

## **FACULTY SENATE EXECUTIVE COMMITTEE MEETING**

The Faculty Senate Executive Committee met on March 29, 2017 at 3 p.m. in the Boardroom of the University Club, Vice Chair Krista Wallace-Boaz presiding.

### **Voting Members Present:**

Rob Barker, Roger Bradshaw, Karen Hadley, Martin Hall, Terri Holtze, Kurt Metzmeier, J.P. Mohsen, David Owen, David Simpson, Enid Trucios-Haynes, Krista Wallace-Boaz

### **Also Attending:**

Susan Howarth, Mark Watkins, Bob Briscoe, Tracy Eells, Ginger Brown, Meredith Cooksey, Alan Levitan

### **Voting Members Not Present:**

Pam Feldhoff, Susan Peacock

### **Call to Order**

### **REPORT: Parking and Managed Print Services – Mark Watkins**

After introductions were made, Mr. Watkins reported on:

- Parking – There will not be any major changes to parking in 2017. Red permits will stay where they are. There will be a slight increase of about \$1.44 per month, for all permits. Parking loses about \$1M a year. The Board of Overseers' parking report suggested hiring a consulting firm to make recommendations on how to improve the parking issue.
- Managed Print Services – Many schools are making strides toward a sustainable campus. A managed print operation is part of that initiative. Desktop printers will be replaced by a centralized print solution. At this point, Mr. Bob Briscoe explained the plan. He reported that currently, in a wide variety of ways, UofL prints 60 million pages a year. There are several places where people share a few devices in an organized way. Then, there are other places where one person has more than one printer available to them. Pages going through fewer printers will save money. Currently, vendors want to sell us new printers. They make money from the sale. In a managed print operation, the vendor owns the printers and only makes money from each printed page, so they are eager to keep the machines in good working order. The cost of the equipment, maintenance and supplies (except paper), are removed from university budgets, across the board. The biggest savings will come from changing our behavior. Seven years ago, UK went to a managed print operation and projected a 30% savings. The actual savings were 35%, or \$1.75M per year, across the whole university.
  - Question: How do you deal with printers going down?
    - When equipment is standardized, it can be replaced quickly. Our current contract with Xerox, has one rep on campus (they are supposed to have 4), which is not enough. The expectations for the new vendor will be that there are 5-10 reps available. We will all agree on the machines we will use and the vendor will have extras to trade out when a problem arises.

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- Question: How close can printers be?
  - We will negotiate the service agreement and not the printers. The whole idea is about service. If a printer goes down now, there is no motivation to fix it. But, since the new vendor makes money on each print out, there is a great amount of motivation to keep the printers working.
- Question: About spacing, with a desk top printer, there is no concern for privacy, i.e., a student records, or a final exam. How will this work?
  - Security levels will be given to each user. Your document will not print out until you sign in/wave your ID over the printer. You will be able to go to any printer and print your document, not just printers in your area.
- Question: Who will bear the cost of reconciling?
  - All printers will be connected to a network. Everyone will have a unique ID, clustered into accounts and departments. There is a unit auditability so UBMs can reconcile each month and know who printed what.
- Question: What about printing in a hurry? Also, scan and fax capability?
  - The vendor will come in and assess needs. Yes, for scanning and faxing. It doesn't matter where you print, it is connected to you. It's called "follow me printing".

A brief discussion took place on various issues that could arise.

- Comment: Many faculty are busy and print at the very last minute. There may be a need for more printers than seem necessary.
  - There is an on-site printing service for those later than last minute printing needs.
- Question: What would a department of 35 look like?
  - Same floor, same building – about 4 printers. Other examples: One person who is geo-isolated in a room – 1 printer. In MITC, 100 people in 1 room – 1 printer.

Committee Chair Wallace-Boaz, asked for a few more questions, as time was running out.

- Question: Is part of the \$1M annual loss on parking due to the debt service on the 620 Garage on HSC?
  - Yes, that is part of it. Remove that and parking makes money. There is also the issue of no increase in cost of permits and underutilization. The consultants will be able to see with fresh eyes, what we cannot see.

Committee Chair Wallace-Boaz thanked Mr. Watkins and Mr. Briscoe for their time.

### **REPORT: Budget Update – Susan Howarth**

Ms. Howarth reported on several budget issues, including:

- A perfect storm – Everything bad hit at once. When President Pinto ordered a deep analysis, the severity of the problems surfaced. When she stepped in to the role vacated by Harlan Sands, she called Moody's to ask about the second downgrade. These are the reasons she was given:
  - SACS probation

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- NCAA investigation
- Low amount of cash on hand
- Too much interim leadership

Everything possible is being done to address these issues. The next 15 months will be difficult, but, she is positive, UofL will be better for it in FY18-19.

- Proforma - In January and February, she developed a proforma for this year. This is a very difficult task and has never been done before. It's not easy to get all the data for a \$1.3B institution. The revenue and expenditures for all entities was gathered. The Accounts Receivable on HSC is significant. We are projecting a positive end to this fiscal year, but forecasts can change easily. We are meeting with units to monitor their spending.
- Reset current budget – We took a high level forecast and drilled it down, which did not turn out as well as hoped. It is nearly impossible to do with \$1.3B, but, we did our best. We reset the budget, and, overall, it should end as forecasted. The reset was based on actual spending in 2016. So, big spenders got a lower cut than the frugal spenders. We are working on details in the 16/17 budget and haven't given a lot of attention to the 18/19 budget, which is due to the Board of Trustees in 6 weeks.
- Budget 18/19 – This budget is presented to the Board of Trustees in June. It will basically be a strategic budget, with an enormous amount of detail, prepared by a lot of people.
- Endowment Spending Policy – Ms. Howarth received this information just before this meeting and has not had enough time to study it, but she reported that it was lowered, as well. This will affect units that spend from their endowments, like Law. An amount was quoted in the Courier-Journal, but Ms. Howarth said she has learned not to trust the press, as, many times, they are wrong. She reported that Development was cut 40-45%, which will eliminate many fundraisers.
  - Question: PeopleSoft is terrible. Is there any thought to upgrading to a better system?
    - Yes, we would like to get a cloud account, but it costs about \$60M. It will be a few years before we can do that.
  - Question: It seems the budget urgency is being driven by the -\$7M. If that was not the case, would we be doing all this? Is there a way to adjust the numbers to make it a positive?
    - Dr. Postel mentioned that idea, to move something from next year to this year, but she advised against it. The Foundation spending was the problem. The revenue was at 5% and the spending was at 8%. HSC clinics have a structural problem, as well, with spending more than what is taken in.
- Belknap and Distance Ed – Belknap has traditionally been supported by General Funds. Over the years a gradual erosion of face to face courses were replaced with distance ed. Distance education was supposed to be a growth strategy, not a replacement. For each online course added, a face to face was supposed to be added.

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- Minor enrollment growth – Freshman enrollment numbers grew under Dr. Ramsey and Dr. Willihnganz, but the problems were in sophomore and junior years. Those students were not returning and the loss of tuition really hurt us. Because of that and state cuts, there was no will to cut unit budgets.
- TIF Revenue – This stream of revenue is not coming in as projected. There are not enough jobs in the TIF area to fund the TIF. The \$6.6M is not there.
- Combined issues – All these issues plus the HSC problems projected to 17/18, and you get \$48M. Ms. Howarth had asked that \$48M not be used because it could be \$42M or \$55M, in the end.
  - Question: ULP is not in General Funds, but in ULResearch? That is \$23M?
    - Not specifically ULP, but the clinical practices. Yes, \$23M.
  - Question: Not looking back, but, the enrollment assumptions were in every budget, year after year, and never adjusted?
    - The new students came, but retention was the problem. Mike Curtin would always do a weekly report on estimated/actual. It was always included and known. Decisions were made on raises or cuts. In budgets, if you don't handle problems, they will be revealed in the end.
  - Question: By growing enrollment and retention, we will need more faculty and space. How?
    - Discussing with Jim Begany. This was included in the proforma. We will be looking at unit bases.
  - Question: How can clinics lose \$20M a year? Who oversees those budgets?
    - It used to be an isolated/insular group until President Postel formed his own team and told the HSC group to work with us. Ms. Howarth has started bi-weekly meetings with the HSC team and they are now more on top of their financial information than ever.
  - Question: Was there ever a line for Foundation revenue and, if so, how much was it?
    - We have mostly been a General Funds school. If the Foundation said it would give us cash, it did. Then, instead, the Foundation started to reimburse us for expenditures. That really hurt our cash flow.

Ms. Howarth wanted to be clear that Dr. Postel's vision on the \$48M in the 17-18 budget, is to find as many cost savings as possible. Through cost savings we hope to get \$20M. Then, attrition may provide the \$23M.

- Budget 2016-2017 is not strategic.
- Budget 2017-218 is a bit more strategic
- Budget 2018-2019 is fully strategic.

All of these options will be monitored on a monthly basis. If it appears that it is not working by the first quarter, we will go to Plan B, which is not developed yet.

- Question: Units were given different numbers to cut. When will the numbers be final?
  - The numbers are final now. All confusion has been cleared up.

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**DISCUSSION: WEAPONS BAN POLICY – Wallace-Boaz**

As you may know from *UofL Today*, there will be an open carry march around campus on Friday from 11-1. David Owen brought a proposal for and XC statement on the march. Discussion of which state laws support or prohibit this. This would be a proactive move if this becomes a statewide issue. Dr. Tracy Eells suggested contacting Jeanell Hughes to make sure the policy online is current. Pending the correct KRS, can we vote on this? The motion to endorse the statement passed unanimously.

**OLD BUSINESS:**

Tobacco Policy – Enid Trucios-Haynes met with Lee Smith and Jeanell Hughes to discuss the Smoking Policy. Jeanell said the policy is in draft state and will be reviewed.

**NEW BUSINESS: BUDGET DEVELOPMENT COMMITTEE – Enid Trucios-Haynes**

A distilled list of \_\_\_\_\_

Please see #15. Some clinical faculty salaries are tied to the revenue they bring in. Some are not bringing in revenue as they were contracted to, but still being paid a salary as if they are.

**ANNOUNCEMENTS:**

The next meeting is scheduled for April 19, 2017.

**ADJOURNMENT**

The meeting was adjourned at p.m.