Members in attendance: Dr. Allison Abbott, Dr. Kimo Ah Yun, Ms. Katie Blank, Ms. Rebecca Blemberg, Dr. Heidi Bostic, Dr. Noelle Brigden, Dr. Joshua Burns, Dr. Sumana Chattopadhyay, Dr. Alexandra Crampton, Mr. Michael Danduran, Dr. Joseph Domblesky, Dr. Michael Donoghue, Mr. Atiba Ellis, Dr. Kim Factor, Dr. Marilyn Frenn, Dr. Arndt Guentsch, Mr. Tim Houge, Dr. Yasser Khaled, Dr. Chima Korieh, Dr. William Lobb, Mr. Patrick Loftis, Dr. Tim Melchert, Dr. Michelle Mynlieff, Dr. Lars Olson, Ms. Samari Price, Ms. Taylor Ralph, Dr. Madeline Schmidt, Dr. John Su, Ms. Regina Vela-Mesta, Mr. A. Jay Wagner, Dr. Doris Walker-Dalhouse, Dr. Miao (Grace) Wang, Dr. David Wangrow, Mrs. Janice Welburn, Dr. Amber Wichowsky, Ms. Mary Jo Wiemiller, Dr. Doug Woods

Members excused:

Guests: See attendance report

I. The Chair observed a quorum and called the meeting to order at 4:00 pm.

II. Reflection was given by Mr. Dave Wangrow

III. Introduction of Presentations on Preliminary Recommendations of the Academic Planning Work Groups – Dr. Sumana Chattopadhyay, Chair, University Academic Senate, and Dr. Alexandra Crampton, Chair, Faculty Council

- Senate chair gives an overview of the work group process to date. She advises that she created the final list of work group members based on the nominations put forth. The work group members have worked hard and it has been a difficult job. These are recommendations in progress. Faculty input will be solicited today and considered in this process. Senate Chair requests grace and kindness during this session.

- Faculty Council Chair is requesting compassion for faculty and staff, the leaders who make these difficult decisions, the activists, and those who feel that their perspectives have not been represented. This is a human and messy process. Thank you to the presenters.

IV. Presentation on the Preliminary Recommendations of the Colleges/Administrative Structures/Shared Services Work Group and Q&A – Dr. Heidi Bostic and Dr. Chima Korieh, Work Group Co-leads

- Heidi – there are three buckets of ideas that we have come up with so far. We do not have definitive recommendations, but rather a variety of ideas. We have more meetings coming up in which we will finalize our recommendations. 1) Shared Services (functions that cross the different academic areas and the ways in which they could be combined for savings and efficiencies): business directors; advising/career services; marketing/communication; admissions which includes records, recruitment, financial aid; CTL and Center for Digital Learning which includes service learning, community engagement, community service. 2) Administrative Restructuring: reduce associate/assistant deans by 5-10 across campus (example: A&S reducing from 4 to 2 by this summer); feedback from campus community about possible restructure of roles in the provost’s office. 3) College Restructuring: various possibilities for mergers; aim is to preserve mission and excellence while reducing administrative costs; interdependencies with the Programs Work Group (could influence decisions regarding academic structures).

- Discussion/Questions:
  - Q: What is the role of students within your work group? How will the impacts affect students?
    - A: Heidi - we have not had an open forum with students, but we have received feedback from them. We are sensitive to discussion of mergers and how that would impact students.
  - Q: Have you been consulting with other schools who have done restructuring? If so, which schools?
    - A: Heidi – yes, we have looked at benchmarking with other schools. We recently talked with Marymount University in Virginia about their extensive restructuring; it is along the lines of what AZ State did on a much more massive scale. They reorganized into schools with directors. I am not saying we are going that route, but it was good to talk about their mission-focused vision.
  - Q: What will be the cost-savings of cutting assistant and associate deans across campus?
    - A: Heidi - Ian Gonzalez has been extremely helpful and he has been providing averages for us; we
can look at the cost savings through this without knowing exact salaries. There are also other efficiencies by collaborating with class offerings, advising, and staffing. We were hoping to find really significant cost-savings, and so far we are not there. We thought we could save $1mil in restructuring; however, we did not reach that point yet. The university will help with some of this modeling too. The business directors could save hundreds of thousands of dollars, but all of these things need to be modelled out and need to make sense from a mission perspective as well.

- **Q:** If you start eliminating assistant and associate dean positions, will that create more work for the department chairs?
  - **A:** Heidi – of course, the hope is ‘no’. My general philosophy is that we can be lean and work well together as long as we have a clear sense of workflow and the responsibilities. We hope to leverage other resources. For example, in A&S, could we replace an associate dean with a part-time faculty fellow with a modest stipend combined with some staff members who can get involved in things like recruitment and other events. No one is claiming we are overstaffed, but we need to pare things down and deliver the excellent service we already do in a more cost-effective way, at least for the short-term.
  - **A:** Mark Federle (work group member) – there are a number of times assistant/associate deans and department heads are asked to do the same thing. To Heidi’s point, how do we ask a single person to do it and make it their responsibility rather than throw it out to the masses to see who takes care of it first? Some of that is driven internally and some is student-based when they are asking several people for help. We should look to eliminate some of this extra work.

- **Q:** When will we learn about the specific recommendations of the group?
  - **A:** Heidi – we have not settled on final recommendations, and did not want to put those out there because they tend to bear the weight of finality when we do that. We are still in process. I would look to Sumana for some guidance about how to communicate recommendations when we are ready to make those announcements.

- **Q:** Are there discussions about consolidating or eliminating colleges?
  - **A:** Heidi – there is no discussion of eliminating college functions, but a consolidation would entail an elimination of that unit that is merging (the two become one). Our discussions are about maintaining all of the current programs and possibly looking at different combinations. In the end we will have a few different options with pros and cons. Some colleges don’t have departments and also have their own special accreditation needs; therefore, we would need to look at that carefully. That is the beauty of having a representative from each of the different colleges within each work group.

V. Presentation on the Preliminary Recommendations of the Discretionary Expenses Work Group and Q&A – Dr. Sarah Feldner and Dr. Timothy Melchert, Work Group Co-leads
   - Tim identifies and thanks the co-leaders and members of the work group. The overall goal of the group was to identify potentially permanent reductions that could be implemented in the next 6-12 months. Maximizing reductions in discretionary expenses could save employee positions, so that was part of the group’s motivation. The work group started by looking at overall categories of expenses, then the breakdowns, and finally the budgeting and purchasing data. There were a lot of people who provided us with information, including business managers, and we received all of the information we requested. We also reviewed lists provided by deans and vice provosts for possible operational efficiencies. We also reviewed over 1500 ideas submitted through Ideation Council Sustainability portal. We held a listening session a few weeks ago and developed a list of specific potential cuts. We found out that units handle their budgets very differently across campus.
   - Key principles: maintain discretion of departments, colleges and units to make expense reduction decisions; prioritize research, teaching and student-facing services; identify longer-range systems and processes to make this an ongoing discussion; and recommend that we revisit these reductions annually to evaluate impacts.
   - Reductions considered (tentative): 1) Reduce office expenses (natural 6200) to pre-COVID 4-year average (FY16-FY19) for potential savings of $1.5mil. 2) Minimize or eliminate the use of search firms for administrators for a potential savings of $200k annually (varies by year). 3) Revise computer replacement policy (per ITS proposal). Laurie Panella has developed a proposal and could save $300k annually. 4) Conduct a cost-benefit analysis for a number of services we purchase, and potentially discontinue contracts for services such as Civitas, Turnitin, FAD (Faculty Activity Database), and Academic Impressions for a potential savings of $250k. 5) Cap expenses for faculty and staff searches at $2500 for a potential saving of $38k. 6) Reduce cell-phone expenditure by 50% for staff who need to be on-call 24/7 for facilities and student emergencies, for a savings of ~$50k. 7) Limit annual expenditures
on new furniture by 50% for a potential savings of $90k. 8) Reduce faculty and staff travel budgets by 30% with departments determining the priority of travel needs (~$1.3mil in potential savings). 9) Reduce professional membership fees with a target of 15% (cost savings unknown); some have become obsolete or do not promote the mission. 10) Transition college magazines to digital as much as possible (printing costs can be reduced $5k-$20k each, but cannot be brought down to $0 due to alumni/stakeholder requests of printed material). 11) Reduce printing and copying costs by 30% with a potential savings of up to $650k. 12) Combine college graduation ceremonies where possible ($20k to $30k each). 13) Run FELOS program every other year for a potential savings of $3500. 14) Shorten new faculty orientation program by a day with a potential savings of $2k. 15) Reduce library subscriptions for least used journals, magazines and newspapers; the library is currently conducting a study of this.

Discussion/Questions:
- Q: I see a lot of proposals for reductions with dollar figures attached in cost-only analyses. How did you think about the forgone benefits that are potentially entailed with each of these decisions?
  - A: Sarah – we have a series of process recommendations that will come from this group which includes things like that. We would recommend revisiting these recommendations every year, for example. Maintaining the department-level discretion was very important to us. We did reach out to the Research Work Group to discuss the travel reduction impacts on rankings and recruitment. Also, I wanted to mention that the strategic planning process was started with the deans prior to the work groups being established. We had been asked to look at the sustainability of resources within our colleges.

VI. Presentation on the Preliminary Recommendations of the Program Offerings Work Group and Q&A – Dr. Kristina Ropella and Dr. Amber Wichowsky, Work Group Co-leads

- Amber reviews the members of their work group. The work group began with a list of programs that were recommended for consideration by deans and vice provosts. The work group added more UG programs with fewer than 35 students to the list. It reviewed programs based on specific criteria: 1) enrollment/application trends, 2) performance of students after graduation, 3) revenue to cost ratio, 4) contribution to mission. The three categories of proposals reviewed were grad programs, UG majors, and program consolidations. Data sources included OIRA, Office of Finance, and Graduate School. Grad Program Recommendations: 1) Suspend admissions for PhD in History and English for AY21-22 and AY22-23. 2) Reduce number of internally funded RA lines for College of Communication, Political Science, International Affairs, and Applied Economics Master’s programs and Neuroscience PhD program. 3) Align Counseling Education and Counseling Psychology (CECP) and Psychology PhD programs to find efficiencies while still maintaining them as separate programs for accreditation purposes. Graduate program recommendations (suggested by deans or through Economic Planning website): 1) Consolidate MA in Christian Doctrine and MA in Theology, 2) Close MS in Bioinformatics, 3) Close MA in Spanish, 4) Close Clinical Nurse Specialist (CNS) and Clinical Nurse Leader (CNL) certificates, 5) Close MS in Healthcare Technology Management. UG program recommendations: 1) Further recommendation for closure or significant restructuring: Theatre Arts, Innovation & Entrepreneurship, Clinical Laboratory Sciences, Classics, German, French. 2) Short-term recommendation: departments elaborate action plans to discuss with Deans and Program Offerings Workgroup. 3) Long-term recommendations submitted to Provost 5/30/21.

Discussion/Questions:
- Q: Did you include the minors in these programs as well?
  - A: Amber - we have the data from OIRA for the majors, but we are not making recommendations for the minors. It is a possibility that the minor would still exist.
- Q: What are the savings associated with each of these recommendations?
  - A: Amber – For the graduate programs, the savings would be associated with the stipends for RAs as well as reducing lines. In terms of the UG programs, we do not have a recommendation at this time. We would like the departments to develop action plans. The data used were programs with fewer majors as well as where enrollments have declined.
  - A: Kris – while much of this is driven by cost-savings, it is a great opportunity to look at programs in general where there is lower enrollment or there isn’t a market anymore.
- Q: What does restructuring mean?
  - A: Amber - restructuring could take different forms; we are not prejudging this process. Given our short timeframe, these are really big decisions. The sense of our work group is that this is where we are today as we head into December 18. Whether it is combining majors or creating a minor...
from a major, these are just some ideas. Thinking about Theatre Arts, their restructuring could be reducing the costs or number of productions or even considering how their program fits within other offerings within the College of Communication. We are not making recommendations to close any programs; we are flagging areas on the campus that warrant further evaluation and thinking about plans for how to move forward.

- **Q**: Related to the Neuroscience PhD program and perhaps relevant to others: this is a new program, and one of the visions was to develop a model interdisciplinary program that spanned A&S, Health Sciences, and Engineering. I realize you cannot get to that level of nuance when you are making your recommendations, but I wanted to give voice to how this is just a budding/emerging program. There are implications that this program has on the NIH efforts for a number of other programs and the faculty affiliated with it.
  - **A**: Kris – you are right about it being a young program. The thinking is as it moves forward as a successful program, the investigators will be bringing in their own grant dollars to support graduate students like any successful science or engineering program should be doing. If a program becomes too dependent on the university to fund it then we have to question the real success of it.
  - David – that is a great point. One of the things is that we built the program around the idea of pursuing NIH funding in fellowships; but we are literally just into year two of the program, so some of our efforts are just getting started.

- **Q**: Regarding the threshold of 35 students in a program, was there a specific reason for that?
  - **A**: Amber – we had a smaller group looking at UG majors with 50 and fewer and the next report was for 35 and fewer. Based on the review of those programs, there was not much difference between the 35 and 50.

- **Q**: Did your group consult with the department chairs of these various UG programs with respect to their readings of the metrics used and where their programs fit into them prior to putting the programs on your slide for closure or restructuring? This does effectively target them. Also, I had heard that the number that was being looked at for majors being considered was 25, not 35. This was a surprise to me.
  - **A**: Amber – in cases where the programs were brought to our review, those were suggested by the deans or the vice provosts, and those departments had been consulted. The ‘35’ number was what I referenced in the listening session when I described how our earlier work was just beginning; the smaller work group made the final decision on this number being the cut-point. In terms of at what point do we consult departments regarding getting on the list: no, there was not consultation for seeking feedback regarding the metrics. This was not the process. The process was for the group to do its review and as programs were elevated for review, then the departments were contacted. We are not making specific recommendations, but I understand that programs do appear to be targeted.
  - Sally – I am also curious about the process. If this is an exercise in shared governance and these recommendations are coming from the deans without much research outside of those recommendations, then it seems the deans are making the decisions.

- **Q**: I know you said you are concerned with maintaining academic excellence as well as the Jesuit mission, but three of the six UG programs you have listed for closure or consolidation are languages which are a cornerstone for Jesuit teaching. Did you consider that restructuring or closing would affect study abroad programs, graduate programs and applications for multilingual jobs in addition to mission?
  - **A**: Amber - the work group looked at the skills and employability and work force demand. I don’t think the work group’s sense is that study of foreign languages and diverse cultures are not important. The recommendations are focused on fewer majors or decline in enrollment, and it requires a fuller dialogue about whether or not that is a structural issue at the university-level or college-level.
  - **A**: Kris: we have had extensive discussions around the languages. These are opportunities to think structurally about how things are done, and how language education can be delivered. If we can’t do it all, then what can we do well? How can we make use of other organizations and technologies to think differently about how we can offer languages in different ways than we do now?

- **Q**: It sounds like you are inferring that there will be plans to outsource language education? Can you expand a little on that or am I misinterpreting what you said?
  - **A**: Kris – I think you are misinterpreting. I think there are opportunities. We have talked about
what we can do and what can we offer with the resources we have in the best way possible. There is opportunity for us to think innovatively around all kinds of different options.

- Q: It seems there would be some single-issue perspective students who would choose to go somewhere else with a theater or languages program that has been diminished so much in order to save us money. Is there a way to quantify what students we might be chasing away?
  - A: Amber - we did not have any consultation with Admissions, but you raise a very important point.
- Q: This discussion itself has shown how one of the procedural effects of the budget cuts is asking faculty to pit their departments against each other due to this being a top-down process. Given the long-term structural implications coming from these decisions, what kind of effect will the budget have on the long-range programmatic planning and will it constrain your decisions?
  - A: Amber - the budget for FY22 was published on Monday, but we had already put together our presentation materials for today at that time. I will defer to others at a later time, but we do want to know more about the budget details.
- Senate Chair comment – let’s hold off on the budget question; that will be addressed at the end.
- Q: There is an interwoven nature of many of these programs that are at play. I am from the department of political science, and the language offerings are critical for the Political Science International Affairs program. We are competing with many top programs around the country, and this will undermine our ability to recruit students. Our students will be less prepared to go out into the job market. I also run a prestigious fellowship program, and our applicants for the Carnegie endowment for international peace are much less competitive due to the absence of the language programs, and that will get worse. There are unintended consequences of cutting the MA program in Spanish. What ramifications will that have for the ability to actually offer Spanish at Marquette?
  - Senate Chair comment – that is good input for Amber and her group and all of us. Thank you for sharing your perspective.
- Comment: A couple of landmark measurements really don’t apply to Theatre Arts (such as first destination employment), so this is partly problematic. What does significant restructuring look like? What does this mean? I work with well over 60 students on a regular basis who may have Theatre Arts as a major, but it might be a second major. There are students who I have recruited nationally who are political science first majors, engineering first majors, etc. Sometimes this does not show up in the metrics as you add it all up. The final piece is asking the question “What is critical to Jesuit education?”
  - The performing arts are foundational Jesuit education to the liberal arts education. While I recognize that the budget concerns mean we may need to change things, I think we need to be really careful before we change who we are based on numbers.

VII. Presentation on the Work to Date of the Research Work Group (Long-term group) and Q&A – Dr. Jeanne Hossenlopp and Dr. Noelle Brigden, Work Group Co-leads

- Noelle presents the list of work group members; many of these individuals also serve on the Committee on Research. The group has held informal coffee chats, created a website, held a listening session, and received information through the portal. It created three smaller work groups to focus on research activities across disciplines and workloads, involvement of students in research/scholarship, and potential strategic focus areas for research growth. We have two central tenets at the heart of each of these three smaller groups: any activity needs to consider diversity, equity and inclusion first; and we need to collaborate to find creative solutions. We are interested in reimagining our strengths to grow into the future. Some concerns that we have heard from campus: 1) The role of research at Marquette, the impact on students, and concerns about workload changes. 2) Questions about the role of strategic focus areas. 3) The work stream process concerns as related to transparency, accountability and timing. Role of research and workload: research is central to our mission, and student opportunities to participate in research is a defining part of the Marquette experience. Mentoring research students should be part of the teaching workload calculations. The term teacher-scholar should be applied to all faculty, regardless of teaching load. There is not a one-size fits all for research models across disciplines, so flexibility should be allowed in determining workload. Merit review may have to be adjusted to be based on workload. Both staff and NTT are critical to the research enterprise. Strategic focus areas: all forms of research and scholarship are valued. Identifying some strategic focus areas is an opportunity for growth but faculty who work outside of those areas will still be supported. Research focus areas are not meant to be a budget reduction strategy, but rather an opportunity for growth, and targeted future hiring; however, some efficiencies might be realized due to shared facilities and equipment. The work group welcomes ideas and feedback and the final report
is due in May. Look for an interim report in the near future.

VIII. Presentation on the Preliminary Recommendations of the Teaching Work Group and Q&A – Dr. David Clark and Dr. Michelle Mynlieff, Work Group Co-leads

- Michelle reviews the work group. Short-term goal was to look at recommendations of teaching practices to find immediate budget savings. These are not recommendations, but rather options. We were to review: the teaching mission and long-term visioning, class sizes, teaching loads, and sabbatical policy. Considerations in current budget alignment process: focus on students and who we want them to be, teacher-scholar model, high-touch/high-engagement teaching, and diverse faculty. Class size and teaching load considerations: balance of mission, pedagogy, USNWR rankings, retention, and financial considerations. Class sizes: CORE classes should remain small (19-29) because they impact all students, as should other classes that have discipline-specific limitations. USNWR rankings: considers categories of undergraduate class sizes (<20 to 50+) for fall semester only. Recommendation is to not vary drastically from our current class sizes. Because the disciplines are so different, class sizes should be determined within the departments because they can advocate for the best strategies for their classes. We would simply recommend targets. Teaching load: likely impacts research productivity, ability to recruit/retain research-active faculty, instruction quality, and USNWR ranking. Teaching load policies differ across colleges. Average annual teaching load (AY 2019-20) tenured/TT: 3.8 sections; FT Participating: 5.5 sections; PT faculty: 1.4 sections. Financial ramifications: significant cost reductions with fewer FT faculty. Relative annual expenses (salary/benefits): FT T/TT faculty $133.7k, FT Participating $100.8k, grad student expense (4 courses/yr) $39.5k ($17.8k is stipend + insurance), PT faculty $3.5-$5k per course. Two reasons to consider cutting costs: declining enrollment trends and budget considerations. Right-sizing: UG enrollment decline of 5% from FY20 to 21 due to COVID, and another 4.9% reduction between FY21 and 24. College level analysis implies 179 fewer sections; therefore, fewer faculty are needed. We are close to being right-sized with retirements and unfilled open lines. Teaching load adjustments from faculty cuts (based on $1mil): T/TT faculty = .05 sections per year; Participating faculty = .09 sections per year. Grad TAs = 0.12 sections per year; PT Faculty = 0.32 sections per year. We will build this out by college for the next step. Sabbaticals: current program is ~40 per year of which ~50% are first-time post-tenure. Base assumptions that two courses per faculty are taught by PT NTT, cost is $400k annually. Benefits of sabbaticals: faculty efficiency, versatility, productivity, institutional loyalty, stronger programs, enhanced learning environments, higher morale, faculty recruitment and retention, and better overall academic climate and reputation. Analysis: first post-tenure sabbatical is a term, condition, and privilege of TT faculty employment; first post-tenure sabbatical for existing faculty cannot be withdrawn. Subsequent sabbaticals comprise ~50%. Only about 45% are covered by hiring additional NTT faculty. Costs of subsequent sabbaticals are $100k. Could make subsequent sabbaticals more competitive and save ~10k. Recommendation is to leave current sabbatical policy in place.

IX. FY22 Budget Update and Questions – Mr. Joel Pogodzinski, Senior Vice President and Chief Operating Officer

- Joel thanks the faculty for their hard work during this semester. Relative to the budget, the Finance and Risk Committee accepted a motion to pass the FY22 operating budget; this was sent to the full board and was accepted. The budget has been posted for everyone’s viewing on the website; Senate Chair has also passed this along. The board’s role is to examine assumptions and make sure they are comfortable with these high-level assumptions going into the budget. They do not dictate specific actions; their job is to listen to management, listen to the university’s feedback, look at the recommendations, and pass a set of assumptions. It is our job as faculty, staff and leadership to come up with the set of actions to implement in accordance with these assumptions before the beginning of the next fiscal year.

- Discussion/Questions:
  - Q: Senate Chair – what is the rationale for creating a budget with a $12mil surplus when we are looking at eliminating up to 225 positions?
    - A: Joel – the BOT has implemented a set of guidelines relative to sustainability and long-term health. Those were passed late this fall and made manifest in the budget that was just passed. Dr. Lovell has been talking about headwinds that will affect Marquette and higher education more broadly. The confluence of measures includes the current pandemic and all of the economic challenges that are happening with our students and families, rising student debt levels, and the demographic shift. This creates great risk for institutions like Marquette. The board’s goal is to create a set of guidelines that provide academic and fiscal sustainability for our university. Those guidelines include a 3% operating surplus every year going forward. When you look at a break-even budget or even $1mil in revenue for a year; this is about .5% of our revenue. In terms of percentages, we are very close to running in a deficit position. We are in a break-even budget in
which we effectively spend every dollar in our operating activities and capital budget, leaving little for funding going forward; therefore, investments are basically funded and supported through the issuance of debt. While we do expect to carry debt, we do not want to be entirely reliant on that in the short and long-term. The BOT has asked us to create an operating surplus every year to create resources and capital liquidity for investments that we need such as living and learning resource spaces, campus infrastructure (open spaces, aging building, technology, classrooms, etc.), endowed scholarships, tenured buyouts, etc. The guidelines are to address the macro of short-term and long-term, but also to allow the university not to be reliant on debt and to be able to invest in our Catholic Jesuit identity. Relative to the 225 positions, that is a number that is part of the budget assumptions to align ourselves with the revenue streams; but it needs a bit of perspective. We are taking a number of actions such as VIRP, an enhanced tenure buyout, open lines and moving some lines to endowment. This should help to offset much of the 225 position reduction.

- Q: I have looked over the budgets approved for the past three years, and there were deficits as well as flat budgets. I understand there are costs associated with the buyouts, but shouldn’t that be a line item? The optics of the $12mil surplus basically says that we made a profit of $12mil. Also, why are we still working under the assumption of the $45mil deficit, when in the approved budget it is really $28mil?
  - A: Joel – we have budgeted for break-even in the past. We have always had a contingency in the past, but the contingency is not a fund or cash; it is a budgeting mechanism to cover unexpected costs. At times we have exceeded our budgets and other times we haven’t. There has been a shift in the board’s vision given the pandemic, economic crisis and pending demographic shift. We need to do something different to maintain the fiscal strength we have; so this is a shift from prior board actions. Re: profit vs surplus: profit implies you pocket the difference. What it really means is we generate a surplus to be more self-sustainable to create money that we can use to invest in these things so we are not reliant on others. Re: FY18, we did budget for a deficit. Fortunately, enrollment was strong and we did not have the spending we were expecting, contingency utilization was relatively modest, and we did cross the finish line above break-even. That was a one-time anomaly and we won’t anticipate budgeting again for a deficit position. The comparison you see online is the FY24 for perspective vs the FY22 anticipated model. We are $45mil short in what we anticipated the FY22 budget being. Every year we do this, we always have longer-term models in place. We have $45mil less revenue than we anticipated having for FY22. That is still accurate; we anticipated ~$450mil in revenue going into FY22. The reasons why we are down: 1) We will have a second cohort that is less than we anticipated (~$24-25mil). The second piece is related to discounting and tuition. We expected to increase our tuition by about 4% and flat tuition discounting; however, we made the difficult decision to flatten our tuition due to current conditions. In addition, the financial aid requirements to attract and retain students have gone up (~$18mil). There is a handful of other things that make up the $2-3mil. So this $45mil gap still exists. Some of our cost reductions are related to costs that are currently here as well as costs that we are avoiding (filling open lines). Our expectation is that we will not have a merit pool again for July 1, and that would be a cost reduction.

X. Adjourned at 6:20pm
   - Motion to adjourn: Paula Papanek
   - Second: Janice Welburn
   - Passed without objection

Respectfully submitted,
Ms. Rebecca Blemberg
UAS Secretary

The next meeting will be Monday, December 14, 2020 at 3:00 p.m. in Teams.