

**Graduate Council Minutes
December 16, 2008**

- Present: Lawrence Anderson, Jamie Barlowe, Barbaranne Benjamin, Michael Bisesi, Frank Calzonetti, Nick Chiaia for Dorothea Sawicki, Jeanne Funk, Max Funk, Scott Heckathorn, Mohamed Hefzy, Ruth Hottell, Dong-Shik Kim, Barbara Kopp Miller, Eric Longsdorf, Sara Lundquist, Anastasia Mirzoyants (GSA), Gary Moore, Azadeh Parvin, Kelly Phillips, Susan Pocotte, Benjamin Pryor, Ram Rachamadugu, Patricia Relue, Kathleen Salyers, Barbara Schneider, Alice Skeens, Dianne Smolen, Mark Templin, Amy Thompson, Hermann Von Grafenstein
- Absent: John Gaboury, Sakui Malakpa, Randall Ruch, James Trempe, Frederick Williams
- Excused: Dwayne Demedio, Laurie Dinnebeil, Hans Gottgens, Wayne Hoss, Mylo Jennings, Krishna Shenai
- Guest: President Lloyd Jacobs

Call to Order, Roll, Approval of Minutes

The Minutes of the November 18, 2008, meeting were approved.

Report of Executive Committee of the Graduate Council and the Dean of the College of Graduate Studies

There was no report by the GCEC to allow sufficient time for President Jacob's discussion on impact of the State budget on UT and in particular, how that might impact graduate education.

Information and Discussion Items

Impact of Financial Situation on The University of Toledo

President Jacobs reported that this institution is at a place of great momentum in recruitment, enrollment and buildings. However, investments of the institution and foundation have not produced the level of interest income as they did a year ago due to the outside influences of the economy. First, we have ~\$100 million in variable debt and the interest payments on that debt goes up and down with the market. The servicing of the variable debt has gone up dramatically, potentially up \$3 million a year. Hopefully it will settle at \$1 – \$1.5 million on an annualized basis. State revenues are down 4.75%, not including higher education, which translates into about \$750K. The Foundation monies in equities and bonds have resulted in rapidly diminishing interest earnings. Because of a lag in the system, those interest monies are likely not to be available next year; some accounts will be spending the principle of those endowment funds. Philanthropic gifts will likely continue at a diminished rate. President Jacobs said he met one-on-one with Governor Strickland last Friday and is encouraged by the Governor's belief that higher education is a pillar in building a strong economy. He did say there would be a budgetary rescission this year. The UT budget formulation process of a year ago did provide some benefits in terms of understanding some financial issues faced by the various units. After the first of the year, every budgetary unit at UT will create a 7% and 15% reduction scenario. Hopefully, it will settle in at approximately 8% – 10%. To position ourselves for this situation, the following will occur.

- 1) Layoffs – effort will be made to minimize and to humanely reduce the impact on human lives. However layoffs have already occurred on the HSC.
- 2) Temporary Workers - 100% of temporary workers are off the rolls this week.
- 3) Position Management – this function has been tightened and there a sizeable number of empty positions. As they become open, those monies will be centralized to create cushions. In addition, early retirement for faculty and staff will probably be initiated in the spring; funding is based on this year's budget, not the next year.
- 4) The Finance Strategy Committee – Interested in revenue enhancement strategies, keeping in mind that enrollment is the number one priority.

Question and Answer Session

Council members posed several questions to Dr. Jacobs concerning the impact of the budget shortfall on graduate education: Those questions and Dr. Jacobs' responses are below:

How does early retirement save money?

It saves money long term. Faculty under the AAUP are already contracted and those in Law and Medicine are not. Decisions are being made but all faculty could be considered. As for early retirement for staff, that should be triggered as a requirement in the spring.

What is potential impact for graduate education and funding mechanisms?

We have a strategic plan and graduate education is an extremely important part of our vision. We have to create an adaptive, flexible workforce. Graduate stipends are always a discussion that could be tightened.

Should we expect an increase in graduate student fees as a consequence of the budget shortfall?

I hope there will not be a decrease in stipends or waivers. However, if this economic crisis is long and deep enough, nothing is off the table. The State is currently debating tuition caps for undergraduate tuition.

Will all units (everyone) be asked to contribute to creating a 7 – 15% reduction scenario?

Those percentages do not mean that is what you will end up with. It is unwise to cut your core undertaking and revenue producing areas. The assignment of revenue is this undertaking.

With the continuing construction of new buildings, what financing mechanisms are being used, borrowing or short-term cash on hand?

Building progress continues at Savage Hall and the College of Business. Other projects in the architect phase could be shelved, although at this time we don't think it should be. These projects must also align with institutional strategy. One positive aspect is that materials and labor are cheaper in tough economic times. The money strategy utilized will be whichever is cheaper. The University has cash on hand of approximately 120 days and 130 days in the clinical enterprise.

Given that the Board of Trustees has approved \$10 million for the Technology Corridor, are there any considerations for safeguarding funds for the protection of academic affairs and departments?

Consideration has been given, but may not be the best option. The Finance Strategy Committee will have to be careful.

What is the impact on the number of graduate assistantships per department?

That discussion has not yet occurred. It is among our core competencies, and thus, hopefully we can spare it.

How do you see the population affected by the economy with respect to having them look to state colleges as prospects?

We can work to capture that market as a benefit to increasing our recruitment/enrollment efforts. In order to reach out to those displaced individuals, we would need to work harder. The depth of our commitment and loyalty will work to serve us well.

Tough times make for creative solutions and collaboration with other institutions. Are there areas where you see as beneficial cooperative arrangements?

The Chancellor urges collaboration where there is economic value to be gained and economies of scale. We have been working on that and will continue to do so. This would be particularly helpful for purchases on a state-wide basis, such as health care and lab fixtures. There is neither interest nor merger intentions with BGSU.

What are your thoughts on tuition waivers or partial waivers for attracting enrollment to departments under capacity, thereby creating a gain through state share of instruction and entering balance sheet on two sides?

Dr. Jacobs indicated he likes the idea.

Could the budget situation derail filling the position of Dean of the College of Graduate Studies?

The search committee is nearing bringing that process to a close. It is expected to be completed within the next week.

On behalf of the Graduate Council, Chair Dr. Relue thanked Dr. Jacobs for taking the time to engage in this discussion and answer questions. She stated that the Graduate Council would welcome the opportunity to share ideas and think through strategies pertaining to graduate education. Dr. Jacobs responded that the Finance Strategy Committee is designated to formally deal with these issues, but informally, may be sent to him. Dr. Pocotte added that both she and Dr. Walter Olson are serving on the Finance Strategy Committee and suggested that comments and ideas can be shared with them either formally or informally as their charge is to provide Dr. Jacobs with a list of revenue generating ideas. The committee meets every Tuesday.

Standing Committee Reports

None.

Organizational Reports

None.

New Business

None.

Old Business

None.

Adjournment

There being no further business, the Council adjourned at 1:28 p.m.