner, favorable variance to budget is just north of $8.3 Million.

Student tuition and fees, and I've got a slide a little bit further in this deck which I will go to in a few minutes, this is through January. This would include performance from tuition and fee revenue for spring 2023. We are favorable to budget right now by about $2.5 Million. Why is that, given that spring has come in at a 'historical low?' It's the algorithm that we used during our development process that Terry Romer created. This algorithm doesn't take it to the college level or the program level. But it looks at our retention rates, our graduation rates, the aging FTEs in the system, and many more complicated factors that I don't even know we will get into today. But that gives us a good sense when we're budgeting not to be too conservative, but more realistic. So that $2.5 Million, probably the next question in your mind is how does that play out through the remainder of the year? I know there's been a lot of conversation with Faculty Senate, and the Provost Office, and Scott and Risa around the summer. Right now, when Terry and I met this morning, as it relates to the revenues that are coming in for summer, it's right on track with budget. We're not seeing any huge variances at this point in time. So, we do anticipate the assumptions that we've made around tuition and fee revenue for fiscal 23 will hold through the remainder of the fiscal year. The tuition and fees, though, budget to actuals, okay favorable variance. The theme that will tie into our financial planning, though. If you go over to the right hand side and you look at that year over year variance, it's just north of $12 Million. The melt continues as it relates to tuition fee revenue, favorable credit as it relates to pull-back on tuition aid spend. I'll show you a line graph here in a minute as it relates to just the overall performance net tuition revenue. But this melt is obviously not sustainable and is one of the, I guess primary focal points as it relates to the five-year financial forecasting that we've been doing.

Auxiliary enterprises, if you go down the page, budget to actuals off $4.2 Million, primarily driven by housing occupancy. I think…occupancy this year came in just under1,600 beds under contract for fall. We typically have a little bit of mill? between fall and spring due to graduation, internships, co-ops, etc., and then also on meal plans. So, if students aren't living on campus, students aren't enrolling, [it] had a direct impact on meal plans and we obviously quantify that out as a loss of $4.2 Million there. Overall though, as it relates to total operating revenues, we are out performing budget currently. But again, I want to stress and emphasize the favorable variance right now on the revenue side is primarily driven by the performance on the clinical side of the house, and also the 'slight performance' on tuition and fee revenue budget to actual and a pull-back on our institutional aid spend. I do want to point out the smaller box over the right, the 4.8%; I'll just tie that out now. If you down to the operating expenses, they have a growth rate of 8.1%, so obviously our expenses are growing faster than our revenues. The people from the 'B school' in the audience are smiling, because that is obviously not sustainable. So, I don't mean to laugh, but probably looking at the facial expressions. So that just one item really to call out from an operating expense side instead of this sole red box. You know, it's a favorable variance right now at almost $15.5 Million. That's one of the examples as it relates to timing, you know, as we take an annual budget, convert it to a monthly. Underneath 'other,' it is where technically we will see a little bit more activity over the second half of the fiscal year vs. the front half. So from an operating performance standpoint, you know, nothing really outstanding or special going on there, just really a timing issue.

Operating income margin, the green line. You know, just over 15.5% percent compared to 18.1% for same time last year. The…on the operating margin continues. Then given that this is a full gap presentation vs. sources and uses like we used to do back in the day, we look at investment income. You know, the markets have started to return. Still a lot of variability in the markets, but we have just over $11.5 Million coming in from investment income and then a little bit of stimulus. A little bit of surprise on the stimulus front this year. I think for the most part, all of us just assume stimulus would be over in fiscal 23, however, the hospital did receive just over $6.1 Million in stimulus for this year. So, we've been 'baking,' or I should say, blending that in on a monthly basis. That number will continue to increase to just right around $6.1 Million. And so bottom line, changing net position to the good right now, $54.8 Million. Keep in mind, when the University goes to the Board, we push a balanced budget or present a balanced budget based on sources and uses. This obviously includes depreciation. When everything is said and done, over five months of the fiscal year or so, that $54.8 Million will continue to burn down. Again, that is a snapshot in time through January. Let me pause for any questions as it relates to performance through January's income statement. Yes, Linda?

President-Elect Rouillard: Student fees, is that the discount we're providing?

Matt Schroeder, Executive Vice President of Finance: Yes. So our student aid spend, as we presented here would be the institutional aid. And so, if you were to go out to Enrollment Management's website, you would see a matrix out there based on GPA, based on ACT scores. The best way to describe this line is really the underwriting that the University provides to, I guess if we were a student, to consider the University of Toledo.

President-Elect Rouillard: So what you have here is $50 Million student aid. Is that what we stacked so far and budgeted $54.5 Million?

Matt Schroeder, Executive Vice President of Finance: Yes, that is correct.

President-Elect Rouillard: And you've got $58…

Matt Schroeder, Executive Vice President of Finance: Yes.

President-Elect Rouillard: What I see in the audited financials, though, it looked like it was $78 Million.

Matt Schroeder, Executive Vice President of Finance: This is why we bring the 'secret weapon' that's sitting at the top left-hand corner of the room, because how we present it in the financials, and Gordy, feel free to chime in, the presentation of aid and the financials is slightly different than how we're presenting the aid here on the income statement. Would you like to opine on that, sir?

Gordy, Department of Finance: Yes. So, there's a couple of different things that are going to play into that. So, we don't include in this portion of the financial statements, in the itemized columns, the grants that are restricted funds. Those are going to show-up down below. And that change in net position, research, endowment, and plant funds -- so any scholarship activity related to Pell Grants or any of the Foundation funding that we might receive for student aid is going to flow through a different area than what you're seeing in the body of the financial statements here.

President-Elect Rouillard: Okay. So, can you tell us how much the discount has been decreased over the last few years?

Matt Schroeder, Executive Vice President of Finance: Yeah, that is interesting. I'll start and then I'll have Terry [Romer] chime in because he looks at this on a regular basis. And so, what we've seen in the last few years, and I'll say going back five years or so, the percentage of students at the University of Toledo receiving aid has actually gone up vs. gone down. As it relates to the discounting, Terry, please feel free to chime in on that one.

Terry Romer, Department of Finance: Right. So, if you go back to just a few years, we were probably well north of $60 Million, probably somewhere in the $65 Million dollar range for that line. What has happened is that that line is flex downwards based on declining enrollment. Fewer students to apply scholarships to. Fewer students getting scholarships out of that mix. In some ways, we do have a very high percentage of students getting scholarship, right? The other part of that has been in the last couple of years, there have been a number of programs introduced at various levels throughout the institution that have reduced gross charges on the out of state surcharge. So to counter that, we backed off. The tuition side is at the top when we back off the scholarship side, and so it all evens out. So you will see a decline due to that. However, the vast majority of the decline on that student aide line is directly related to just fewer students.

Matt Schroeder, Executive Vice President of Finance: But, Terry, you would say, maybe drilling into Linda's question a little bit more that a typical UToledo undergraduate student, the amount of institutional aid he or she is receiving really hasn't changed?

Terry Romer, Department of Finance: No, it has not changed.

Matt Schroeder, Executive Vice President of Finance: So, it has changed because of declining enrollment?

Terry Romer, Department of Finance: Right. So as the enrollment decline and in certain instances, if we look forward to, or at least backward to this fall or to the next fall, students getting $100 dollars surcharge instead of the full surcharge. Well, the presumption at that level, at least in certain areas of the institution, is that the vast majority of that surcharge is getting a scholarship to offset it. That's not always true. So we kind of compensate where we can, because when we're bringing in less surcharge, we're not going to spend as much scholarship. But again, I would say, 80, 90% plus of that decline is due directly to enrollment declines. You know, we've got an incoming class, 90% of the students will get some kind of student aid from Enrollment Management.

President-Elect Rouillard: Thank you.

President Insch: Rob Steven has a question. We don't have the Chat up, Rob, so if you want to go ahead and just ask your question.

Senator Steven: Sure. I was just wondering if you could roughly break down the compensation expense, what portion is faculty in particular?

Matt Schroder, Executive Vice President of Finance: Yeah, we can provide that all day long. I do not have a slide on that, but that's very easy to do.

Senator Steven: Thank you.

Matt Schroeder, Executive Vice President of Finance: So, Gary, we will add a supplement slide to this when we post.

Senator Green: What happens to depreciation because that from your budget to actuals---

Matt Schroeder, Executive Vice President of Finance: So that is what we're doing here on the budget column. So when we budgeted sources and uses, when we are budgeting, it is pure cash basis, right? Depreciation is a non-cash item. What we're doing here is taking our sources and uses budget, and it will change when we go to the Board in June. Not change in terms of how we budget. But the Board has been very insistent on a pure gap presentation. And so, Mike, correct me if I'm wrong. When you're showing depreciation from a budget standpoint, you're tying back to budget, which depreciation wasn't fully loaded?

Mike, Department of Finance: Right. The $8.8Million is our capital, which would be the cash portion and then the depreciation is the $31 Million. So, our budget has to balance. If we included depreciation, our budget would never balance because we can't fund depreciation. So, we're kind of mixing apples and oranges here where the budget below the line is based on cash basis, where the actuals is gap basis. Next year, and because we kind of changed this this last fall, the budget was already set. As we go into next year, we will budget for depreciation so we can show apples to apples.

Unknown Speaker: What about purchase services? That budget, $30 Million to $43 Million, is that all outsourcing?

Mike, Department of Finance: Yes, there's some differences between services. Our supplies and purchase services will tighten the budget down a little bit. A lot of it is timing as well. There's some difference between services, our supplies, and purchase services. And again, it will tighten the budget down a little bit. A lot of that is timing as well. You know, a lot of stuff is front loaded when we spend a lot to open-up a school year. When we buy supplies for the whole year, we don't spend as much in the later half of the year.

Senator Gilstrap: I had questions about two revenue items. What do we think SSI is going forward with the lines?

Matt Schroder, Executive Vice President of Finance: Can we put that into the parking lot because that is in the financial forecast? The quick answer to that is we will continue to lose market share on SSI. It's obviously a zero-sum gain. We will see the overall pie if the current Miamian assumptions play out, that the Governor put forward in his blue book in January. We'll see hopefully slight uptick in the pool, but based on our performance in the pool, and the way the waterfall plays out, the way we describe it sort of internally, the rich keep getting richer, which would be Ohio State, Cincinnati etc. Then we are a little bit further down in the waterfall. And then also, and I think I've talked about it with Senate before; the formula continues to be tweaked every 2-3 years or so. In the last few, I guess modifications we have lost in terms of schools producing in demand jobs based on Job and Family Service data, we're already at the top of the list. We can't really gain much more. But the Bowling Greens, and others can pick up market share on us. And so, you'll see in the forecast that the SSI assumption which carries 'responsible for,' you'll see that continue to burn down a little bit.

Senator Gilstrap: And then, is there any reasonable way to be pushing students back to auxiliaries? I mean, I had a $4 Million drop. Is there a plan with the folks that we were outsourcing auxiliaries to? Who drives that?

Matt Schroeder, Executive Vice President of Finance: I think we have a couple of things that went on in the lead up to fiscal 23. You know, obviously we transition from an operations standpoint to American Campus. Res Life is still managed by Student Affairs. During that transition, you know, my postmortem, this is my opinion only. There's no other way to say it, we tanked it as it relates to leasing for fall of 22. I believe our goal this year are 1,850 for next fall. Prior to this fall, I mean, we've been averaging 2,000 or more every year. So, in my opinion, there's really no excuse, even with enrollment going down, you should be able to fill 2,000 beds. You know, when you have a student population from a head count, you know, around 15,000 or so. As it relates to housing and what does it look like going forward on a parking lot…, going back to the five-year plan because Mike has been working on some things, which we're going to sort of foreshadow or tease a little bit today. But I think housing, and again, I talked about this in November. The physical or the aging infrastructure around here continues to deteriorate around all of us. This is a little bit of an awkward transition year, especially with the question around depreciation. I appreciate the Board wanting to go to a fully loaded gap format. Because not only does that allow us to keep our eye on the ball as it relates to depreciation, but also we investing in the physical enterprise. Yes, Linda?

President-Elect Rouillard: One more question about investment income. So, what you showed for August, where your actuals are about $4.8 Million positive. But I see in the Audited Financials for 2022 was the loss of about $33 Million.

Matt Schroeder, Executive Vice President of Finance: Yes, so keep in mind, this is just income statement as of end of January.

President-Elect Rouillard: Yeah, but I'm looking at the column of fiscal year 2022. And when I look at the Audited Financials for 2022, I see an investment income loss of $33 Million.

Matt Schroeder, Executive Vice President of Finance: So, I'm going to let Mike chime in. But, just from a timing standpoint, what you're looking at is through June 30th and this is simply through January. Mike, do you want to speak?

Mike, Department of Finance: Yes. So that $30 Million loss is for the whole year. This $4 Million gain is only through January. And as we know, the market really---

President-Elect Rouillard: These are actuals for about the same date?

Mike, Department of Finance: Yes. It’s January to January.

President-Elect Rouillard: Okay. Thank you.

Mike, Department of Finance: And keep in mind, these are unreal lines. So, as the market goes up and down, it’s just a balance in our portfolio. This isn’t real. We’re not getting income. It’s just the balance of our equities.

President-Elect Rouillard: Okay.

Matt Schroeder, Executive Vice President of Finance: Collin, follow-up question?

Senator Gilstrap: No.

Matt Schroeder, Executive Vice President of Finance: All right, we'll go to that balance sheet real quick. So just a few highlights from the balance sheet. Obviously, cash is king at the end of the day. We're going to show our day's cash on hand from a working capital standpoint here in the next few slides. But, I just wanted to call out over the last 12 months what cash and cash equivalents looks like over that period of time. Obviously, a loss around $42.5 Million dollars. What's going on with this is not only tied to the declining enrollment, if you look at the column or the comments column. But, we went live with Epic, which is our new electronic health record system back on, I think September 10th. With Epic go live, if you go down to the next line, accounts receivable, our AR ratcheted up as they get that Res. Cycle established and in place. And as a result, our cash burn or the cash coming in from the clinical operations on a monthly basis, weekly basis has gone down significantly. We are starting to see improvements. But again, as at the end of January, the cash burn is down $42 Million over 12 months and then the AR is up almost $41 Million over that 12-month period. Capital assets, and that of accumulated depreciation I flag that not because that number is material, but I flag that as it relates to, in my opinion, a signal that the University does need to do a better job investing back into the physical plant, our research labs etc. Mike, do you want to go to the next page? And so then with AR trailing or going up, AP has increased because of the volumes on the hospital side -- I’m not going to say returned, but they are picking up pace, and therefore, our AP is up. Then at the bottom, and so this is without pension and OPEDS, this is the…6875??? continue over that 12-month period to realize some erosion of the balance sheet in the tune of $22.8 Million dollars. Questions on the balance sheet? This is consolidated, all in.

Alright, so cash. I'm going to let Mike speak to this one, seeing that he is our Treasurer. And so, we'll walk through what we've looked at from an actual standpoint and some of the forecasting along with Mike.

Mike, Department of Finance: So, if you go back a few more years, we kind of operated in the kind of 30 to 40 range. During COVID, we were flushed with stimulus, high investment returns. We tightened our belt, so our average days on hand increased significantly. But now we're at a point where all those goodies are over, and revenues are now declining, costs continue to go up, and our days cash on hand is declining. The orange line is our actual cash. The yellow bars our day's cash on hand. The Board has put in place, or they would like to put in place of having a target of about 60 days. So, I threw that on there just to see where we are in relation to that. But then the orange and black lines, that's our trailing 12-month average revenues and expenses. So historically our revenues have been ahead of our expenses. You'll see in about August, September those lines cross. Our trailing 12-month revenue is lower than our trailing 12-month expenses, and that's where you see the significant…

Matt Schroeder, Executive Vice President of Finance: All right, go to the next one.

Mike, Department of Finance: This just highlights kind of the tail end of this. And as we go forward, Matt will share the five-year forecast. As I forecast out cash, I'm forecasting based on kind of business as usual. So, in our forecast, we have cost reductions. We have revenue assumptions. None of that's really baked into here because we haven't identified a lot of those yet. So, I don't know how much they are or when they're going to happen, so I can't really put them in here. This is what happens, business as usual without many modifications going forward.

Matt Schroeder, Executive Vice President of Finance: Great transition. This is a familiar slide that I show. I'm loving the 'B school in the front row. We showed this slide back in November, just to give you a historical perspective as it relates to performance. This is tuition and fee revenue. The green bars going back to 2011. Then Mr. Romer's layer on top is student FTEs actuals. I just gave you a sense of material change, not only in student FTE, but also of the material change. And i believe Terry this is net tuition and fees.

Terry Romer, Department of Finance: That would be the net tuition and fees, correct.

Matt Schroeder, Executive Vice President of Finance: All right. So now to Gary's question and the lead up to today's presentation. Not only what the impact of spring enrollment on actuals was, but let's look visually at the impact of spring enrollment. So, Mike, do you want to go to the next one? So, when I mentioned historic low a few minutes ago, here is your historic low. We could have gone back even further, but obviously significant melt this spring. It is not uncommon to see a little bit of melt between fall and spring for graduation. But Mr. Romer, correct me when I miss speak here. Typically, the retention from fall to spring is around 90, 91%, and I think we've slipped a little bit from a retention standpoint as well this year.

Terry Romer, Department of Finance: Yeah, I think the overall volume in spring relative to fall have flipped. That's not necessarily due to students fleeing for bad reasons. It could be large graduating classes in December. It could be a lot of things. But it certainly puts the pressure on our planning for the next year, because if there's fewer students in spring, it makes it even harder to make up that volume of subsequent in the fall and it becomes this kind of cycle of more students leaving that are not getting replaced. And just as an aside, because it was also in the previous slide. You know, these numbers include our College Credit Plus FTEs. Which, when you tie those into financials coming in at a significantly reduced revenue. So, if you pull those out, and they have been an increasing proportion of our overall enrollment, that slide looks even more dramatic.

Matt Schroeder, Executive Vice President of Finance: All right, so this decline is just under 34%. It's just under 6,000 student FTEs for the spring, over that period of time. You know, this again, teeing up to five-year financial planning and why we need to make change. Just to prove our point even further, this is net tuition revenue going back to fiscal 12. We've had 40% of our student FTEs up to almost, I should say 40% leave the system. And with that, that's roughly $43 Million depicted from a net tuition standpoint of a loss on this slide. What's more fascinating to us and concerning to us from a central finance standpoint that since fall of 19, we've had a very significant loss around 3,700 students that had left, or have exited the University, or not even have come to the University, I should say. Material headwind. So, what we did here and as Mike talked about from a cash standpoint, we've seen, you know, some favorable variances relate to stimulus, investment income when you apply pension and other post-employment benefits. It tends to confuse things. So, here what we did, this is just the non-clinical side of the house. This is everything non-clinical. So, academic, auxiliaries, etc. And with Gordy's help, we looked at our change in net position. So, this is our non-clinical income statement, bottom line prior to pension post-employment the backing out one-time items, as you can see in the footnote. And when we post it, you can read it better than what it is today. But those items that are one time outside of our control, that really do not indicate any type of change in performance, we took away to show what is what is the true performance been as it relates to that position. And I think this line chart speaks for itself. Where obviously some significant pull-back, all the way up to fiscal 16 or through fiscal 16. It's a little bit of a rebound, but at the end of the day, at the top of this, you know, you got zero. So, from the net position standpoint, we continue to lose money. And so now taking that change in net position and carrying it over into the balance sheet, again, everything nonclinical balance sheet wise. And I like this line chart because it's sort of a phased approach and you look the legend at the bottom. You know, where we start up top where we just simply look at it prior again, you know, pension, OPED. But still, you know, with significant melt, and I can't even read that one at the top. What's the number?

Mike, Department of Finance: $119 Million.

Matt Schroeder, Executive Vice President of Finance: And then when you back out, some of the various one-time items, you then get a change of, what is it Mike?

Mike, Department of Finance: $289.

Matt Schroeder, Executive Vice President of Finance: This comes off of our non-clinical balance sheet. Again, not sustainable, but I think a nice presentation to this group in any stakeholder group that will listen as it relates to just, you know, the overall deterioration of the balance sheet. Mike, do you want to go to the next one? So, you know, at the end of the day, we shared a lot of numbers. We're going to share even more numbers. But I think for everyone in this room and beyond, one of the most important things for the University of Toledo is our Higher Learning Commission accreditation. Right? We had the site visit a few years ago. The University did exceptionally well, however, when it relates to the HLC, and working closely with Heather Huntley, the CFI score is very, very important to the University. So, really, we're going to look here at the bottom left-hand corner. Our CFI score for fiscal year 22 was 1.66. And so 1.66 is fine. But, you know, history dictates sort of the journey that we've been on. Then based on the previous slides and then also keep in mind, you know, Mike's cash burn if we do not do anything. We anticipate to see further million in that 1.66 CFI score. So Mike, if you go to the next slide.

So, this is taken directly from a KPMG document that the HLC sort of holds out there. From a financial standpoint, it is sort of the Holy Grail or the Bible. And so, when you get into various ranges, you know, on this document, I encourage, you know, any of you, to take time and maybe, you know, give it a quick skim or a quick read. You know, the HLC is recommending, you know, consider substantial changes program, adjustments that even prior to that, we engineer the institution. So, I think all of us have received not only an email or two from the President in the last 30 days about reimagining UToledo. But I think all of us have heard firsthand from Jason Huntley, along with Anne Fulkerson about a five-year strategic plan. And I think Dr. Postel was here two weeks ago talking about that. So, with that strategic plan, coupled with our five-year financial forecast, that we will get into right here. Mike, if you go to the next slide. Real quick, these are just some non-financial indicators that could trigger a review. Mike, go to the next one. Then we've got Moody's. Just like HLC, Moody's is expecting material change. We're currently in a stable outlook. I think the box at the top, and that might speak to some of the repositioning of the University. If we're not successful with that, then not only do we have financial issues, but we'll probably have a negative outlook. And then at some point, downgrade it. Why is that important? Obviously, debt covenants or bond covenants along with cost to capital as the University goes to capital markets down the road.

Next slide. All right, so let's talk about five-year financial plan here. Gary, am I doing okay so far?

President Insch: Yes, you're awesome. Thank you.

Matt Schroeder, Executive Vice President of Finance: Okay. So, we've talked a lot about our current state, and then also looking in the rear-view mirror. You know, the comment that was made a few minutes ago, I hope we're going to do something to change our trajectory, our cash burn. This is what we have been talking about; not only with the Board, but also some of the major drivers in our fiscal 24 budget assumptions, along with the next five years. Mike, if you want to go ahead one slide. I'm going to come back to some of those assumptions, and I'll just quickly run through them again.

This slide we put together is essentially outlining best case, lightly case, and worst-case scenario tied to student FTE enrollments. Green lines, best case. Yellow line is what we're basing the five-year financial forecast on. And red line is worst case scenario. Now, this will be updated every year. I anticipate with all the activity that is underway with enrollment management that this current snapshot based on retention, graduation rates, enrollment, forecasting, inputs from Dave Meredith and his team as relates to direct from high school, that these numbers will be different year over year, over year. This is what we are using to drive our five-year outlook. Mike, do you want to go to the next one? Tied to the financial plan, what we've done with Mike's help, Terry's help, and Gordy's help is we've taken this, and we've built not only an income statement, but also a balance sheet. I'm looking at a number of the assumptions. I'll start on the revenue side just like we did through January. The hospital continues to stabilize and grow. Those of you in this room will remember years not too long ago where, frankly, the academic side of the house was underwriting a lot of the losses on the hospital or the clinical side. I think those days currently, as I sit here, have changed where in this year's budget we've assumed $5 Million coming in for academic mission support from the hospital. We're assuming that that's going to continue, and we may have to adjust it further to help the academic side of the house or nonclinical side stabilize. So you can see with net patient's service revenue, there is a slight adjustment in there because they have had a down tick in providers, physicians. Their revenues will rebound in mid-24, and then carry forward. And then there's also some clinical service lines that they're going to get into which is really driving that net patient service revenue.

Enrollment, this directly correlates back to, I think it was the yellow line, the likely case scenario based on student FTE production. Finance, we pay attention to headcount, but headcount does not… for us as it relates to our financial modeling. So it's all student FTE. We've taken into account our enrollment forecasting. We've taken into account the fact that the tuition guarantee for the state of Ohio will remain, which is a reminder on the undergraduate side. It impacts about 25% of our students. That would just be our inbound students. Those that are here, they are locked for eight semesters or more. If they have a co-op, they can extend. So, have we assumed some modest growth as it relates to tuition. Then we've also assumed on the graduate side, some modest growth in tuition. But right now, as Scott's working diligently with within COGS, we've assumed sort of the current state within the College of Graduates Studies going forward, with the expectation that we're going to update that for fiscal 2025 and going forward. Right now, other than Medicine, we've got COGS down 2% next year and carrying that through. Linda to your question, reduction around aid is also assumed. Now, what we've done there is, you know, aid is reduced on a couple fronts for us. It's reduced not only tied to a downturn in enrollment, but it is also reduced, I think we're backing out 1% each year in our aid spend to try and get us more in line with a public vs. a private as it relates to the percentage of discounts. It is a delicate balance. You know, with the number of students that are here, that will continue to matriculate through. We obviously need to hold those students harmless, but at the same time, continue to manage our spending on the aid. Because with enrollment going down, the best that we can do is really manage those margins and try to grow those margins. The good thing is, is with the aid spend as it is currently, and the value in my humble opinion of a University of Toledo degree, I think there is some opportunity there, but we obviously need to work very closely with Dave Meredith and his team

Unknown Speaker: I'm sorry, am I reading a big reduction there on the compensation point?

Matt Schroeder, Executive Vice President of Finance: Yes, you are, sir.

Unknown Speaker: Is that something you're going to talk about?

Matt Schroeder, Executive Vice President of Finance: I'm still on the revenue, but absolutely. So then on the revenue front, (and then we'll get down to the comp and we will talk about that) auxiliaries, the performance that we talked about due to declining enrollment, we continue to assume that. However, in a few minutes, Mike is going to talk about some of the initiatives on housing. There is an assumption over the five years that on-campus occupancy will rebound due to some investment on the housing front. And then sales, services, and other revenues—a big feeder into that line is the triple AAA, the Academic Affiliation Agreement with ProMedica. Right now, within this financial plan, we're assuming that the triple AAA will remain as is.

Sir, to your question as it relates to compensation. One of the drivers, if your student FTE production is down or enrollment is down significantly impacting your revenue, yes, you're off-setting some of that with a pull-back in aid spend. You have to manage your overall costs. And so, we know 80% of our spending on average is tied to human capital. What we've assumed in this financial plan in year one and in year two, backing out $17.5 M in spend in each of those years. Not total. In each of those years. And so, what we've done for the financial plan is shown that within the compensation line. So that's why you see the pull back on the compensation line. Did I say that correctly, Mr. Dennis? Follow-up question?

Unknown Speaker: Yes. I'm hoping because I'm sure you know, those are getting into contracts. This is the union. I'm hoping to get a conversation about where that is. Is that something that Finance, on its own, cannot do right? Are there contracts that are in place? So I am just curious. What is the conversation around those issues to make that forecast?

Matt Schroeder, Executive Vice President of Finance: No, it is really managing our workforce. Every contract is different. Right? CWA and AFSCME is very different from AAUP. I would say, you also have to take into account professional staff, classified, non-bargaining for, 12-month faculty, non-bargain for. We have to operate within the contracts. I'm not going to go into any more detail than that, but I will say repeatedly, the contracts are the contracts, and we have to operate within those contracts. Sir, your last question?

Unknown Speaker: Senior leadership, since they are the big coming conversation, presumably, will senior leadership also be taking cuts?

Matt Schroder, Executive Vice President of Finance: Yes, senior leadership is part of professional staff, sir.

All right, now how it plays out, I can only speak for my team. The other leaders, the president, everyone else will have to make what's in the best interest for their areas or make a decision what's in the best interest. I will tell you, when we sit back and we look at 12,900 student FTEs this fall,-- I think I showed this in the November presentation of Faculty Senate -- we're built currently for 18,300 student FTEs. So we're going to have to adjust to the right size. There was an email that went out today to the support units from both Dr. Postel and myself. We are asking the support units, so these will be the non-academic units tied to the general fund, to model 5-10% reductions. I will tell you, we are not going to do across the board. Historically, the University sort of spread the 'peanut butter' evenly and thin so everybody has felt the pain. We can no longer do that. There will be opportunities or areas where the University is going to have to decide, are we still going to do ‘x,’ ‘y,’ or ‘z?’ That is not only on the academic side of the house, but that is also on the operation side of the house. As we talk about within finance and planning, this budget development cycle and the planning for the next five years, not only does it feel very different from a lot of the incremental changes that we've made, but since 2015, there’s not a lot of low hanging fruit that is left. And so, this is going to take all of us coming together to figure things out. Some of the opportunities are going to take time. We’re not going to realize them at the start of fiscal 2024. But what we need to do together, Faculty Senate, leadership, other stakeholder groups, we have to make those decisions now. And that's where, I think, my anxiety is the highest. It's right now around the decision-making part of this, because there are no easy answers left. Did I answer your question?

Unknown Speaker: Yes.

Matt Schroeder, Executive Vice President of Finance: All right, so then compensation, and then we’ll get down into just calling out operating income. We're trying to obviously bring some stability to the University. From a rating agency standpoint, they'd like to see an operating margin all-in, both clinical and non-clinical around 7%. I think we budget typically around 3.5 to 4. So, we need to improve operating margin. Then finally, we have interest expense. I'm going to let Mike talk about this line and some of the assumptions that are going into interest expense around…

Mike, Department of Finance: I’ve been working on a housing deal for 15 months now, and it seems like forever. We were going to do kind of a full-P three-model. We were going full force last summer. Then as interest rates started to jam higher, inflation happened, and then fall enrollment tanked, we put on the brakes and said, this model doesn't work anymore. We can't do a full-P three. So we pivoted to what if UT issued debt. We didn't do a P-three. We…on our own. We tried it with low interest rates and renovated housing. We worked with the Board through fall and then it paused again, because they wanted to see a five-year forecast. They and we don't want to go out and borrow $90 Million dollars if we can't pay that back at some point. So, they wanted to see this analysis first to see if we can in fact go out and borrow $90 Million to renovate housing and pay for it. So, it is in the model. It’s there. We assume if we take out the debt in FY 24, and we will start paying for the debt in FY 27, and then you’ll see the increase there. But keep in mind, the Board has not approved anything yet. We have discussions coming up. We have GMP, I mean, we are shovel ready. We just need money, and we need to show that we can pay for it. This is also not necessarily a financial decision because we will figure out how to finance it. We have parking money. We have reserves down at the Foundation. It's really a strategic one in that, are we going to be a residential campus? Are we going to migrate housing for our students? And if so, we need to do this now. Because I don’t know if you've been in the Residence Halls, but they need work. I have three daughters that lived in there. They're horrible. I mean, hot water, heat, cooling, cleanliness. I mean, they're not in great shape so. We're in this kind-of ‘chicken and egg.’ Do we do housing to get more students or let's get more students so that we can do the housing. I think it is the former where we need to do something that we can sell to students to say, we have great housing. We have great dining. You need to come here for academic programs as well. So, that is kind of where we are at with housing.

Senator Gilstrap: What is your feel for UT students wanting to come back to campus in a post-COVID environment? I mean, my feel from an academic side is, I have two classes, one online and one in-person. Pre-COVID, no one went to the online class, they were all in class. But post-COVID, 80% is online and 20% are in class. So, what is your feel for students actually coming back to campus?

Mike, Department of Finance: Yeah, I think the Toledo market is saturated. We're pretty much getting everyone in the area to come here. So, we need to get students from out of state, out of the region, and if they do, then they need to live with us. And if their living conditions are substandard, they're going to be here for a semester, maybe a year and then they're going to go somewhere else, either closer to home or somewhere that has better accommodation. So, our growth has to come from outside of our 50-mile radius and therefore, we need great facilities for them to live.

Senator Avidor-Reiss: [Indecipherable]… 50 miles. Is that correct?

Mike, Department of Finance: No, it is 25 miles.

Senator Avidor-Reiss: But it was 50 before?

Matt Schroder, Executive Vice President of Finance: You are absolutely correct, sir. I think it was 2015 or 2016-ish, we went from 50 to 25.

Senator Avidor-Reiss: If we fix it and just bring it to 50, and you will have fewer people coming from the area and more people coming from farther away.

Mike, Department of Finance: Well, as a father of three daughters, I'm not going to have my daughter driving 50 miles to class. They can go somewhere closer. I don't want them on the road. I don't want them to be in traffic. You have gas expenses. Plus, I want them to have the experience. I want them on campus. Close to food. Hanging out with friends. Studying with their classmates.

Senator Avidor-Reiss: [Indecipherable]… Those people may say, let's go to Bowling Green where we don't need to drive. So, there is a way to increase space for people from farther away.

Mike, Department of Finance: I think if we get rid of the mandate where we expand it, then we are just going to see auxiliary just continuing to shrink and shrivel. We'll have 600 residents instead of 2,000.

Senator Avidor-Reiss: But maybe more students will come here.

Mike, Department of Finance: It is possible.

Terry Romer, Department of Finance: Collin, to address your question about the post-COVID kind of return to campus, I think it's kind of institution driven and kind of what they're doing on campuses. I dig into other institutions' financials and see what's going on there. And just recently I was looking at Penn State fiscal 2022 performance and they had kind of a tough year. But the massive upside that they got that they called out in their management discussion, was that auxiliary really killed it, because all the students want to return to campus and do stuff. So, I think back to Mike's 'chicken and egg,' I think students, if the things were a lot better on campus, I think the students would really want to be here. They might still want to be in your online session, right? But I think they would want to do it from the comfort of a nice warm or cool dorm. Right? So, I just think the students are ready, but the question is, are we ready for the students? And I'm not sure that we are.

Senator Huntley: The other variable is having a campus town like feel…[Indecipherable]….

Matt Schroeder, Executive Vice President of Finance: No, it's not, Jason. That's a good point. So, I guess a couple of thoughts on dorm renovation. Number one, you know, from a management standpoint, and I'll ask the question to myself. How could the University of Toledo allow these dorms to get in this condition? Right? I mean, for many of us that have been around here long enough, you know, from my institutional memory, I think of IN House just being built and it seems like a few years ago. Right? But obviously much longer, along with A House. And so, what the University of Toledo has done over the years, and, you know, we're trying to address in the five-year financial plan, but in lieu of budget cuts on the academic side of the house, instead of building a reserve for FFE, furniture, fixtures, equipment, and renovations is transferring out $6.1 M to the academic side of the house. This has been going on for a number of years to avoid budget cuts. And in doing so, the University then just essentially started to starve housing and we couldn't keep up with it. And now we are at sort of this inflection point. I would also say Jason, you know, the town and gown type comment is spot on. We know, and we talked about this I think on the first of November, 95% of our students come from within a couple hundred miles for a couple hour drive. Right? That is who we are, and that is who we will be for the foreseeable future. Where we need to do a better job, and it's great, you know, Mike can go out and renovate buildings and 'if you build it, they will come,' that cannot be the mindset, though. Programmatically speaking, and it's everything from a direct from high school freshman to an international student, even a student athlete, there is nothing for them to do on campus. That engagement and transforming that culture of almost 24/7, we have to do a better job of that. I think all of us that are here, you know, either working in an office, teaching in the classroom, researching in the lab, you know it doesn't take much to realize there isn't a lot of activity after 5 o' clock at night. For many of our students, they're rolling out of bed at 2 o'clock in the afternoon, right? And what is for them to do? We have to return to that. Renovating housing, you know, is the first step, but, if problematically, you don't have that, then what is your debt, sir? Five million or so?

Mike, Department of Finance: Yes.

Matt Schroeder, Executive Vice President of Finance cont'd: Yes, $5 million needs to come out of that service line. Because, why spend $90 million when you are not going to support it with $30 million?

Mike, Department of Finance: They will be bored in a nice room.

Senator Gilstrap: Do we have an idea of what a suburban campus would look like?

Matt Schroeder, Executive Vice President of Finance: I don't think you're going to ever get to a pure suburban campus. Just a quick couple of data points. I don't know how many beds Alabama has, but I think Ohio State has about14,000 beds, and I probably low balled the heck out of that number. Bowling Green is 7,100. When Mike's fully loaded, we are at 3100. It's always been a small portion. I think what we have to do a better job, though, those that are living on campus, we need activities for them. But those that are commuting from however many miles, we have to create, I'll just call them 'magnet type' encounters with those students, so that they're just not here going to classrooms and out of here as well. And then, you know, the other assumption in this five-year financial plan which is some modest growth on online. I think many of you have probably heard that the Provost, Barbara Kopp-Miller and the President are working on growing some online opportunities. From a finance standpoint, the most critical piece there is not to cannibalize what we already have. You know, with online, in my mind, that's more of a commodity nowadays. You're not going to get bricks and mortar pricing to it, but it's easy. And Collin, I'll use your example. You are teaching two classes this semester, one online and one face to face. We should not want to offer more online opportunities. That is just going to pull students that are already here out of the classroom, etc.

Senator Coulter-Harris: I'm just wondering how much the university has saved by contracting American Campus Communities to take care of our dorms? Now one of my subcommittees was on this, and we did a tour of Parks Towers back in October. We actually wrote a report on it. And at the time, you know, students has been complaining that conditions were bad, but it seems like American Campus Communities has fixed a lot of things like washers and dryers. I teach four courses, so I'm on the front line. And now my students in my classes who are living at Parks are telling me that the washers and dryers are broken down again. And service in their dorm rooms does not service 24/7. So, I'm just wondering how much the University really has saved by contracting out?

Matt Schroeder, Executive Vice President of Finance: So, I'll start and then Mike, you can chime in with the numbers. But, you know, as it relates to Parks Tower, that's a great example of how the University threw, was it $12.5 Million or so, at it five or six years ago?

Mike, Department of Finance: Yes.

Matt Schroeder, Executive Vice President of Finance: But did not address elevators, did not address HVAC, did not address the plumbing, etc. And so, as we talk about future renovations, the housing is the deferred maintenance monster that we have to focus on and, frankly, a lot of that, you can't see it. But, if you are on the 13th floor at Parks Tower, you feel it every day, right? The windows don't open. It can hot and it can be cold. You know, the hot water fluctuates greatly. None of that is tied to ACC. It's what ACC has inherited from the University. From a saving standpoint, they came on board in June. I know this is kind of a transition year, but maybe you can speak to what that look like?

Mike, Department of Finance: Yeah, we didn't hire ACC to save money. We hired ACC because they're a world class operator. They have 220 properties across the United States. They know how to run housing. We're great at educating kids. We're not so great at running housing, dining, et cetera. So we brought them in to provide better service. And to Matt’s point, they inherited a disaster. They're not going to fix it in three months, five months, or 24 months. They're doing the best they can to try to---

Senator Coulter-Harris: Are you monitoring their performance?

Mike, Department of Finance: Yes.

Senator Coulter-Harris: Okay. Good.

Mike, Department of Finance: So, you know, we have a work order system. We put in work orders. We monitor how fast they get to them. How fast they close them out. But yes, stuff is breaking every single day. We finally put in brand new washers and dryers, but then the plumbing. If you use more than six of them at once, they wouldn't drain because the plumbing was like this and now it's that so we had to shut them down.

Senator Coulter-Harris: They had real problems with heating also.

Mike, Department of Finance: Yes, we had to spend $40,000 to fix all that plumbing so they will drain. But again, it’s just one thing after another.

Matt Schroeder, Executive Vice President of Finance: Linda, did you have a question? No. All right, Gary, I have three minutes. I’m going pick it up. So, Mike, next slide real quick. So essentially, this is the same slide before, but we added back depreciation. I’m looking at the ‘B School’ here. Depreciation has been added back to give you a sense from a cash standpoint what that looks like. Mike, if you want to go to the next slide. So this is our balance sheet based off the five-year financial plan. Up top was cut-off because of the WebEx there. But, at the top line, you’ll see when we upload it, it speaks to days cash on hand. So, in our current state, within 24 months, we’re getting down to 8, 8.5 days. In our future…, by the year five, we are rebounding, assuming we can execute on all the assumptions in the five-year plan. We’re getting back closer to 40 days. Again, 60 days is the goal. The benchmark is 90. But it is going to take time to get there...all the way down to ending that position prior to pension and…We continue to have erosion on the balance sheet. From a Board standpoint, not ideal, but they understand that we did not get into this overnight. Then that building back up the balance sheet is going to take, obviously much longer than five years.

Mike, Department of Finance: Real quick. So, when you saw my cash days on hand, you saw it was down almost a zero, because again, that was business as usual. If we do the cost reductions and the assumptions that we put in come to fruition, we'll be at $35 million or so. That's the difference.

Matt Schroeder, Executive Vice President of Finance: And then finally with one minute left to go, this real quick screenshot the communication Dr Postel sent out, I think around the beginning of March, about just reimagining the University. This is, I think the first foreshadowing piece following the Board's approval of the Strategic Plan that change is upon us driven by the Strategic Plan. Next slide. This is just a grab of some of the language that's from the communication that Dr. Postel and I sent out maybe a couple hours ago. This speaks to rightsizing the University. This went to the support units. This did not go to the academic side of the house. The Provost sent out communication, I think maybe on February 7th regarding the academic side. So this goes directly to the non-academic general fund support units. Again, the 5-10% reduction. And this is just a quick slide. I can't remember if I showed this to this group before. But just to give you a sense of some of the decisions that we've already put in place to yield to savings and/or cost avoidance. So, health insurance obviously went to a single TPA this calendar year. In doing so, we saved on some administrative fees but we also expanded the network. So with the expansion of the network, that allowed us to save for certain claims that were outside of the network previously. And then the procurement, a lot of this is through the… purchasing group and I flag it as cost avoidance. And then, you know, a few other items that are maybe not as material, but just to give you a sense of some of the progress that underway. That is it, Gary. It is 5:46 pm. I went over a minute. We will post this. I'm happy to come back and answer any questions or follow-up questions as well via email. Thank you.

President Insch: Thank you very much, Matt. So, I know that there were some questions in the Chat that we didn't get to here. If it is a 'burning' question, please send it to me and I will forward it to Matt and get us an answer and get back to you. So, I apologize we couldn't get to those. I have a quick announcement before adjournment by Senator Coulter-Harris.

Senator Coulter-Harris: Thank you, President Insch. This is an invitation. The Women's Mentoring Network in conjunction, of course, with the Eberly Center is inviting everyone to explore the history of women in art. It's going to happen this Saturday at 2 pm. All are invited. The tour group with meet on the second floor of the Toledo Art Museum in Libbey Court, which is the large open space at the top of the staircase. This tour is going to be delivered by Dr. Mysoon Risneck, who is wonderful. So, you know, we're happy to invite everyone. If anyone needs a wheelchair or special accommodations, please do email me, Deborah.Coulter-Harris@utoledo.edu, and I'll make sure that Museum has your accommodations. Thank you so much.

President Insch: Thank you, Senator Coulter-Harris. And again, thank you, Matt and your team for being here with us. Thank you to all our senators and community members for all the hard work you are doing. Those in the room if you would like to join us, we're going down the hall to the Brady Center to celebrate. And if you're nearby, come by and celebrate with us. I will now entertain a motion to adjourn.

Senator Avidor-Reiss: So moved.

Senator Compora: Second.

President Insch: I'm sure we're all in favor. Thank you very much. Have a great week. And again, if you have any questions that weren't answer, please send them to me. And if you have anybody you want to nominate for the provost search committee. Thank you very much.

Senator Coulter-Harris: Thank you.

President Insch: Meeting adjourned.

IV. Meeting adjourned at 5:48 pm.

Respectfully submitted: Deborah Coulter-Harris
Faculty Senate Executive Secretary

Tape summary: Quinetta Hubbard
Faculty Senate Office Administrative Secretary