

**Minutes: College of Medicine and Life Sciences Faculty \*\*Special\*\* Council Meeting  
Friday, September 29, 2023; 12:00-1:00 pm; HEB 105 and WebEx**

1. **Call to Order:** COMLS Faculty Council President: Dr. Jennifer Hill, Ph.D. at 12:01p.m.
2. **Approval of Previous Minutes:** August 25, 2023 minutes were approved
3. **Discussion with University of Toledo Administration regarding FY24 & FY25 Budget:**
  - **Dr. Scott Molitor** – Interim Provost and Executive Vice President for Academic Affairs
  - **Matt Schroeder** – Executive Vice President for Finance and Administration and CFO
1. Program Prioritization: Please discuss any COMLS programs at risk of being closed or suspended due to low- or under-enrollment.
  - a. Scott: I have no plans to close any of your programs in COMLS
  - b. Prioritization is to take what we have and make what we do better...what makes sense in terms of taking resources you have and devoting those to your program to grow or promote...MD is big program for your college, but you have a number of other programs (lists a few), it's a matter of what resources that we have and how can those resources be allocated to emphasize programs we prioritize and let the other programs go by the wayside...I cannot answer those questions, I don't know if it makes sense in your college to re-allocate resources from one program to another (likely a college decision). Is it an easy transition? No, but it is an important transition to make. We are stretched too thin, do too many things, and need to focus...
  - c. From fall semester, we will provide information to all colleges on how to identify those programs for prioritization, and how we should move forward in this process...and anticipate it will vary from college to college, and then let you guys start having those conversations on what you want to focus on and what it's going to take to get there.
  - d. *Comment from Dr. Cooper - we've largely done this work already, and we know there are 2 programs that were identified: medical physics have expenses over revenue (Dr Pearson is working on with Dr Cooper) and the EMS program (expenses exceed revenue), Jeff Schneiderman is working with Christine ... working vigorously and assigning overhead to reach break-even position...Transplant and Human Donation Sciences is break-even and looking at how to be profitable. In our college, we have largely done this prioritization and we are profitable overall as a college).*
    - i. If there are continued budget reductions, you may need to look at other programs. Look at where you have resources and what you would continue to prioritize.
  - e. The need for the program includes the needs for the community, and certainly should be included in the decisions, but financially... community needs, and discussion is worth exploring as well, certainly.
    - i. *Comment from Dr Cooper - if we pay for things we can't afford...evaluation is reasonable...we strive for break-even or better)*
2. Will any changes be made to our college's plans for new graduate or undergraduate programs?
  - a. Scott: I have no plans for your college. It will be a reallocation by your college to have a stand-alone profitability. Is there a place you can take resources from one program and re-emphasize to the other program? I don't take responsibility for this as I don't know the work on the ground.

3. Faculty Question (Dr Willey): In response to Dr. Molitor's comment noting that NIH research funding in Natural Sciences has been increasing relative to COMLS. What are the effects of budget cuts regarding research funding in COMLS.
  - a. Scott: Natural Sciences took a larger cut, percentage wise...if you look at tenure track faculty, it is declining. This will have an impact on our research funding, no doubt about it...
4. Faculty Question (Dr Vely): we wear two hats - generate money and we teach. As clinicians, as a population, we face the community all the time by representing them. We should have integrated actions with UT to promote and market our programs. Are we going to see...strong action as how we change the enrollment?
  - a. *(Matt Schroeder: In addition to the non-clinical side of UT, there's an RFP out there with funding allocated to affect the clinical side as well...I know UTP is playing a role in that, in terms of a, you-know, cohesive marketing.)*
    - i. *Fundings move back and forth through UT/UTMC/UTP/AAA, and we could show you that slide...it's not fair to you, not fair to the medical students, residents or fellows.*
5. Faculty Question: How will UT work to increase enrollment?
  - a. Scott: Plan for the next provost is to enhance enrollment as a priority, there are changes happening potentially in financial aid, we know we need recruiters and talking of having them in place in Cleveland, Cincinnati, Columbus.... we know our enrollment from high schools locally are declining. Initiatives in online presence, adult/non-traditional students (he provides an example of the college of pharmacy and increase in adult/non-traditional students and its increase in enrollment thereafter). A number of things have to work together to make this work.
    - i. *Matt Schroeder: discussed regarding Northview, local high schools, suburban population - "we are missing opportunities"*
6. Please describe any proposed options for college restructuring or merger plans. Are there plans for a Health Science Campus, health studies-focused restructuring? What would trigger significant College restructuring?
  - a. Scott: Currently, the only restructuring is with the college of graduate studies which is now restructured. University College and Honors Colleges will be in the Provost Office.
  - b. Conversations ongoing right now in Nursing and HHS...for merging. Taking about a framework for having those discussions.
  - c. I want to be clear - I'm not an advocate for restructuring for the sake of restructuring...I've been at UT a long time, I've seen plenty of merging and splits here, program prioritization has to occur within the individual colleges, and does it make sense to combine or split programs.
  - d. If the faculty identify opportunities that would improve programs and reduce costs, I would want to consider that.
  - e. I'm hoping to have additional mergers...including a framework of how to bring forward those ideas. Therefore, it is not a free-for-all so we can explore options that make sense for all parties involved that have some kind of benefit that would outlast me and those that advocate for it. I'm coming into this with a very open mind...I need to make sure it makes sense.
7. Faculty Question: UT can gain more students if we offered tuition discounts to immediate family members of UTP employees (same as that for UTMC employees). This is more relevant now that we have UT health umbrella.
  - a. Matt Schroeder: right now UT Health is really an umbrella over UTP and UTMC, why is this important? The intent is to bring UTP/UTMC to develop, from clinician and facility side, so from a clinical operation do things better together. UToledo Health is simply an umbrella.
    - i. Example, EPIC: UTMC/UTP is 80/20 split cost.
    - ii. Question about benefits: a working group right now is looking at opportunities with UTP/UTMC
      1. Centralizing payroll, rev cycle/finance teams/HR etc in each UTMC/UTP, benefits for equity.
8. Please describe the impact of current and projected University and COMLS enrollment numbers and budget allocation on University and COMLS programs.

- a. Scott: Enrollment is a big driver of the revenue we have...declining enrollment, your college in itself is stable - we appreciate that, but this was a big part of the FY24 discussions. Your college posed some additional complications with the academic affiliation...30/80 million was associated with the academic affairs from UT. 50/80 million associated with the academic affiliation. We had to make a 7% cut for every college...we had to find a way to figure it out... We have metrics on enrollment, student credit hours, and the overall model (some colleges make money, some colleges don't make money and subvention helps to support those). The 7% cut was allocated to the 30 million funding ("the academic funding"). Part was you providing subvention, but you are not the only college that provides that. But, enrollment is not the whole picture - the fact that salaries, contracts, also applied...but nevertheless we had to make a budget cut and it had to be made... (there was discussion on tuition increase not coming to fruition with COMLS). That gets us where we are today.
  - b. Based on projections working on right now, for next year, we will create a financial plan and start having conversations on the FY25. Hoping for plan by end of Oct/early Nov in terms of financial plan in terms of enrollment (others) and how to allocate that.
    - i. We will probably use similar metrics from last year to determine which cuts and how much.
  - c. Question from faculty: are we planning to get to a point where revenue made in each college will remain within that college
    - i. Yes, eventually, that is the plan
  - d. Question: was there a raise for non-union faculty
    - i. I thought there was a 2% raise for non-union faculty
    - ii. College of law is union, CWA are AAUP lecturers did not receive
9. Matt Schroeder - let me jump into the budget:
- a. We are required by the state of Ohio to take a balanced budget to the Board.
    - i. It is available on the intranet.
    - ii. Budgets are one thing, actuals are another - and yes that is true. But last year we were only off by a million bucks. When we bring forward a budget for tuition revenue, we are pretty close over the past 4 years or so.
    - iii. Other operating revenue is largely resident revenue, and most of that goes out, correct?
    - iv. General fees, most goes out directly to athletics.
    - v. Board of Trustees now says, no looking at UTP separately. We want UTPCF there as well, so we can review holistically.
      1. Consolidative statement is now in there, with fully blended UTP/UTMC rather than looking at it in silos, that is all.
10. *Faculty (Dr Nazzal): I'm so worried about the cuts we are seeing in the clinical part, and lack of exposure to the community, and working around budgets and offices/staff... you need to back up and count on what makes money, and not keeping going on things that lose money and not recovery.*
- a. North of 50% of revenues generated come from the clinical side of the house. Holistically just under a billion a year. Clinical - major driver. Board meeting, lots of questions around performance of UTP, UTMC and the spend on agency (nurses, ancillary, etc). The board is counting on those areas as in their mind, they are starting to stabilize, but there is so much more potential. Maximize patient service revenue so they can shift focus on the enrollment side. Very hard for the board to battle two fires at once. They're feeling good about the clinical enterprise, but they don't want to take their eye off of it.
  - b. For this campus, these conversations are happening at the deans level, it is quite obvious to financial.
    - i. COMLS - best net tuition of all programs in UT
    - ii. Health Sciences - many places in Ohio trying to take advantage of the healthcare shortage, if we sit back and look, the health sciences continue to be for the most part stable and with potential growth, depending on... PA full, but nursing programs have room to enroll. The heavy lift this year is the prisonizations. That's not something central

finance can say, that really starts with the President and then the academic affairs - really academic affairs leading the way, with finance to see what the formula will look like.

- iii. There is no one on main campus that does not realize the impact the COMLS has on UT. And how do you exit those other areas that are not growing.

11. *Faculty, Dr Willey - from the board, they are looking to maximize costs for health sciences campus. We are hesitant as they have extracted as much as possible to stabilize other programs. Yes we had lost money with UTP, UTMC...if the focus of the board could be a little more on how to grow research programs, but I don't think we as a faculty get that sense.*

- a. *UT Health Board - would give more governance to the HSC; I haven't seen the latest governance structure, I'm not sure that is the case.*
  - i. They have had 1 meeting, reviewed financials, set up subcommittees, they now handle all privileging and credentialing. Really focused on governing the clinical enterprise, it does not stretch beyond that.

12. *Faculty, Dr Dworkin - the centralization of the control, given the time of things, for things to happen, it is just too long.*

- a. *Example, we identified a faculty person back in October and it took until the end of May until that person was finally approved. To have the president sign off on hiring a junior faculty person, taking 7-9 months, we will end up losing that person. This person ended up not coming here, not surprisingly. It takes weeks to months to get any kind of a decision, yes or no, about these things, that kind of paralysis is hurting UT.*
  - i. *Dr Cooper - Dr Dworkin correctly stated it takes a long time to get a contract out to a potential faculty member. It is largely due to budget and financial constraints....*
  - ii. *Matt: If there ever is a time there is roadblocks that the dean, UTP cannot solve for, do not hesitate to contact me to work together to work those out. Anything I can ever do, along with Scott, please reach out.*

13. *Faculty: we lost opportunities worrying about budget, opening clinical enterprise, grants... we don't look at it as an investment; so as a physician, I have to look at the clinical part.*

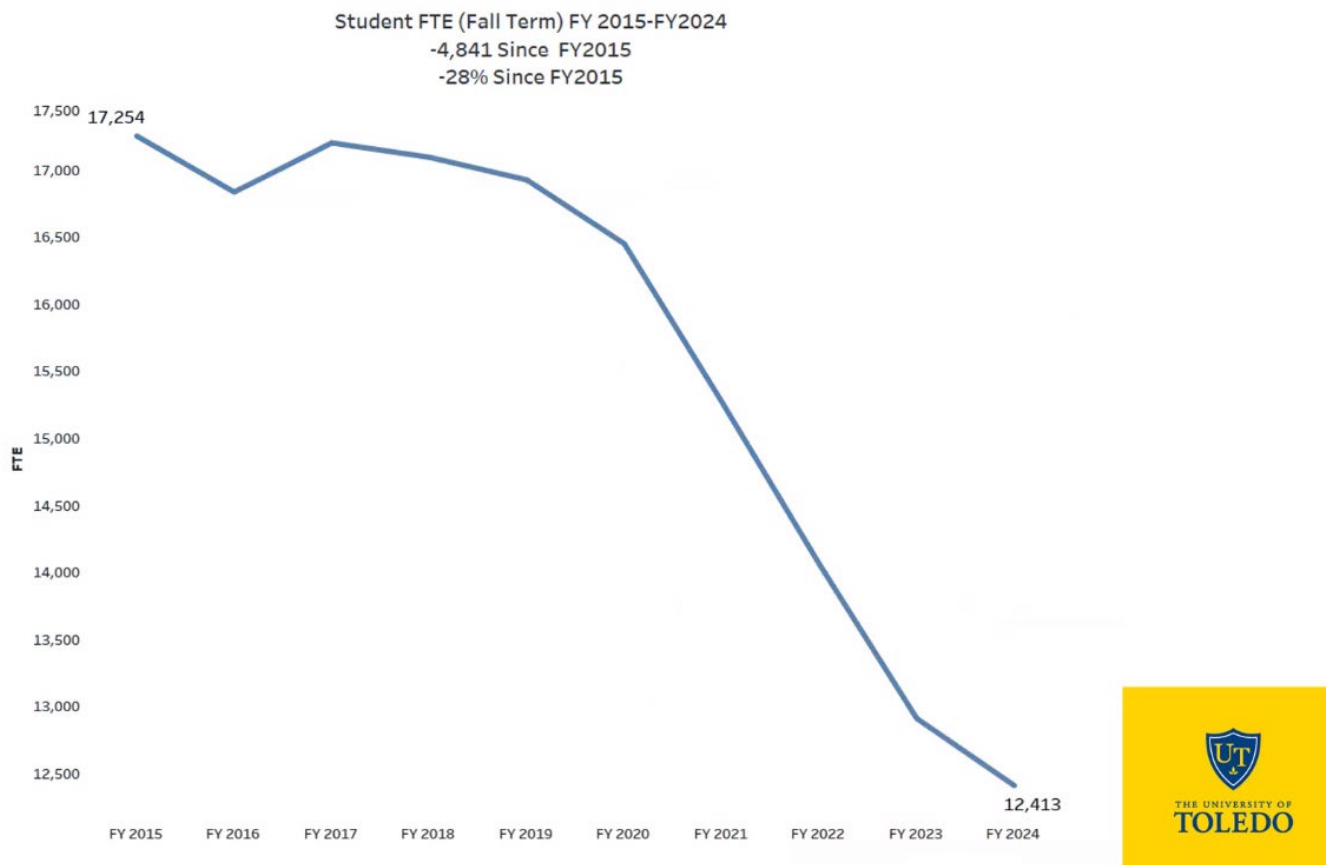
- a. *Agree 100%. Who will be in charge of that? It's the UTHealth Board. Yes clinical is "the cash-cow", however, we've got some expense management to do. Adjusted for volumes, supply, drugs, etc; that margin which is now about 1%, hopeful we can get that to 2-3% (1-3% is typical across the country).*
- b. *I know with grant cycle...with UTHealth we have to pick up that piece.*

14. *Faculty: We generate so much money for UT, but we are so severely understaffed we cannot even preserve what we have. Across the board, we are hurting. The administrative meandering, lack of action, every time I beg for a dollar I get a penny and am told you should be glad you get this. I know the median compensation in my field, and I am way underneath it, and if there is no decisive, strong action for the clinicians, you will run out of time.*

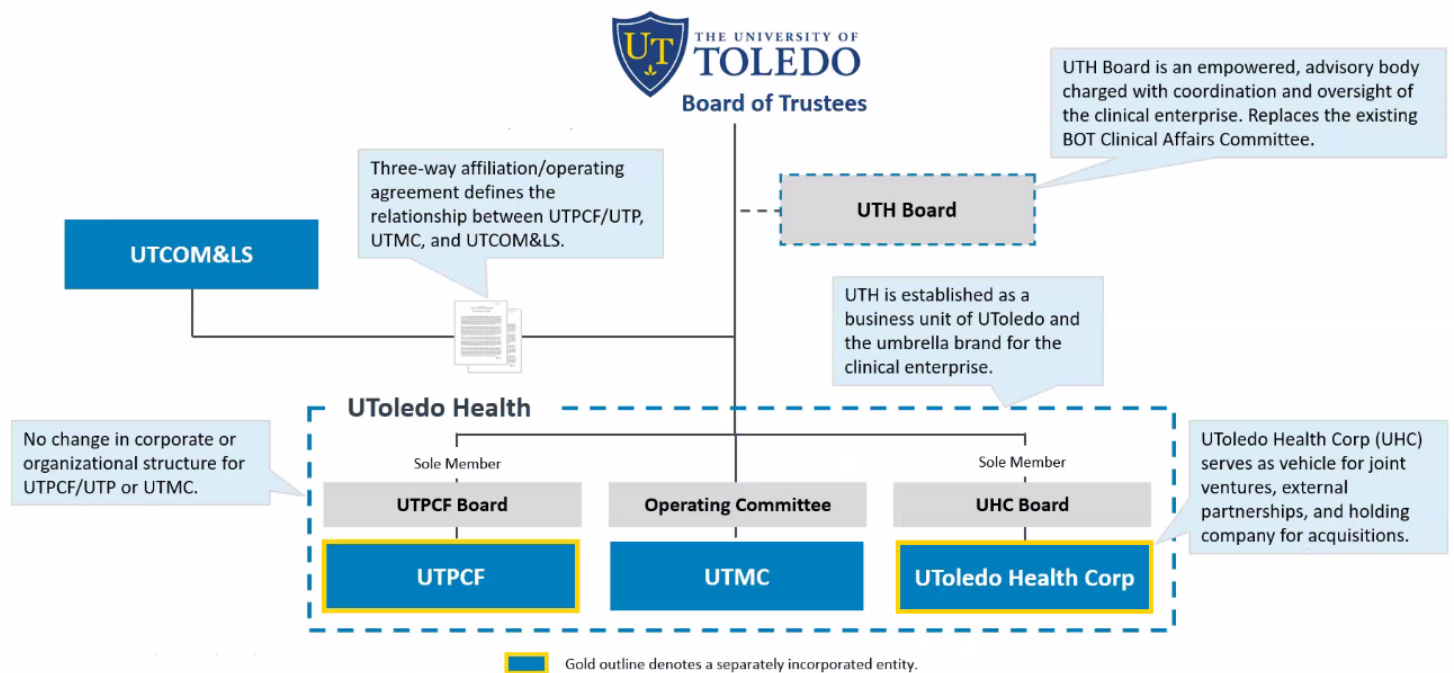
- a. *Bare bones minimum, you are down 28-30 from a provider standpoint. From provider piece, there has been salary depression across clinical side and across board. UTP lost 8.8million in FY23, hospital a good 5.5, as volumes tick backup, if we don't have the providers to perform the operations (or the techs to assist), we run behind the 8 ball. I don't want to describe it as a house of cards, but a small academic med center, through UTH model (UTP/UTMC), we have to adjust to the markets quicker than we currently are.*
- b. *We are looking at a holistic standpoint, clinic or whatever, a model or business plan to get to that point. The hospital made money, but UTP lost 9, we can't have many years like that so we need a lot of expense model.*
- c. *Global consensus will help, but is not the long-term solution.*

## FY 24 Approved Operating Budget

	University FY24	Auxiliary FY24	UTMC FY24	Total FY24
<b>Operating sources:</b>				
Hospital patient services			\$ 384,186,100	\$ 384,186,100
Student tuition and fees	\$ 229,002,867	\$ 151,000		\$ 229,153,867
Student financial aid	\$ (41,792,501)	\$ (9,133,002)		\$ (50,925,503)
State subsidy (SSI & clinical support)	\$ 115,379,300			\$ 115,379,300
Grants, gifts, and contracts	\$ 4,482,870	\$ 3,469,664		\$ 7,952,534
Sales and services	\$ 27,925,946	\$ 41,191,257	\$ 42,613,127	\$ 111,730,330
Spending plan (quasi endowment)	\$ 8,000,000			\$ 8,000,000
Dividend/interest Income	\$ 1,500,000			\$ 1,500,000
Other operating	\$ 32,646,335	\$ 4,968,450		\$ 37,614,785
<b>Total operating revenues</b>	<b>\$ 377,144,817</b>	<b>\$ 40,647,369</b>	<b>\$ 426,799,227</b>	<b>\$ 844,591,413</b>
Prior year budget:	\$ 397,821,039	\$ 35,589,138	\$ 384,872,329	\$ 818,282,506
<b>Operating uses:</b>				
Compensation	\$ 289,065,064	\$ 19,419,136	\$ 181,388,480	\$ 489,872,680
Supplies	\$ 30,910,264	\$ 2,190,026	\$ 158,237,903	\$ 191,338,193
Purchased services	\$ 10,612,974	\$ 6,199,769	\$ 51,785,369	\$ 68,598,112
Occupancy	\$ 12,420,474	\$ 4,796,067	\$ 934,215	\$ 18,150,756
Contingency / other	\$ 5,100,000	\$ 18,034,389	\$ 17,186,197	\$ 40,320,586
<b>Total operating expenses</b>	<b>\$ 348,108,776</b>	<b>\$ 50,639,387</b>	<b>\$ 409,532,164</b>	<b>\$ 808,280,327</b>
Prior year budget:	\$ 376,143,541	\$ 48,048,820	\$ 364,372,972	\$ 788,566,333
<b>Operating Margin</b>	<b>\$ 29,036,041</b>	<b>\$ (9,992,018)</b>	<b>\$ 17,267,063</b>	<b>\$ 36,311,086</b>
Prior year budget:	\$ 19,412,729	\$ (956,785)	\$ 4,652,343	\$ 23,108,287
<b>Non-Operating</b>				
Debt service	\$ (10,090,985)	\$ (8,625,000)	\$ (5,645,853)	\$ (24,361,838)
Capital	\$ (4,251,715)		\$ (6,621,210)	\$ (10,872,925)
Mission support	\$ 5,000,000		\$ (5,000,000)	\$ -
Interfund transfers	\$ (15,655,514)	\$ 15,131,831		\$ (523,683)
<b>Net Budget</b>	<b>\$ 4,037,827</b>	<b>\$ (3,485,187)</b>	<b>\$ -</b>	<b>\$ 552,640</b>
Prior year budget:	\$ 54,546	\$ (2,750,167)	\$ 3,354,754	\$ 659,133



## UTH Organizational Model



5. Old Business: None

6. New Business: None

7. Adjourn: 1:09p.m.