

THE UNIVERSITY OF TOLEDO
Minutes of the Faculty Senate Meeting of September 28, 2021
FACULTY SENATE

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

Approved @ FS on October 12, 2021

Summary of Discussion

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

President Bigioni: Okay, I have 4 o'clock, so I will call the September 28th Faculty Senate meeting to order and ask Secretary Nigem to call the roll.

Present: Anderson, Baki, Bamber, Barnes, Bigioni, Bornak, Brakel, Case, Chaffee, Chou, Compora, Coulter-Harris, Day, de le Serna, Duggan, Duhon, Edgington, Elgafy, El-Zawahry, Gilstrap, Green, Gregory, Guardiola, Hall, Hanrahan, Harnych, Hefzy, Huntley, Inch, Jayatissa, Kistner, Koch, Krantz, Kujawa, Lammon, Lawrence, Lecka-Czernik, Lipscomb, Metz, Milz, Modyanov, J. Murphy, Niamat, Nigem, Pattin, Pakulski, Ratnam. Reeves, Reynolds, Rouillard, Shan, Smith, Steven, Teclehaimanot, Topp, Van Hoy, Vesely, Wedding, Welsch

Excused Absence:

Unexcused Absence: Ali, Chaudhuri, Garcia-Mata, Lee, Perry, Stepkowski

Senator Nigem: We do have a quorum, President Bigioni.

President Bigioni: Thank you, Secretary Nigem. Our next item on the agenda is the adoption of the agenda. So you see the agenda before you. There was a small addition in the 'Reports' section. President-Elect Gary Inch is going to give just a brief, one or two-minute report on some work that he is doing on the Committee on Committees, and so, that was the appropriate place to put it. Other than that, it is the same as what was sent out to you earlier. Any points of discussion on that, or can we get a motion to approve?

Senator Huntley: Motion to approve.

President Bigioni: Thank you. Do I have a second?

Senator Hefzy: I second.

President Bigioni: Thank you. You can go ahead and vote for approval of the agenda in the chat box. That looks to be slowing down and it looks to be approved. Thank you for that. ***Agenda Approved.***

The next item on the agenda is the approval of the Minutes. This would be for the September 14th meeting, the last meeting. And of course, those were sent out to you earlier too. Any corrections to note? Any changes to note? Hearing none. Do I have a motion to approve?

Senator Niamat: So moved.

President Bigioni: Do I have a second?

Senator Baki: Second.

President Bigioni: Okay. We can go ahead and vote on approval of the Minutes. Please go ahead and enter your vote into the chat box. Okay, those votes are slowing down. It looks like that is approved.

Motion Approved.

We can go on to the next part of the meeting, which is the **Executive Committee report.**

One of the issues that we talked about last meeting was policy review by our policy oriented committees. And just to remind you, those committees are Academic Regulations, Student Affairs and Faculty Affairs, which are chaired by Bill Ayres, Deborah Coulter-Harris, and Jason Huntley, respectively. The idea last time was that we wanted to get the wheels of the policy review turning and so that has been happening. Now we're starting to work more closely with the Provost Office and beginning to review policies in a more traditional way before the 30-day comment period. So that process has begun with a couple of policies. One on faculty qualifications that has gone on for review by the Committee on Faculty Affairs, and the other on the student immunization policy, which is being reviewed by the Student Affairs Committee. So that work is ongoing. So that's nice to see that we're establishing a more regular working relationship on the policy review. We'll hear more from those committees in time as their work proceeds.

The second item that we have been working on has been year-long registration with the Provost Office. That seems to be coming to a conclusion. From what I understand, you can expect an email from the Provost Office on year-long registration.

Next, the President asked us for some names to populate a couple of search committees for some leadership positions within the University. The first position is the Vice President of Diversity and Equity and Inclusion. We nominated Senator Sharon Barnes for the position. And I should note that Senator Ally Day was already appointed to that committee and so we are pleased to hear that. So that is some excellent representation on that committee. That second position is Vice President and Director of Athletics, and we nominated Senator Robert Steven for that position. I should note that those two nominations are still to be confirmed, so I should make that clear.

Next with regard to the Constitution, I had the opportunity to speak with some Trustees last week at the Board of Trustees meeting. In particular, Trustee Will Lucas who chairs the Trusteeship and Governance committee, who is the first committee to review our Constitution before bringing it to the full Board. So we had some good conversations with regard to what needs to be done to move the Constitution forward. I was assured that it was a high priority for them to get that done this year. And I assured them, of course, that we would do whatever we can to make that process smooth and efficient. I have a great optimism that we should be able to complete that process this year.

Next, the Pfizer vaccine was recently approved for booster shots and so there was some discussion at today's COVID operations meeting about the availability of boosters to faculty. It's important to note that faculty are included as teachers. Right? Sometimes the distinction is made between them, but in this case, it's a high risk endeavor that is being treated as eligible to receive a booster shot. So from what I understand, all faculty who want a booster shot, of Pfizer, should now be able to get it through the regular UT channels. I think the general sentiment with regard to providing boosters is that if someone feels that they are in a high risk position, they essentially would not be refused. So, I encourage anyone who's interested in getting a booster shot to pursue that. That only includes Pfizer right now, but hopefully Moderna will follow in the near future.

On a related note, the vaccine database numbers are somewhat lagging, so I would like to take the opportunity to encourage everyone to try to upload your vaccination status to the Vaccine Database so we can better understand our numbers, our coverage on campus. I know the older we get, the more technologically challenged we can get, so there may be some barriers to getting that data uploaded. But, it's certainly a worthy cause so that we have a much better idea of where we sit. Okay, I encourage you to enter your data into the vaccine database.

Also, President Postel's investiture ceremony is October 8th in Nitschke Auditorium at 10 a.m. This is another encourager for anyone who can come to please do so that we have a good showing of support. I'm

sure media will be there and it would be important to show our support and involvement in that ceremony. I should note that the investiture is different than an inauguration. It's a little more scaled back so it's not an enormous investment of everyone's time. So again, I encourage you to attend if you can.

That concludes my Executive Committee report. I see there is a question in the chat box, so I'll address that. "Who do we contact for the booster? Can we just go to the Health Center on Main Campus?" I believe that's true. The pharmacy on the Main Campus, and I believe the pharmacy on the Health Science Campus have been doing booster shots and that would be the place to go from what I understand. If Amy has other information -- Amy Thompson, if you want to chime in on other sources of booster shots, please do.

Vice Provost Thompson: Yeah, of course. So again, we can get those at any of our pharmacies on the Main Campus or the Health Science Campus. You can reach out to any other pharmacies, of course. But remember that this currently is just the Pfizer vaccine for those of you that would have been vaccinated with the Pfizer vaccine.

President Bigioni: Okay, thank you. Other questions?

Senator Kistner: I have a comment. When I went to get the booster, the person giving it to me wasn't aware that faculty members could receive the shot. So I would hope someone would get in contact with them to make certain that all the workers are aware of that.

President Bigioni: Were you successful?

Senator Kistner: I was. I mentioned that the CDC had approved it for faculty as well. I don't know if that was taken back to the front desk or not.

Vice Provost Thompson: Michael, can I just ask, did you get your vaccine on campus or off?

Senator Kistner: It was on campus.

Vice Provost Thompson: Okay, interesting. We'll make sure that get passed up the chain. Thank you.

Senator Kistner: Thanks. And, you can make appointments as well if someone wants to do it that way rather than walk in.

President Bigioni: Thank you. Any other questions?

Senator Barnes: I just wondered if you wanted to say something about the Executive Committee's meeting with the President and some of the issues that we raised with him at that meeting?

President Bigioni: Well, please do, if you want to add something to my report.

Senator Barnes: Okay. I spoke to the President; I think I've spoken to this group before. Remember when we learned that partner benefits were being rescinded, because LGBTQ folks can get married, and folks are pretty distressed, especially that, that was happening during a pandemic? So, we raised that issue again. What has happened is that only folks who already had partner benefits are allowed to be included. So in my case since my partner retired subsequent to that, she is not eligible for benefits, even though we meet the requirements. He said that he didn't think that was a good idea, but that was part of the union contract, and he wasn't sure how we would pay for it. I don't want to misrepresent or mischaracterize what he said. But I personally feel like we shouldn't have to wait. If the administration is for it and the union is for it, I don't see why we should have to wait until the contract is negotiated; that's ways away. The other issue that I raised was about the new attendance reporting mandate for CWA staff that, to me is insulting

to a lot of good and honest people. He gave us some back story that it actually came from the CWA about folks having trouble figuring out how to log in, punch in, for those folks who have to, and so they felt it would be easier if everybody had to punch in. Linda [Rouillard], I don't want to take credit for your excellent question about what the range of things they were negotiating among that made that the best option, and I think there were a couple of other issues that came up. I mean, obviously, he can't resolve any of those issues. Those are contract negotiations, but I think Linda, you had another pretty major issue too.

Senator Rouillard: Well, thanks for reminding us of those topics of conversation with the President. I found it disingenuous of him to say that, or to imply that the CWA Union, it was their idea to have all their staff clock in. When these kinds of items get agreed to, it's often in a compromise situation that something much worse is proposed. So, the union would get backed into a corner where it chooses between this really, really bad thing and this less bad thing. I was quite surprised that he even tried to insinuate that this was the union's idea. That really disappointed me because it's not a fair depiction of what happens at a negotiation table. And regarding the partner benefits that you very wisely brought up to him, it's my understanding that if the University were to continue offering domestic partner benefits, healthcare benefits, this would not cost the University very much. It is a very, very small number of people who would be involved and the University could just step up and do the right thing. Period.

President Bigioni: Thank you for your comments. Are there any other questions or comments? Okay, thank you. Then we will move on to the Provost report. Provost Bjorkman, the floor is yours.

Provost Bjorkman: Thank you, President Bigioni. I appreciate it. Good afternoon, everyone. I hope you are taking advantage of this incredibly gorgeous Fall weather. It is hard to believe we're already five weeks into the fall semester. I want to begin my remarks this afternoon with a very good thing, and that is I want to introduce Dr. LeFleur Small, our new Vice Provost for Academic Administration and Faculty Affairs. Dr. Small is with us today. She is a medical sociologist. She is joining us from Wright State University where she most recently served as Vice Provost there. Her faculty home is a Professor in the School of Population Health in the College of Health and Human Services. In her Vice Provost role here at UToledo, Dr. Small will oversee all aspects of faculty affairs, including, but not limited to the tenure and promotion process, faculty development and annual reviews. She'll also serve as the Provost Office liaison to Faculty Senate and she'll lead the Division of Academic Affairs efforts for diversity, equity and inclusion in collaboration and in partnership with the University's Vice President for DEI. I'm really delighted that Dr. Small has joined us here at UToledo. I hope you will join me in welcoming her to the University, and if I may, Dr. Small, would you like to just say hello?

Vice Provost Small: Thank you, Provost Bjorkman. I am thrilled to be here at the University of Toledo. I look forward to all of the great work that I get to do, both with the Faculty Senate, and faculty throughout the entire University. Please reach out in the event that you have any questions or concerns, any great work that we can do together. I'm looking forward to the 21-22 academic year. Thank you all for the warm welcome.

Provost Bjorkman: Thank you Dr. Small. As I mentioned at the last meeting of the Faculty Senate, we are working on our final preparations for our reaccreditation site visit by the Higher Learning Commission or HLC which will be on November 8th and 9th, so please keep those dates in mind. We did recently finally hear that the site visit will be in person. There's a six-member accreditation team that has been appointed to visit us. We don't know yet, whether all the team members will come to campus, but we should know that soon. In October, I think it is October 11th, we lock down and submit our documentation online to HLC and an executive summary will be shared with the campus in advance of

the site visit. As you all know, there were many committees of faculty who worked on these initial drafts of the assurance arguments. They've been polished and updated and they're in sort of the final stages before we'll begin to submit those. I will be requesting of President Bigioni a request to appoint a member of the Faculty Senate to serve on the University's team during the site visit. I'm also happy to announce, it took us a little while to get it rolled out, but I can now fully say that we're ready to relaunch our process for faculty and staff to apply for professional development funds, which had been suspended during the height of the COVID pandemic. This is a great opportunity for both faculty and staff to apply for support to advance their professional development. For details on the funding guidelines, the selection criteria, and the application form, I invite you to go to the Provost Office website on the faculty affairs and resources pages. The link for this will be live beginning tomorrow. It's not there yet today, but it will be deployed tomorrow.

I also want to share with you some good news. You probably have heard this. We reported it to the Board as well about our research awards for fiscal year 2021. The University's total award dollars for FY21 were more than \$65 million. That's an 18% increase over last year, and 70% higher than our research awards just 5 years ago. In addition, the federal research awards made up 83% of total award funding in FY21. Those results are a great tribute to our faculty who continue to be very successful in securing highly competitive grants that really are bringing an increase in national recognition to the University. So, I thank them for that. On another note, this Fall, we continue to make progress with our Recruit Back Campaign as we continue to reach out to students who stopped out during the pandemic. As of last week we were successful in re-enrolling 302 students as part of that campaign. That initiative continues. I also want to remind you that the deadline for participation in the Inclusive Access Textbook program is fast approaching for your Spring Semester courses. So, if you're interested in doing that, please contact the bookstore or see the Provost Office website for additional information about that. Please note that all orders have to be completed by Friday, October, 15th, for courses offered in the spring. And just as a reminder, all sections of a given course have to agree to use the inclusive access materials in order to move that forward. This effort that our faculty have undertaken to help reduce textbook costs has resulted in significant savings for our students. Last Fall over 7,000 students collectively saved \$1.2 million, by participating in the University's Digital Textbook program. That was a result of faculty in 40 courses with 160 sections voluntarily participating in that program.

Before concluding my remarks this afternoon, I do want to remind you of several reporting deadlines that are important for our student success. First, tomorrow is the final day for early alert reporting on Starfish for the Fall Semester. That reporting window closes tomorrow just before midnight. And as a reminder, the reporting on that allows our success coaches and academic advisors to identify and reach out to at risk students to intervene hopefully early in the semester, if needed. And secondly, the midterm grade reporting window opens next week in Banner on Monday, October 4th. Instructors for 1000 and 2000 level courses will receive weekly emails during that three week reporting period. And again, this is an important student success initiative that helps us to intervene with students if needed prior to our course withdrawal deadlines. Also, we do encourage instructors of 3000 and 4000 level courses to participate in that as well. And as President Bigioni already mentioned, I hope you'll plan to attend the investiture ceremony and the formal installation of Dr. Postel as the 18th President of the University of Toledo next Friday, October 8th at 10 a.m. in Nitschke Auditorium. With that, that concludes my report. Thank you and I'm happy to answer any questions.

President Bigioni: Thank you. There is one question that I got in the chat box, [which is] "I thought Starfish was extended to Friday, October 1st. Is that not correct?"

Provost Bjorkman: I think there was an email that went out about that, I apologize. I will double check on that.

President Bigioni: Okay, great. Thank you.

Senator Anderson: Well, actually the email said 11 p.m. October 3rd.

Provost Bjorkman: Okay. Thank you.

President Bigioni: Thank you. Are there any other questions for Provost Bjorkman? Okay, if not, then we will move on. Thank you very much. The next item on our agenda is President-Elect Insch. [He] would like to make some remarks with regard to the Committee on Committees.

Senator Insch: Thank you very much, President Bigioni. We have a few vacancies on some committees. Hopefully, you can see most of them on that screen. Full disclosure, the major challenge initially is that the Honors College has a few members and so they're going to kind of choose the most important committees. So, a lot of the vacancies you're going to see is from them and they're fully aware of it. They're working to figure out what's going to be in their best use of their limited resources on the committees. The other colleges that have kind of a bigger challenge are Nursing and Law. Law has a similar kind of concern. NSM has four vacancies on various committees. Some of them are pretty important, so hopefully we can reach out to our colleagues and find some people to fill those positions. Then the other ones you can see there are in the different areas. I can send this out to the Faculty Senate and you can look to see if there's something that either you're interested in, or if there's a colleague who might be looking to be involved in one of these committees. Most of them are filled up so thank you very much. Probably the biggest challenge right now is the Academic Programs Committee since it has a number of vacancies, and they have quite a bit of agenda items that they would like to move forward with. So, if you have a colleague, or you're interested in being on that, please let me know and let the chairman, Dr. Lawrence, know as well. So, thank you; appreciate it. Back to you, President Bigioni.

President Bigioni: Thank you. Are there any questions for President-Elect Insch? Okay, hearing none, we'll move on. Thank you, President-Elect Insch. We'll move on to 'Other Business.' So back by popular demand is Dr. JD Smith. I'll introduce Dr. Smith. He is a Professor of Physics and Astronomy and is currently the Director of the Ritter Astrophysical Research Center. He's here today to tell us about his experiences as a faculty member appointed to the Budget Modernization Strategic Planning Committee. So of course, RCM, which is the next topic of discussion too, is on everyone's mind. This is the topic from that faculty perspective. Dr. Smith.

Dr. JD Smith. Thank you, Terry. Thanks to everyone. Can you hear me okay?

President Bigioni: Yes, thank you.

Dr. Smith: All right. I just have a couple of slides here that I will share. Can you guys see that?

President Bigioni: It is fairly small.

Dr. Smith: Oh, it is small?

Senator Kistner: Yes, we can see it now.

Dr. Smith: Okay, it just took a second. So, thanks for that introduction, President Bigioni. I'm JD Smith. I'm a Professor of Astronomy here and Director of the Research Institute you're looking at in the foreground there. It's this new iconic image that we love. Our telescope and the planetarium are visible

there. I was asked last year to serve on the Budget Modernization Steering Committee. When they asked me, you know, I thought to myself, I don't know much about budgets and I certainly don't know what constitutes a modern budget. But modern budget is simply parlance typically for incentive or performance based budgets that are typically decentralized and try to bring responsibility down to the levels where you can take action based on the situation on the ground, basically. If you're not familiar with it at all, I'd recommend checking out our own libraries guide, libguides.utoledo.edu/rcm. They have a lot of different literature on this practice, which I think is a couple of decades old. And actually, there's criticism, there's everything you want in there to learn about this so take a look. So, for those of you have no idea, this is sort of a cartoon model of what an incentive-based budget model looks like. On the left is the traditional budget model, in which all of the inputs, in terms of revenues from tuition, from state subsidy, from research awards, and external awards. They all flow into this sort of central fund, the general fund and from that, everything, all the administrative units, all the schools, colleges, all the academic enterprises are funded. So, we took to calling that the 'black box' on our committee. If I recall correctly, that black box constituted about 80 or 85% of the whole budget. On the right is what an incentive-based model looks like in which schools and colleges are essentially elevated to this sort of central position, in which revenues accrue onto them. But also they handle the costs that come in from administrative units and there's taxes as well. So what our committee was trying to do was set up a sensible budget model that had these kind of features of centralization responsibility.

So just a quick overview of the committee itself. It was 12 members. There were a number of members from the Office of Finance. There were a few Deans, some college financial administrators, and then just a few faculty, which I was one. The goal, you can see there, was to determine, and develop, and basically provide input on a new performance based budget model. They outlined there, highlighted the word 'transparent.' I'll mention that in a moment. We worked with this outside consulting group here on consulting who has done a lot of this work with different institutions, and that proved to be very valuable. I will give you some provisos quickly here. There have been, well, first of all, our committee last met over six months ago and so probably a lot has changed on the ground. Luckily, you have the co-chairs of that committee - Sabrina Taylor, Brenda Grant and also Matt Schroeder - here to tell you all about it in detail. But I thought it'd be useful to have sort of faculty point of view.

This was sort of the top level areas of discussion that we went through. You can see the sort of meeting cadence that we had over about a half of year. There was a lot of sort of homework assigned and various breakout meetings. But it was really a principle approach in which we started with basics of, you know, what's the philosophy of our budget? How much decentralization do we want? How can we actually implement that in terms of the unit instructors that we have? How should tuition be handled? How should state subsidy be handled? What about research? What do we do with that? How do we subsidize that and cost pools? So, it was a very interesting discussion for someone who has no background in this.

I just wanted to highlight a couple of the hot spots that took up some of our time and resulted in really robust discussion. I went in thinking, oh, a consulting group, I wonder, you know, is this going to be worth the money. In fact, they did an incredible job sort of guiding discussion, keeping us on track, bringing out diverse and often deeply disagreeing points of view on things and sort of closing it off and moving on to the next topic. I went away really impressed. We talked about things like, which units should be cost pools and which units should be revenue centers. And not everything is obvious from that point of view. How many cost pools do you want? How should, for example all the business of providing instruction for our students, how should the value of that be accounted for? Should it be for the college of record of that student or the college where they get their instruction? We ended up with a blend on that. The role of research, I was surprised. I'm, of course deeply embedded in the research enterprise here at

UToledo and so I was surprised that there's actually a diversity of opinions about what the role of research is and should be, and how that should be subsidized. We talked about the discount on tuition, which is fairly substantial at the undergraduate level and incredibly substantial at the PhD level, and whether that should be part of the accounting system, or whether you should just do a gross or a net version of that, which has some interesting ramifications. And, of course, you also have professional students that differ from PhD students as well. One of the big topics we talked about is how we can avoid arms races with this budget process. So, an example that we kept coming back to is if you incentivize, for example English for engineers so that the Engineering College could develop an English course to teach its own students and reap the financial windfall, that kept coming up. And interesting for this group, the point that many people made, including the consultants as well, you can't solve everything with a budget model - you need a strong Faculty Senate, right? There needs to be strong oversight that isn't just budgetary in nature, but actually looks at the curriculum and these sorts of issues and apply some rational oversight to that.

One sort of final bit that I want to mention that came up right at the end, and I hope we are going to hear a little bit more about that because it's something that could be of interest to you, as members of the faculty. There was a plan, or at least a notion that there would be a standing committee that would rotate and have faculty involvement that would be tasked with looking at it and reviewing the costs themselves. So, costs, you know, IT, HR, Academic Affairs, all these different sort of cost pools. In some ways, we're a captive market in a sense that we can't exactly say well, we're going to outsource to Owens Illinois HR this year because we don't like the service you're providing us. So to me, it's going to be a really important committee that looks at those costs and also looks at the taxes, how they're spent.

Just my impressions as a final bit here. First of all, budgets really are just a tool for thinking about your situation. You know, there's no real differences. They're not going to magically make more revenue appear or cost vanish. They're really a tool for looking at and hopefully coming up with creative solutions to the problems you have. Surprising to me, and actually really pretty gratifying to me was that transparency was, I would say, the key consideration. The idea was, for example how many cost schools do you want? And immediately the conversation would be steered to, well, fewer cost schools are simpler and therefore more transparent - people can just, you know, five or six things they can hold out in their head. You know, lots and lots of cost schools will have complexity, so that is a trade-off space between transparency and simplicity. And that was just one example. I really felt like that was a key sort of aspect of the whole process that everyone bought into. One of the other important things was to be agnostic to the specific outcomes. So as you were making decisions about how you should charge a particular cost pool and what recommendations would be on that, you didn't want to sort of gain that out. And of course, this was very hard for our Deans, right? But I was very proud of all of us essentially for sort of bringing that back to sort of the first principals, the basic, 'what fits out institution.' We didn't do this alone. There was a lot of institutional knowledge, both from our consultants and some members of the committee that was very, very valuable. So we'd often hear, you know, if you turn this knob up too much, you'll end up in this situation where this institution where this happened, and so there were a lot of sort of guide rails on that.

I'll just mentioned again. This budget review committee, I'm not sure how those are going to look, but they will have a really important role. And just as a final impression, I think that there will be some real challenges implementing this style of budget. But overall, for a university, I really do feel like this is going to be a positive stuff. We're just going to have a much clearer look at where things stand and what we can do to improve things. Thanks. Any questions?

President Bigioni: That's great. Thank you very much. Any questions for Dr. Smith?

Senator Krantz: President Bigioni, if I may? This is David from Natural Sciences and Mathematics. Dr. Smith, you pointed out, input from the Senate is going to be valuable. Was there a discussion at the next lower level since the centers are actually the colleges? Will it be a college level committee or will that input come from the college councils, or what were the various options for that?

Dr. Smith: Thanks, David. I think my understanding is it was still in flux, at least when I last left it. So it's possible that some of the other speakers today will have a better sense of that. But I think one of the ideas that may inform that is the feeling that colleges in some ways should take it at face value to say these are responsibility centers and give them both the responsibility and the power to adjust things and set things up in a manner which best fits their situation, but that may, or may not have changed. I think I will ask the other speakers to comment on that as well.

President Bigioni: Okay, we have people queued in the in the chat box. Randy Vesely was first.

Senator Vesely: Thank you. I have a question concerning the taxation or the tax back. Can you provide greater clarity on what that is? Specifically, how is that taxation determined? Is it based upon whatever the University wants? Is it based upon FTE's or headcounts?

Dr. Smith: Yes, thanks. Well, first of all, there's taxation, which is sort of one feature. That is sort of a smaller fraction of the total expenditures and revenues at a college. And that's going for a few things, as I understand it. One, is this concept called subvention, which is basically helping out programs that otherwise would have a hard time standing on their own. So, you know, one of the examples we would always use here is, do you want to have a college of music and be a university? Like of course, you do right? But those are expensive. I mean, that was just an example. Then of course, there's all the charges that come in for all the different cost pools. There we did spend some time talking about how would you allocate the fixed charges of HR. Right? Obviously, that isn't really student enrollment. That is tied to employees. The services they provide are more headcount. So we would look and adjust those recommendations to try to match reality there.

President Bigioni: So I noticed that it is about a quarter to five, and our next speakers have a hard stop at around a quarter after five. So I think it would be wise to hold any further questions until we hear from our next speakers, if that is okay with everyone. I hate to cutoff discussion because it's important, but it is also important that we have enough time for our next speakers. So thank you again, Dr. Smith. We can move on to our next speakers who I will introduce to you, although they probably need no introduction. So, Matt Schroeder is the Executive Vice President for Finance and Administration and CFO. Sabrina Taylor is the Assistant Vice President for Budget and Planning. And Brenda Grant is the Associate VP for Academic Finance in the Provost Office. So without further ado.

Matt Schroeder: Thank you, President Bigioni. Can you give me a thumbs up, can you hear me okay?

President Bigioni: Yes.

Matt Schroeder: Excellent. Well, thank you, President Bigioni and all of Faculty Senate for having us back. As we always say, we are happy to come back as much as you'd like to have us back on a variety of topics. JD Smith, fabulous update. I don't think any of us, myself, Brenda Grant, or Sabrina Taylor could have done a better job than that. [It was a] very accurate, very fair presentation of what we were trying to do, which essentially, at this point is now the first phase. So Sabrina, if you want to maybe share your screen. We have just a few slides and then we welcome questions. Everything is fair game tied to budget modernization. So, Sabrina, if you can pull up a slide deck and as you're doing that, I guess to JD's comments, it is hard to believe that this key initiative under Dr. Postel, one of eight, is now almost

approaching it's one-year anniversary of the committee, made up as JD said, of a number of faculty members, a number of Deans and department chairs, and business managers. A great representation of what we thought to be, you know, the academic side of the campus. Because at the end of the day, it is one of the questions that was asked of JD. And JD is correct here, the responsibility, the oversight, the obligation, the power really rests at the college level and with our Deans. So how the Deans lead their various departments within a college, I mean, it could vary college by college, case by case.

So if we can jump to slide 2. Real quick. This is where we are. I'll talk briefly about the four tracks and we will let Sabrina and Brenda dive into some of the technical components of this presentation. But since JD and the committee's work on really what was Phase 1, which was the development of the overall model which we utilized 2020 actual data, that process has now continued to move forward. These four phases [are] as we know it now. So with the overall budget model and the foundational elements that the committee had put in place, which was utilizing Fiscal-20 actuals. And at the time, you know, we had Fiscal-20 actuals, Fiscal-21 was still ongoing. Fiscal-21 audit should be finishing up in the next couple of weeks. So, we'll load Fiscal-21 actuals in the model. We've loaded Fiscal-19 actuals, and we've loaded the Fiscal-22 budget. What you will see and really what the deans will see is that once we conclude the second quarter of Fiscal-22, that is when we will start running parallel track. The way the timing of the inflows on the academic side of the house work were after Q1. That's really not going to tell the deans much of anything. It is after we close out Q2 and then obviously, Q3 and then Q4. That's where the real data will have some impact and power for the Deans, as it relates to Fiscal-22. On the academic portfolio side, so, in addition to building the model, fleshing out the model, stress testing the model, we have been [working with] Huron and that is Mike Cogan and Tim Boozinger, former Provost at Auburn. They have been working through with our Deans on academic portfolio assessment. And really looking at the nine colleges, and I'm not counting all of the colleges because some of the colleges like Honors fall underneath support units, similar to COGS as well, really working with the Deans to understand the costs associated with delivering the curriculum that these various colleges deliver. But also understanding, as JD pointed out, there are a number of mission critical programs that are absolutely core to this institutions' overall suite of offerings, and making sure that those core programs and that missional alignment is taken into account as well. And then on the financial opportunity side, this is where not only do we look within the academic portion of our overall enterprise, we also look at administrative operations. Over the last few months led by Huron, they have interviewed over 60 stakeholders. We have a listing of 41 plus opportunities. These opportunities are everything from efficiencies, revenue generation and just leveraging overall economies of scale. We have a meeting coming up on October 4th with the Deans where we will review those financial opportunities and talk about next steps going forward. And really with, you know, the financial opportunity work and with, as JD alluded to or outlined, you have the revenues now, instead of coming centrally landing with the colleges, it's critically important that not only the colleges, but the support units as well, really have a clear understanding of some of the levers that can be pulled. Especially in the early years of budget modernization when we continue to face enrollment headwinds. So that as we work to grow our way out of some of this, we can also be as efficient as possible. And then I referenced Tim Boozinger, again, former Provost from Auburn, the work that Tim along with Mike Cogan and then Taylor Chance, I think some of you have met Taylor from Faculty Senate. The advisory support that they're providing is really intended to help fast track, I'll call it the learning curve for everyone as it relates from moving from incremental budgeting to performance based budgeting at the college level. Because we know it's going to take probably three years for this to stabilize. But leveraging the experience of Tim and company, hopefully we can make up some ground to where, you know, maybe it's going to take us all three years. Maybe we can get it done in two, two and a half years. But as you'll hear from Sabrina and Brenda, which I'll turn it over to them right now, you

know, this is an ever evolving model. We're going to learn things in year one. We're going to learn things in year two. JD talked about the governance process and what that looks like, not only at the college level, which the Deans will have to work through that, but also the governance as it relates to support unit allocation, and the overall governance as it relates to this new performance based budget model, which we have draft structures in place. But President Bigioni, I would think that is probably an appropriate update here in the near future once we finalize that. But, I will turn it over to Sabrina and Brenda who in addition to the committee's efforts, frankly, we could not be where we are today without their leadership. So, Brenda and Sabrina, thank you so much. And you now have the reigns.

Sabrina Taylor: Thank you, Matt. I appreciate that. We'll just move on to the next slide really quick. This is our current budget process. Just to kind of set the stage a little bit about moving to a RCM model. This is a very significant undertaking. When we talk with other universities, I mean, we have heard that it's really a multiple year implementation, kind of similar to any kind of system implementation that we've all been involved in. Day one, year one is a little rough and then, you know, we get some experience under our belt and it continues to improve. But we are really still just in the early stages of learning and going through the model and trying to understand the components. A budget model doesn't change any of our revenues. All it does is gives us a much more specific, strategic way to allocate our revenues. So it doesn't change any of the revenues coming in. It also doesn't change any of our expenses where we sit today. So it's going to be an evolution. We often use the analogy of a marathon, you know, we have to crawl before we walk, before we run. I think it's just human nature for all of us to kind of want to leap to the other end of the spectrum and figure out some of the nitty gritty details, but it's really difficult to get there without going through all the steps. I often times kind of step back when the process feels overwhelming, which it will at times for all of us. You know, you just have to take things one step at a time so that it's digestible. If this were easy, we would have already done it as a university. I will say, you know, [the] University has looked at various iterations of an RCM model in the past. We've just never actually gotten to the point of implementing a new model. So I think this time we're moving forward. So I think this time, you know, we're moving forward. It's very important to the future of the University to really give us a strategic way to financially manage the University. So, like I said, on this sheet, it's really just a pictorial of our current incremental budget process. Obviously, the budget staff and Brenda and her team, we really think about the budget at a year round basis. What we're really going to do moving forward is just more transparency. Dr. Smith talked about the cornerstone of this model is transparency. The process is really going to, from start to beginning is really going to involve more constituents across campus. So this is where we're starting. And then I will pivot to Brenda for where we're going.

Brenda Grant: All right, thank you, Sabrina. So, yes, this is our proposed budget process moving into an incentive-based budget model. You can see it would be starting in July and having conversations very early about reviewing, projecting and forecasting into the future and kind of setting those projections as an institution so that we can begin to work towards that next year's budget in early stages. We are at the point of starting to discuss how we're going to forecast next year, beginning those conversations, and getting the right people around the table to lay that groundwork. Of course, Huron is helping and guiding us as we shift to a very forecasted model. As you can see here, we'll quickly move into working with our support units to help them develop their budgets under this new model. As JD referred to our discussions and consternation of who's a support unit, who's now to support unit, and how many do we want to have, I believe the count was 14 support units. As a couple of examples, colleges that landed as a support unit are Honors, Library, COGS and University College. Then our other colleges are revenue generating colleges. So then from there the other areas of the institution are support units as well. So from there we'll move into working with our revenue generating colleges, so we can work with them to flush through the support unit costs, the function costs of the colleges, and kind of strategic initiative planning funds as we

go into the future. Then that will work up through the new governance structure, which will be the University Budget Committee. So as reference, we are working on a draft of the governance structure right now, starting those conversations with the Deans, so that we can populate those committees and really build out a nice workflow that represents the governance, and how those conversations will come up from the colleges, to the Provost Office into the University governance structure. Then, of course, as we move through this process, this will all become more second nature to us. Right? This is our first time converting to this process. So, you know, we're building it as we go. We're learning as we go. And we're jumping in to these steps currently. So, we are preparing for FY-23 right now. Sabrina, I'll point it back to you.

Sabrina Taylor: Thank you. I just want to always keep focus that this is a very principle based model. I know you can't be specifically behind me, but, you know, hanging on my clipboard, I do have these guiding principles. So, as we come across items in the model in our discussions, when it gets particularly challenging, I always kind of look back to the guiding principles. So, as an example, you know, we've talked about the budget methodology being transparent. We also have to have a budget that we can actually implement. So, I mean, we can make an incredibly complicated budget model, but if it's impossible to implement then that's just not a good strategy for the University. We are really trying to start simple and then once we get some experience under our belt, we can then start to evolve in the model. But as questions and pieces come up as we're discussing, I do tend to always go back to the guiding principles and say, you know, where does this fit in? If it really is making the model very complicated, then that really doesn't fall into the guiding principles. As JD had referenced this slide as well, these are the elements to transitioning from an incremental budget into an incentive based budget model. So, these were the 10 elements that the steering committee walked through one by one. We can see we started with the status colors that were red, went to yellow, and then went to green. So the committee worked through all of these to make the decisions on how we would allocate tuition, how we would allocate state appropriations, how we would fund our research support, which cost pools we have, how would our cost allocation drivers, what they would be, how we would handle our scholarships, our aid and our waivers, and how we would handle subvention? And now we are working through the decision point and seeing them flush through the models themselves. So, as reference, we put FY20 through the paces on this model and then we've taken a look at FY19, shared that with the dean and then built into the model FY22, so that we can see that these decision points - how they work in the model and if they held true in the model – which, we checked all of those boxes and these decisions have held true.

Brenda Grant: This is where we did go back to keeping this first model with less complexity, because there's a lot of different ways you can slice tuition and you can get really complex mathematical formulas to make decisions. We kept the model simple out the gate so that we can manage the model for a few years to make sure that we are doing a really good job at transitioning to this new model. And with that, I turn it back over to Sabrina.

Sabrina Taylor: Okay, this is our last slide we wanted to make sure that we had time for open discussion. The model methodology was recommended by the steering committee, went to the President for approval. We've been moving through those components. Over the course of the summer, we've been working on the infrastructure of the model, how we would actually implement it. The next steps that we're working on are really these three buckets: governance, budget process, and budget policy. There really will be a lot of time and interaction with constituents across campus on these three areas. So the first one on governance, I will address one of the questions that came up when Dr. Smith was presenting. There really are kind of three separate budget submissions that will be coming through. The first one is going to be for auxiliary's student, housing, athletics, the rec center. Those kinds of areas will have support units

and a new committee that we are now going to have moving forward for the Fiscal-23 budget. It will be a support unit, budget, allocation committee. So this is where we're going to start to have more transparency across campus in terms of the budgets for the support unit allocations. So across campus there will be input in terms of reviewing those budgets. Whereas this used to be held more centrally, there's now going to be transparency across the colleges and across campus. From there, that budget submission will then go to this another new committee, which Brenda mentioned, the University Budget Committee. We have drafts in place that we are working through in terms of what these structures look like. Coming up with membership recommendation and then working through those groups, getting those kicked off. The third submission will be the largest, obviously by far. It is the academic component. Those budgets will be developed in each of the colleges starting down with departments, working up through the full college budget. I will mention that the model only takes the allocation down to the college level. It doesn't take the allocation down any further than that. It will be up to the deans, and the business managers, associate deans, and chairs working together to then allocate the budget in a more detailed fashion across their college. Once those budgets are ready for additional review, there's a third new committee, which will be the Academic Budget Review Committee, various representation. Again, the key to this model is transparency so everyone has a good idea of what's going on across campus. That will work up through the Provost and then it will also go to the University Budget Committee. Again, a very transparent model. The other question I wanted to address from Dr. Smith's presentation, was when we referred to the tax and how that gets decided. Obviously, the allocation is very detailed, but it will be the support unit costs [that] will get allocated across the colleges, the revenue generating units. So whereas the revenue used to go centrally and we would cover these costs, the revenue is now going to get allocated across the colleges and then a percentage of all of the support unit costs will get allocated back across the colleges. So it's not as if we are creating all these brand new budgets and saying, now we need all these additional things we haven't had before. Again, the University revenue that's coming in is not changing. So there's not new revenue streams coming in this model. It's just a different way to allocate the revenues and costs. Some of the other items that will go into that we are referring to as a tax would be the subvention costs. So any of those areas that strategically as an institution, we've decided that we need to support mission centric, or possibly any colleges that aren't generating enough revenue to cover their costs, that would get put in there, and then a pool for strategic investment for the institution. So, again, none of this at this point that we're discussing that we've been pushing through the models, either on an actual basis or a budget basis, none of this is new. We're just taking our activity that we've had historically and this year's budget and putting it into this new allocation model. So that's what we have been working on, in terms of reviewing this information. Hopefully, that kind of addresses some of how the tax gets determined. And again, I realize that's super, super high level. We'll have to continue coming back to Faculty Senate to review more of the details. But again, just trying to break it off in manageable chunks. The third box on this slide is budget policy. I guess the first thing I would like to say is all of the existing University policies are still in place. All of the work that's done through Faculty Senate, curriculum, all of those types of things, none of that changes. You know, policies that we have through HR, none of that changes. Some of the things that will be new in terms of policies will be a carry forward policy, reserves and a subvention policy. We've been working over the summer on gathering information for all of those, kind of drafting those out. Over the course of the rest of the fall we'll be flushing those out so that we have policies in place going forward for Fiscal-23.

Matt Schroeder: Sabrina, can I maybe chime in here with some questions that are either being sent to me privately, or in the chat. I think it's perfect to, and President Bigioni, if you don't mind, maybe transition into the Q & A. In no particular order, one of the first questions that came in to me privately was relating to the cost pools or the support unit costs. Both you and Brenda briefly touched on a few of those. But if it

is okay with you, President Bigioni, I am going to quickly run through the 14 that Brenda alluded to. She called out Libraries, University College, Honors College, Graduate Studies, but in addition to that, you have Academic Support, Administrative Support, Enrollment Management, Facilities. You have Human Resources, Information Technology, Marketing and Communications, Office of the President, Research and Student Affairs to round out of the 14. Tied to those 14 and Sabrina, you briefly touched on it, but one question that is being asked is, how is the college controlling the “tax” tied to the support unit allocations when this is determined through a central authority? And if you could, maybe just circle back to what you briefly touched on, is that these support units through the governance process, which were currently refining will have to justify to the support unit budget allocation committee. It will be that committee that will, I guess, hold folks accountable prior to it going on to the University Budget Committee. Any additional context there?

Sabrina Taylor: That is absolutely correct on how the process will work. Support units will put together budgets. Really for our support unit, it is going to be very historical in nature, especially starting out. Then they would do their budget presentation to that committee so that there could be input, questions, review, additional information, those sorts of things. Again, this process will take us a little while to get, you know, efficient and good at it, but it will definitely help with the transparency. I think that's one of the things that we hear all the time, that across campus they feel that we don't have good transparency in these processes. So this new model will provide that.

Matt Schroeder: So then tied to some of the, I'll call them ‘global or enterprise wide initiatives,’ diversity, equity, and inclusion – and this touched on another question that was asked - clearly a high priority not only for the President, but the entire University, including the clinical side. As it relates to the prioritization of that within the model - and Brenda and Sabrina, feel free to chime in here - how do we continue to make that investment and keep that top of mind for everyone? And not only from a budget standpoint, but in our daily lives. Number one, there are two opportunities there. Number one, at the college level for the deans to continue to make that a priority. But then number two, and I don't think we really touched upon this, is that under the model there is are strategic initiatives, a line item where after submission, the strategic initiatives, and how that looks like or what that looks like from a governance standpoint, to be determined. But that could also be a source for an initiative like, DEI. Is that correct?

Sabrina Taylor: Yes.

Matt Schroeder: Okay, President Bigioni, I am behind on the questions now. Mohammed, it looks like he has a question. Mohammed, would you like to verbalize your question?

Senator Hefzy: Mohamed Samir or Mohammed Niamat?

Matt Schroeder: Hefzy.

Senator Hefzy: Okay. I sent that question to Matt. Matt, I have a very simple question. Is the new budget based on net zero, something?

Matt Schroeder: That's a great question, Senator Hefzy and I'll start and Brenda, please chime in here from the academic perspective. I think the answer really starts out, it depends on the approach that the colleges are going to take in year one and beyond. There could be some colleges and some Deans that do, you know, in preparation for Fiscal-23 budget, challenge their Associate Deans and their department Chairs to essentially pull out a blank spreadsheet and approach it from a zero based budgeting standpoint. Others may decide to take a different approach. Brenda, [any] thoughts there based on your conversations with the business managers and deans?

Brenda Grant: Yes. So currently what we're doing right now, what I'm working on with the business managers, and I have shared this with the deans and the Provost is we are starting. We drafted a template so we can begin the presentation for FY23. I've encouraged the colleges to start populating the template for FY23 as a zero based budget, so that you really are reflecting on the needs of the college. And whether there are gaps in budgeting that need to be considered, or whether there are other people that pay your bills that need to now brought into the college so the colleges [are] paying their own bills. And granted, we need to look at our historic budget so we don't forget anything that is critical to the new budget. Once that process is done, we're going to be taking a look at historical spend so that we are looking at actuals to budget. So, we're being thoughtful with budgeting and also layering in. Of course, looking at the revenues that are being forecasted, looking at our trend in our revenues, and trends in our credit hours that have been generated. So really trying to layer in a lot of things into the thought process in prepping and laying the groundwork to go through the process to build a solid FY23 budget under the new incentive based budget model. Does that hit the high points of your question?

Senator Hefzy: It does. The University budget used to be a zero sum game. Correct? Expenses equals input. Is it now going to be the same process for each college?

Brenda Grant: I mean---

Senator Hefzy: Think about it.

Brenda Grant: I mean, yes. Public institution, we want to bring our revenues and our expenditures to zero, right? As a university, we need reserves and we want to have reserves. Ideally, I don't think we want a budget to make a profit. Right? We're not [a] for-profit institution college.

Senator Hefzy: This is going to colleges?

Brenda Grant: Correct. So I would think going into the new incentive based budget model, we would want to be good stewards of our public funds and try to budget as thoughtful as possible and spend to the revenue. So we are not building up nest eggs on our student's dollar. Do we need to have money in reserve to cover emergency things? Absolutely. I'm not trying to discount that. But, I would say, yes, we're going to be looking to budget to revenue as carefully and thoughtfully as possible.

Senator Hefzy: Thank you, Brenda.

Matt Schroeder: Brenda, [there's] one other question, and then Linda [Rouillard], we are going to get to your two or three questions here. But before, Linda, we get to your questions, this one I think really speak to the need for not only the Deans, the Associate Deans, department Chairs, really to leverage their business managers - will the RCM model necessitate hiring of a financial analyst or expert with a business background at the college level? And Brenda, I know you have thoughts and opinions there, you know, with your workings with the business managers and some of them are at the table, some of them are not. This is an historical statement under incremental based budgeting. But I think you have a pretty strong opinion that going forward it's going to be critical for the business managers to be at the table with the deans, the associate deans and others. Your thoughts?

Brenda Grant: Absolutely. It is going to need to be a team effort as we move into this. All of the leadership in the college provides key information and key elements to support the new model, whether it's Chairs and associates with the curriculum. Then your business person ... [*Indecipherable*].

Matt Schroeder: Brenda, you are breaking up quite a bit so maybe we will allow you to regain connection. In the meantime, Linda had asked Sabrina a number of questions as relates to auxiliaries and

athletics. So maybe if you could explain quickly, and we're running short on time here, but I want to try and get through the last of the questions here. I know Sharon Barnes has one as well. But, how do the auxiliaries tie into the model, auxiliary as a whole and then also athletics?

Sabrina Taylor: Auxiliary will prepare and submit budgets similar as they do today. Auxiliaries are expected to cover all of their own costs, so that won't change going forward. I think we will continue to have, you know, additional transparency in the auxiliaries, more so than we do today. They really are standalone entities in terms of their budgets. They don't get revenue from the colleges. You know, we don't allocate their cost to the colleges. They're really, you know, kind of their own little standalone business.

Senator Rouillard: Except that traditionally, athletics has been subsidized because it doesn't meet its own expenses. So, how is that going to be reconciled in the future? Is that going to be subsidized by money from the [UT] Foundation? And if that's the case, then is that the fairest use of [UT] Foundation money?

Sabrina Taylor: So, athletics has many sources of revenue. The funds that they get from the [UT] Foundation are specifically generated for athletics and designated by outside donors. Those would be the funds that they are receiving from the foundation. That support ebbs and flows. Then athletics will also, you know, from year to year, maybe they need to use more donor dollars than others to cover some of their expenses. I can say, during COVID they were probably impacted from a revenue perspective probably most significantly from any of the other units across campus. We will have to continue to look at various revenue streams for athletics and how we figure out how to fund them holistically going forward in the future.

Senator Rouillard: Are the student fees that have traditionally subsidized athletics, are those student fees all going into the colleges? Or are those fees going to be held back for athletics? Student fees paid a huge component of athletic expenditures.

Sabrina Taylor: So, at this point, student fees will still be allocated based on the student general fee process, so those will not be going to the colleges. I don't have a sheet in front of me on what the allocations are. But, I do know, I believe we're around 50% [that] goes to support pretty much everything across all of athletics such as the Student Medical Center, University Counseling Center, the Student Union, and the Student Rec Center. So how those allocations are currently set up today and then going through the student general fee process would continue.

Senator Rouillard: Okay. Thank you.

President Bigioni: Senator Day also asked about the hospital. How does that fit in with RCM?

Sabrina Taylor: So, at this point in time, the hospital really is a stand-alone entity that gets consolidated as a whole with the enterprise. So at this particular point in time, it's not part of the RCM model, other than all of the entities roll up into the University financials. So there's no revenue allocation coming from the colleges going over to the hospital, nor has there ever from a budget perspective. They budget their revenues and expenses very separately from the academic enterprise.

Matt Schroeder: Sabrina, [here's] Sharon Barnes question. We, in our slide deck had mentioned principle-based budget model a few times. I think you towards the end maybe threw up one of the last slides that talked about some of the guiding elements there. Can you talk about what those principles are? And to follow up on Dr. Day's points, Dr. Day asked the DEI question. How do things like diversity and serving students rank in the principles?

Sabrina Taylor: Sure. So the principles of the actual budget model are how we're going to allocate. There's nothing in terms of what we're going to support. So those decisions would be separate from how revenues get allocated and separate from how support unit costs get allocated. But there would definitely be the areas that currently support those initiatives. It would continue to flow through that. Obviously, critical priorities for the institution. DEI issues are really interwoven across all of campus. I will say we will have that strategic pool that will, at some point in time, be managed by a committee, I would think, in terms of what may get supported from the strategic dollars. I don't know if there's any other thoughts from Brenda or Matt on that. But the principles are related to the financial allocation of revenues, not what we're going to choose as an institution to invest in.

Matt Schroeder: President Bigioni, I'll let you cherry-pick the last question, given that it is 5:30 p.m. I think you got some additional items to talk about from the floor.

President Bigioni: Well, there is a question about differential tuition, but I think Provost Bjorkman may have answered it. It's a good question. Do you have anything to add to that answer with regard to differential tuition?

Matt Schroeder: No. I think the Provost does a really nice job in terms of summarizing that. Provost Bjorkman, feel free to chime in here. But what the Provost is referencing is under the financial opportunity assessment, differential tuition has been identified as a top 10 item. We are running that to ground. Provost Bjorkman is also very accurate. Many of you know, the environment that we've lived in at the State level, going back to the Kasich administration has been one where it is, depending on the year, quite difficult to get additional fees approved. The upper division fees that we currently have to Collin's question, those will absolutely land in the colleges as Sabrina suggested earlier, tied to some other fees. But the differential tuition and what we've modeled as a potential revenue generation opportunity could be a game changer. Provost Bjorkman, do you have any additional thoughts on that?

Provost Bjorkman: Matt, I think you've summarized that quite well. It is definitely something that we would like to look at. Huron is going to help us to sort of run a case study on what that might help with. One of the other things that it could really help us with is trying to get a reduction in all the extra fees that we tack on to everything and kind of actually charge the tuition that's appropriate for different disciplines, which we know vary widely. But the State does have constraints on that and we would have to go through a justification process and we have to look into what that's going to take. So, it's absolutely something we're interested in looking at. We just don't have the answers yet.

President Bigioni: Thank you. So there's another question about, how can things be adjusted in an RCM model in the case of a pandemic or other protracted event?

Sabrina Taylor: Well, hopefully, we don't ever go through another pandemic. But just from a legislative perspective, the universities are required to balance its budget. I think all of us know what we went through at the end of FY20 was extremely unpleasant. But, you know, at the end of the day, we would have to balance the budget. We would now just have a better way of allocating based on the new model. We're still kind of working through this process. Like, one of the things that we're talking about, you know, at the college level in terms of projecting enrollment and what that revenue number may be, we probably don't ever want to be overly aggressive in that number. So maybe have a little bit of a hold back on the college side, so if it does come in a little lower than they're anticipating, they don't have to make a budget adjustment right away. So, some of the concepts of reserves and contingency come into play. I mean, we would always want to have that regardless as an institution. I don't know if we went through another pandemic like we did at the end of FY20, I don't know that anybody can really prepare at that level in advance. Although, I will say, because we've gone through it, we would probably do a better job

today going back through that exercise. But, there were just so many unknowns at the time and we just had to make sure that we could balance the budget by June 30th.

President Bigioni: Thank you. I guess the concept of reserves in general allows a great deal of flexibility when unexpected things happen. Hopefully, not a pandemic as you said, but certainly more flexible than what we've experienced in the past I hope.

Sabrina Taylor: I think a good analogy would be all of our personal budgets. I mean, you never want to spend everything, right? Cause you never know what unexpected things might be that could come up.

President Bigioni: Well, I think we may have run out of questions in the chat. Senator Rouillard, do you have a question?

Senator Rouillard: I do have one question about the hospital. Now I know in today's Blade or in yesterday's Blade, they were touting the \$4M dollar surplus generated by the hospital in this last fiscal year, which is absolutely wonderful. And, we commend people who have been working under the worst, possible circumstances. The award of CARES money to hospitals across the nation has been a godsend. But historically, we know that the hospital has often had shortfalls. How is that going to be covered in this new model? If the hospital is supposed to, you know, stand on its own two feet, what is going to happen when we get historical shortfalls? Where will the money come from?

Matt Schroder: I will start on that, Senator Rouillard. And President Bigioni, I apologize, but this is going to have to be the last question just for the sake of time. But, Senator Rouillard, the levers that we have pulled historically on the hospital have been calling upon resources from UT MAC, their medical malpractice captive, which rolls up underneath the Physician Practice Plan, or UTP LLC. You know, that is the model... our mindset going forward is, as Sabrina alluded to clinical, clinical, non-clinical, non-clinical. So we do feel good in terms of the turnaround that UTMC has experienced. We have talked about this at length with Huron. At this point in time, you know, there's going to be some further announcements about the hospital and the months to come, we are feeling increasingly confident that as a free standing business unit of the University, whether it's directly through their operational control and leadership or leveraging, UTP LLC, that clinical will be able to stay within clinical.

Senator Rouillard: But the problem with the [UT] MAC is that that's not just physician liability. There are funds in there that come from other sources. Correct?

Matt Schroder: We utilize UT MAC for not only medical malpractice, but then also on our health insurance side. They are the stop loss for claims, individual claims 500 K to \$1 Million dollars.

Senator Rouillard: But using those funds to continually bail out shortfalls puts everybody in a precarious position if there were a serious medical case. Right?

Matt Schroder: No, because with the medical malpractice captive, we maintain reserves at an 80% confidence level, which is quite conservative. We would not jeopardize that confidence level as it relates to forward looking or the potential forward looking medical claims. And so what we have called upon historically has truly been access proceeds available under the UTP LLC.

Senator Rouillard: Okay, thank you.

Matt Schroder: President Bigioni, I want to thank you so, so much for having us. Please, we would be happy to come back in the next quarter or so at your discretion sir, just let us know.

President Bigioni: Okay. We all very much appreciate you coming in and talking to us and entertaining all of our questions. So thank you again and we look forward to seeing you again. Thank you.

Okay, moving on to our next agenda item, it is “Items From the Floor”. Does anyone have anything to bring to the to the floor?

Senator Anderson: A member in my department would like some information about what's happened with parking that it's gone to a private company? And what's going to happen with the rates and the policies? I don't know if there's information about that, or if that is something that should come up in Senate to find out what's going on with the parking.

President Bigioni: There was some discussion about that in the Budget and Planning meeting, the last one. Some parking rates are going up. Not a great deal percentage wise, a relatively small number. I don't have those numbers with me. But, compared to peer institutions, they don't seem out of line, or at least, this is what was presented to us.

Senator Anderson: Okay, because that was one of his concerns for it being privatized; is there any type of limit with how much they can raise their rates.

President Bigioni: I don't specifically know the answer to that question. Although, I've heard that sort of thing discussed. I'm just not certain enough of the answer to say. Does anyone here know anything more about this parking question? Okay. I think I might be able to connect you to the right people to answer that question over in Parking, the people who presented at the last Budget and Planning Committee meeting if that would suit your need.

Senator Anderson: Yes, that would be good if you would draw up an email.

President Bigioni: Okay, will do. Are there are any other items from the floor?

Unknown Speaker: I have a question. The Board of Trustees vote to approve the reinvestment funds.

President Bigioni: Sorry. Was the question, did they?

Unknown Speaker: Yes. Did they vote to approve it? I thought that was coming up around now.

President Bigioni: I had to miss that part of the meeting, so I don't know the answer to that question.

Provost Bjorkman: Bruce, if I can jump in? Terry, I would be happy to answer that. That was not brought to the Board. There's still discussion about how the reinvestment funds will be funded. So, the answer is, no, they did not look at that.

President Bigioni: Thank you. Any other items from the floor?

Senator Rouillard: Yes. President Bjorkman, there's been more than one set of reinvestment funds. Is that correct?

Provost Bjorkman: We had the first tranche, which was the \$20 Million that was given out in three different rounds, because it took us a while to get through all the proposals. We have the proposals for the FY22 traunch, and we are going to reconvene the investment committee and start looking through those. Okay. I've talked with Dr. Postel about what the funding situation is for that, and we're still kind of working through that question at this point, since the Board wasn't asked to allocate anything, there are some other options on the table that we may be looking at for doing that.

Senator Rouillard: Thank you.

President Bigioni: Any other items from the floor? Hearing none. May I entertain a motion to adjourn early today?

Senator Hefzy: I move.

Senator Steven: Second.

President Bigioni: It looks like that is approved, so we now stand adjourned. Thank you very much everyone. And we'll see you in two weeks. Meeting adjourned at 5:45 P.M.

IV. Meeting adjourned at 5:45 P.M.

Respectfully submitted: Kimberly Nigem
Tape summary: Quinetta Hubbard

Faculty Senate Office Administrative Secretary
Faculty Senate Executive Secretary