

**MINUTES  
FACULTY SENATE  
FEBRUARY 19, 2024**

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**1. CALL TO ORDER [00:00:06]**

Presiding Officer of the Faculty Senate, Mona Hymel, called the February 19, 2024, Faculty Senate meeting to order at 3:00 PM in Silver and Sage and via Zoom. Secretary Dysart was also present.

**Present:** Senators Bernick, Braitberg, Braithwaite, Brochin, Cai, Casey, Cheu, Cochran, Coletta, Cooley, Cui, Dial, Domin, Downing, Dysart (Secretary), Eckert, Fellous, Fink, Gerald, Gordon, Gregory, Guzman, Harris, Heileman, Hudson (Chair), Hymel (Vice Chair), Jones, Knox, Leafgren, Little, Marx, Medevoi, Meyer, Nelson, Neumann, O' Leary, Ottusch, Pace, Pau, Rafelski, Rankin, Robbins (President), Rocha, Rogers, Russell, Schulz, Schwartz, Senseney, Simmons, Slepian, M. Smith, J. Smith, Spece, Stegeman (Parliamentarian), Stephan, Stone, Su, Torres, Tropman, Waddell, Werchan, M. Williams, Willis, M. Witte, R. Witte, Wittman, Zeiders, Ziurys.

**Absent:** Senators Anderson (GPSC Rep), Barron (ASUA Rep), Buxner, Grijalva (ASUA Rep), Kandel, Rodrigues, Sanchez, T. Williams, Yoon (GPSC Rep).

**2. ACTION ITEM: APPROVAL OF THE AGENDA – VICE CHAIR OF THE FACULTY, MONA HYMEL [00:00:17]**

Senator R. Witte moved [**Motion 2023/24-36**] to approve the February 19, 2024, Faculty Senate Agenda. Motion was seconded.

- Secretary Dysart raised a point of order and stated she is concerned that this meeting violates the Constitution, Article VII, Section IV because the meeting was not approved by the Faculty Senate Executive Committee: "The Faculty Senate Constitution requires that all agenda be approved by the Faculty Senate Executive Committee. Furthermore, it requires that substantive proposals be presented a week in advance."
  - Secretary Dysart stated she raised concerns via email and did not receive a response from the Chair, Vice Chair, or Parliamentarian and is concerned that this calls into question the legitimacy of the agenda and any actions taken at the meeting as this violates the Constitution.
  - Vice Chair Hymel stated her understanding is that the Constitution permits the Chair of the Faculty to call a meeting if she chooses to do so.
  - Secretary Dysart stated this is correct but in that same section of the Constitution, it states that the agenda needs to be approved by the Senate Executive Committee.
  - Senator M. Witte stated the paragraph referred to by Secretary Dysart can be read very differently. She reads it as the President or Chair of the Faculty can call a meeting, or alternatively, a majority of the Faculty Senate. Everything following this call, including the approval of the agenda, refers to that last alternative.
  - Senator M. Witte stated this does not make any sense as the President wouldn't be expected to attend the Senate Executive Committee nor should the Chair of the Faculty who was mentioned at the same time.
  - Senator M. Witte stated she believes the Constitution is ambiguous and suggests tabling the discussion until afterwards. Senator M. Witte stated if a proposal comes up for a vote, that is another issue, but in terms of approving the agenda and not wasting further time is important. The Constitution and Bylaws are open to ambiguity and can be interpreted as she mentioned.
- Vice Chair Hymel asked the Parliamentarian for assistance.
- Senator M. Witte moved [**Motion 2023/24-37**] to table the discussion. Motion was seconded.
  - Senator M. Witte asked for any further discussion to move forward,

- Vice Chair Hymel called the question.
- Senator Cochran stated he would like to further discuss.
- Senator M. Witte stated there should be no further discussion as she moved to table discussion.
- Senator Cochran stated Senator M. Witte asked if there was further discussion and he is answering her question. He asked Secretary Dysart to share her screen to show the passage she referred to in the Constitution.
- Vice Chair Hymel stated she is seeking assistance from the Parliamentarian.
  - Faculty Center Staff, Jasmin read the Parliamentarian's response, "I will respond to process issues only at the request of the Presiding Officer."
  - Vice Chair Hymel stated she is asking the Parliamentarian for assistance.
  - Parliamentarian Stegeman stated the Senate Executive Committee is charged with setting the agenda and the language does not state this is a required step. Parliamentarian Stegeman stated the language does not state this is a required step and is ambiguous on that point.
  - Parliamentarian Stegeman stated that since the Faculty Senate always has the opportunity to set its own agenda at the start of the meeting and to completely suspend whatever it gets from the Senate Executive Committee, it is a reasonable interpretation that in the absence of the Executive Committee, the Faculty Senate can set an agenda, especially for a special meeting.
- Vice Chair Hymel stated the meeting will proceed and asked for approval of the agenda.
  - Secretary Dysart stated there is a motion on the floor to table discussion.
  - Senator R. Witte stated there is a motion on the floor to table discussion.
  - Senator M. Witte stated she withdraws **[Motion 2023/24-37]** to table discussion.
  - Senator R. Witte stated he was the seconder of the motion and accepts the withdrawal.
- Vice Chair Hymel called for a vote on **[Motion 2023/24-36]** to approve the February 19, 2024, Faculty Senate Agenda. Motion passed with thirty-one in favor, three opposed, and two abstentions.

### 3. **Discussion of Financial Plans, Chair Leila Hudson[00:07:20]**

I've called this meeting to ask questions and offer suggestions pertaining to finances and management. For the first half of the meeting, we'll focus on financial fixes. In the second half we will talk about management and governance. As always, we will do what faculty shared governance does best - ask questions and offer expertise to work collaboratively towards solutions.

Before turning it over to Gary Rhoades to compare the Arnold plan to the suggestions being developed by the General Faculty Committee for Financial Recalibration. I'd like to say a few words.

AS the newly re-elected Chair of the Faculty, I'd like to Express appreciation to all who serve in shared governance and all who voted - we had the highest turnout ever - 33% and won a clear mandate with nearly two thirds of the vote.

As an ELECTED Representative of the faculty (as opposed to being a political appointee or politician, like the Regents - we represent ALL the faculty across all disciplines, ranks and fields - we speak with one voice when we say we are concerned about the success of institution, its academic and land grant mission, its mandates for the state and above all for its people and surrounding community

Many of you will have heard that HB 2375 was proposed by two of the most powerful members of House, Speaker Pro Tempore and Chair of Appropriations

- The Bill proposes to do the following:
  - Eliminates role of faculty in overseeing academic and educational activities of the university
    - It changes the language from the faculty will "share responsibility for" and "shall actively participate in" TO CONSULT WITH" the Board of Regents
  - It will Grant Regents and Presidents sole authority to approve (or disapprove) academic degrees, organizational units, faculty personnel, and educational activities at each university.
  - It will Strip the autonomy and authority of faculty, department heads, and deans over academic programs.
  - It will Limit the ability of the University Presidents to delegate and manage the institution.
- The bill rewrites the law specifically to address the crisis at the University of Arizona.
  - Grantham noted that it was not about ASU or NAU, which are already run as top-down institutions.

1. "This bill seems to be based on a misunderstanding of how universities function and the essential role of the faculty in governance. Because the Regents are political appointees rather than educators, researchers, or scholars, they seem to share the same misunderstanding. So, let's take a few minutes to talk about the importance of shared governance..."
2. US institutions of Higher Ed built on practices and principles of shared governance.
  - a. It is what makes American Universities the best in the world and protects our freedom of speech, thought, dissent and the academic freedom necessary to advance knowledge without fear or favor.

Shared or faculty governance was Defined in early 20th century as a distinguishing democratic feature in US (and opposed to totalitarianism and authoritarianism)

  1. *Declaration of Principles of Academic Freedom and Tenure* (1915)
  2. *Statement of Principles* (1940)
    - a. "The faculty sets the requirements for the degrees offered in course, determines when requirements have been met, and authorizes the president and board to grant the degrees thus achieved."
  3. Membership in American Association of Universities (AAU) predicated on commitment and practices of shared governance.
    - a. "The faculty holds the primary responsibility for matters related to education and research, such as setting the curriculum, while fiduciary responsibility and legal authority rest with the board..."
    - b. You do not want political appointees and their delegates controlling the curriculum and degrees. I studied this in Syria and watched a British, French and US trained faculty give way in the 70s and 80s to a university run by Soviet political apparatchiks. We do not want this.
  4. Sponsors and proponents of the Arnold plan have created - intentionally or not I cannot say - in the minds of the public and the legislature the erroneous impression that shared governance has anything to do with the budget planning that led us into our current predicament and the corollary misperception that decentralized spending by faculty and staff is the source of any important part of our financial problems. These notions are absolutely false.
  5. Let me elaborate - shared governance does not have responsibility nor the power to make financial or budgetary policy. We have neither the authority, nor the job description, nor the time nor the money nor the fiduciary responsibility that the administration and ABOR have to steward the university's resources.
  6. In addition to our traditional role in the academic realm, we do have the statutory obligation under ARS 15-1601b to "actively participate" in the policymaking and governance of the institution. By the way, this is very unusual, we have no located another state that has actually codified faculty governance the way Arizona did. If I understand correctly, this happened in a bipartisan fashion in a Republican-led fashion back in the 1990s in order to curtail the power of the politically appointed regents and prevent them from engaging in conflict of interest, For us, Shared Governance, that means asking questions, offering advice whenever asked and sometimes when not asked and contributing to collaborative solutions through expert analysis, debate, and advice. What we have done over these last three years is attempt, through every means possible, to ask the right questions, offer the analytical and critical expertise to help the financial stewards who have demonstrated confusion and incompetence at fiduciary duties.
  7. It is in that spirit of voluntary collaboration and that capacity that I formed the General Faculty Committee for Financial Recalibration at the beginning of this year. You will hear from them today. It is in that capacity and that collaborative spirit that I have appointed economists and lawyers to SPBAC, the shared governance body that has been all too often bypassed by our administrators for the last few years which objected uniformly to so many of the measures that have led to the current crisis. My own efforts as the highest elected representatives of the faculty, to fulfill my statutory obligation as the highest elected representative of the faculty have consisted largely of asking (begging) for data, refining my questions to ask more precisely for data from the squadrons of vice presidents who have designed and implemented our disastrous budgetary model week after week. The best that I could do with my limited powers was to recruit the best of our faculty and appoint them to committees - without any form of compensation, subsidized by their own volunteering labor, to sacrifice of their own time and research - to offer solutions and analysis to our administrators.

Before hearing the GFRC plan I'd like to take a moment to debunk errors and half-truths presented by ABOR chair DuVal in a February 15, 2024 interview with ASU's public media station on program Arizona Horizons. You can all watch that interview here and I urge you to do so. I have asked the station for equal time to present additional facts and views and would appreciate anyone listening helping me to gain that media access in the Phoenix ASU market. <https://azpbs.org/horizon/2024/02/university-of-arizona-responds-to-concerns-about-the-budget-deficit/>

At the beginning of the interview Chair Duval says quote "we have some unique factors at U of A which are quite severe. Number one, we have a distributed model. Of the way we do budgets, where there are 81 different budget units and somehow the university did not have eyesight on how they were spending 61 of the 81 were borrowing against reserves, sort of an unbelievable loss of some control. We are certainly taking steps to fix that."

This erroneous statement cannot go unchallenged. By calling the disastrous and centralizing AIB budget model a “distributed model” Chair Duval implies that it is decentralized and feeds the misperception embedded in HB 2735 that faculty are somehow responsible for the management and financial troubles. In fact, our FY23 budget model AIB is a highly centralized model that some wag on Gary’s committee has called a sweep and squander model. Its first parameter of design was to sweep money away or rather retain it from the producers of that revenue to the center. It is a nightmare of confiscation and taxation which I’ll be happy to go into the weeds on another occasion. The model is already badly overcentralized. More centralization will exacerbate the problem, not fix it.

Then we come to the half-truths. Of those 81 different budget models only 19 are academic units which produce revenues. Together they have produced 968M in teaching and research revenues in the last year. The academic units generate by far, the greatest share of our revenues. Yet of the revenues that each college produces through the labor of its faculty and staff, only 42% is budgeted back to each unit proportional to its activity and productivity while a whopping 58% is collected at the center for redistribution without any transparency. Chair Duval and Arnold seem unable to comprehend that about twenty of the budget units produce over 90 percent of the revenue and are being starved even before the draconian Arnold plan. My vein cries of “don’t strip and starve and abuse the engines” have fallen on deaf ears.

Of those 19 colleges, seven are still in the black despite the sweeping of 58% of their activity-based revenues to the center. Another seven or so are only slightly in deficit spending mode due to the artificial austerity of having nearly 60% of their productivity taken away and redistributed without transparency. Only three colleges of the nineteen-twenty colleges, depend on the labor of other colleges to survive - and there has been zero attempt in the Arnold plan to address the specific issues, specific management and consumption issues of these colleges that receive the welfare produced by others. Why is that?

So, without addressing the fact that the productive academic colleges are producing revenue, never seeing the fruit of their labor and ingenuity, and instead seeing it redistributed opaquely to colleges whose management has rendered them unsustainable and non-academic administrative and support units which are overspending. This creates the famous hairball of perverse incentives in which the productive units central to the academic mission are taxed and exhausted to pay for the units which are not as productive, or the many administrative units which are not productive at all. The administration clearly knows how to spend money, but they don’t know how to manage money.

I know this material is difficult, boring, and confusing. What it comes down to is that the Arnold plan with its unwavering focus on stripping the engines of the university rather than cutting the big-ticket fiascos approved and incentives by ABOR has raised rumors of somewhere between 1000 to 1500 layoffs or non-renewals, it has produced rumors of the closure of four of our top revenue producing colleges. This would deeply affect our colleagues and their families, the Tucson economy, the economy of Southern Arizona, the learning experience of our students, and perhaps in context, the viability of the University of Arizona as world-class land-grant research public institution.

I’m now going to turn it over to Gary Rhoades to take about 20 minutes to present a more detailed analysis than I was able to do here. Keeping in mind that helping our Administration and Arizona Board of Regents out of the financial chaos that they have overseen and incentivized is not our job or our responsibility, duty, or job but we volunteer it to the people of the university and the people of our state. After Gary Rhoades speaks, we will take questions from Senators for the remainder of the first hour up until 4:00 PM.

#### **Discussion of Financial Plans – [GFFRC Recommendations](#), Chair Gary Rhoades [00:24:28]**

Thanks Leila. Good afternoon, folks. I appreciate the opportunity to speak with you and report on the work of my colleagues in the almost unpronounceable acronym, the General Faculty Financial Recalibration Committee. The names of the members are at the bottom of the slide. I was looking through the attendees and I am unsure if John Arnold or President Robbins are here. John Arnold just presented to my college, I know he is a super busy guy but obviously I will share this with both of them at the appropriate time. As I said to John Arnold when I last spoke to you all on the January 29<sup>th</sup> Faculty Senate Meeting, our committee really looks forward to having the opportunity to meet and talk with him one on one.

As a background, we have to come to this as a group of folks who have been working on this a little over a semester now. We also bring decades of experience as Department Heads, Faculty, and Graduate students and a deep commitment to this institution. I think what we want to put at the center of our comments is the type of institution that we are. That will become clear as we go forward, but as it has been repeated throughout this process by President Robbins, Chair DuVal, and John Arnold, we are a great public research university and all that we are suggesting here is by way of preserving and enhancing the work of our institution.

The title of the slide “Correcting course, Protecting the core, and Targeted Cuts – not across the board cuts. This also includes our recommendations for fiscal and strategic discipline. Much of this comes out of the preliminary

recommendations that we provided to President Robbins and the managerial committee that he invited the GFFRC to participate in for two meetings in mid-December which then led to his report to ABOR in mid-December. There are some additions to what we reported then and some of those recommendations (a number of them) were embedded in what President Robbins reported to ABOR. Some of this will be reiterating what the committee has called for and feels is being diverged from in the current financial plan.

Going back to what happened and what needs to happen, I will use the words from both President Robbins and Chair DuVal but I will start with the numbers. The University of Arizona Central Administration spent more than it can afford, which President Robbins stated, "We made a bet on spending money...We just overshot." This led to the draining of unrestricted cash reserves. A few examples include the excessive tuition discounting that was identified prior to this situation emerging and that John Arnold has spoken to. This polls basically \$26-36 million out of the system, with the level of discounting which led us to losing money as we try to attract students from out of state, and meritorious students in traditional terms. For strategic initiatives we spent \$146 million dollars over four years and when Jane Hunter presented this to the managerial committee that GFFRC were a part of, she indicated that the original intent was for that to be in the \$200+ million. They began to scale back because they felt too much was being spent and 36- perhaps there wasn't enough money. This turned out to be the case, even with \$146 million, this is about \$40 million a year. With athletic subsidies that predated the pandemic, in the last two years, using John Arnold's numbers, have been on the order of \$32 million each year. One of the things we have said repeatedly bared repeating due to the narrative that has emerged out of ABOR.

As Leila Hudson articulated, one of the major problems is that there were insufficient to nonexistent expenditure controls on the Central Administration including ABOR, that enabled discontinued investment, as they describe it. Excessive tuition discounting to buy better students. This includes the investment in strategic initiatives. The process led to a declining days cash on hand for several years, which frankly ABOR should have been aware of in the annual report. These practices were not just approved by ABOR, but also incentivized. I just want to make it clear that this is not just an individual, this is not just a few people in administration, this is management of the institution investing in these initiatives, which now we're being told by the management, were more than we could afford.

Not long ago, Chair DuVal said that there were investments strategically made, which we could not afford. These are not my words; those are the words of the Chair of the Arizona Board of Regents. More recently, he said we bought excellence by which, he's referring to students with higher test scores, and higher GPAs. If I were to buy a house that I couldn't afford, I ended up draining my bank account and putting myself and my loved ones in financial duress. You could call that a lot of things, but I don't think you could call it strategic. I don't know in what universe, spending down your reserves on these initiatives is seen as strategic. It seems that the most strategic thing is to recognize and spend within the constraints of your budgets. That is frankly what we have been calling for, the implementation of expenditure controls on this spending by central administration. How does that relate to the narrative of the overspending of the 81 units that we've been hearing about?

Well, let's just particularly focus first on the academic units which over time have been under compensated and overtaxed. So how undercompensated? Undercompensated because that excessive tuition discounting, which annually, is costing between \$26-36 million and has been going up (causing the range). It started out that we were discounting at 33% (\$26 million) and is now at 43%, which was learned from Kasey Urquidez the last time we spoke. That is an annual loss of revenues which the colleges generated. They must do the work of educating the students who come, but they are not getting paid for that work. The payout per credit hour that was built into AIB and in ways to RCM, is 18% less last year than it was 5 years before. That means you are generating more credit hours but getting less money back. This is because the institution is collecting less money and has less to allocate to the units for their productivity. Undercompensated and overtaxed. As Leila Hudson pointed out, which is also posted under the bullets on the website, is that the number one aim of AIB was to create a central pool to reallocate to central strategic initiatives.

You don't need to say that none of the central strategic initiatives were useful, many of them were. What you need to observe is that money got pulled out of the units to fund those at a level that in the words of the President and the Chair of the Arizona Board of Regents, "we could not afford." It is not only that we could not afford it as an institution, but it drew money out of academic units that are generating the very revenue the institution lives in.

If you add up the lost revenues annually, from excessive discounting between \$26-36 million, and the annual Strategic Initiatives monies at \$36.5 million a year and add them up, you get overspending by colleges in the FY23 of \$61 million, just those two figures alone. Overspending is a bit of a misnomer to put it mildly.

To correct course, GFFRC is saying any investment decision should be guided by the following three questions, which come from Director of the School of Accountancy, Shyam Sunder, and member of the committee. He is a fabulous part of the committee, as are all other members.

1. Why are we making this investment?
2. Have we budgeted for the investment?
3. Can we afford it?

4. What is the return on the investment?

We emphasize not the “in your dreams” return on investment, but a realistic assessment of what the return on investment is going to be from this allocation of money that we are providing. What we called for is a more deliberative process and oversight. Not simply on the academic units or on support units, but on Central Administration itself. There are a few principles that guide the solutions which we are suggesting. Some of those were presented to ABOR in December.

1. Prioritize and protect the core by differentiating between core academic units and support units. Even among support units, those that are more engaged and generating (for example, students whether be in the Honors College and AZ International, and those that are not).
2. Prioritize and protect employees (graduate assistants, faculty, and staff) who comprise the academic core in serving students and the instructional/research missions. Recalibrate/rightsized senior administration at the campus/college/division level, which has grown disproportionately over the past decade. We provided data showing the disproportionate increase while numbers of staff, graduate assistants, and tenure-streamed faculty have declined. During a period when personnel expenditures on all faculty (Career-track, Continuing-eligible, and tenure-track) have declined as a proportion of institutional personnel expenditures. We are investing less in the people who are doing more work, with more students, and we think we need to change that.
3. Promote targeted cuts, not across-the-board scenarios, and cuts. When John Arnold was presenting to the College of Education two hours ago, he said there will not be across the board cuts. There are scenarios which are a step from cuts. I think the question I will raise is why we are doing these cut scenarios uniformly across the institution.

Within the slides, there was an interesting bar chart that was shared by John Arnold during a presentation of the financial plan to the institution. It is from this that we got 61 out of 81 units in the University. Hence the title from John Arnold’s graphic on the academic governance website, is widespread overspending. A few thoughts regarding the basis of the 5%-10%-15% cut scenarios is that divisions and colleges are being asked to prepare. The GFFRC has made some obvious observations about what the chart failed to do, which is that it did not differentiate, prioritize, and protect the academic core which Leila Hudson mentioned in her initial remarks. It also fails to focus on reducing senior administrative costs and protecting graduate assistants, mid to lower-level staff, and career-track faculty who serve the students in instructional and research missions. Katie and Carol asked John Arnold at the last Senate meeting on January 29, 2024, who he thought would be cut in the cut scenarios as it was not going to be senior-level individuals. What has been hard from the central administration is a commitment to reduce administrative costs. The GFFRC wants to ensure this doesn’t fall on the backs and at the expense of lower-level, lower-paid, and most vulnerable employees whether that be grad assistants, staff, or career-track faculty. This fails to target solutions where there are bigger problems, there is a handful of units that are in red and many who are not although, they are all being subjected to the same cut scenario process. A big thanks to Hilary Houlette, Graduate Research Assistant, wonderful former University fellow for the graphics on PowerPoint.

Using John Arnold’s figures, twenty units are not in deficit. This was eyeballed by the GFFRC as it is a bar chart and not every increment is provided. By doing so, it looks that there are about 20 units that have less than a million in deficit. We go from 61 of 81 who are overspending and need to make serious cuts, to half of the units overall who are not having serious troubles. So why would you subject them to this process? When you view the subsequent bullets, there are 11 units that hold approximately 95% of the projected deficits. These are anticipated deficits and as John Arnold has stated with the pauses and freezes, they are not expected to be this high. While working from John Arnold’s data, 11 of the 81 units account for 95% of the overspend, so why propose across the board cut scenarios, which they will not be cuts will almost systematically. This would be for 81 units when at least half are not overspending or are overspending by a very small amount. As the GFFRC says, this punishes the problems of the relatively few, and “if it isn’t broke why fix it?”

In John Arnold’s presentation at the College of Education earlier today, we suggested preparing growth scenarios. Some colleges, departments, and programs are going to the deans and each other saying there are growth opportunities with the freeze which are being compromised in the ability to do work that makes the UA a successful public research University. Another observation that colleagues and GFFRC were concerned about is the fiscal overspending in FY23 for the 81 divisions was 61% more. The chart previously presented looked at FY24 which is \$116 million, a 90% increase. No one, in any unit, is known to be experiencing a 90% increase in their expenditures this year, versus past years. GFFRC is very skeptical about that number even though it is being used to raise questions.

Hilary Houlette, Graduate Research Assistant asked one of the staff members working with John Arnold to see the names of the units to disaggregate academic, non-academic, support, and auxiliary units. The response was that they did not want to share that information. The GFFRC suggests that to prioritize and protect the core, there should be differentiation of academic support from auxiliary units, this is what President Robbins committed to in mid-December and presented to ABOR. It is also what President Robbins again stated on an email sent to the campus and community on February 9, 2024. It is also what John Arnold said to the College of Education, to preserve and protect the core of the institution.

In January 2020, before the pandemic, previous CFO Lisa Rulney implemented a mid-year across the board cut, a lot

less aggressive than the 5%, 10%, 15%. She was doing this to meet a days cash on hand concern. When she implemented the cut, she tasked academic units with a 1.5 mid-year percent takeback, and non-academic units with a 3.5% percent takeback. The point is, differentiating expectations of who needs to carry what runt of the cuts protects the core. This does not mean people who are in those units are not doing important work, it means if people in academic units are not doing the work, there is no University.

The University has hired a new athletic director who has experience of turning around athletic expenditures. The heading of this slide is, "GFFRC *getting real, with the facts: Reining in massive overspending.*" This is because we've heard we need to be realistic about what to expect from an athletics department, they all lose money. Although most athletic departments lose money, 17 out of the 53 Power Five conference schools do not. In 2023, the UA received a larger subsidy which was over 25% of its expenditures and any other power school. We are the worst in the country in overspending in athletics. A range of measures was suggested to rein in overspending in the athletic department. Hopefully, with this new individual that implemented creative finance tactics in Missouri, this can be complimented with increased resources.

Regarding UAGC, the GFFRC highlighted the costs and prospects of central initiatives because the same thought to make investments and get a large yield such as acquiring Ashford leading to excessive tuition discounting, ultimately leading to strategic priorities. The GFFRC calls for fiscal and strategic disciplines. In 2023, UAGC's federal financial aid liability was underwritten for \$103 million which is now about \$70 million. This is a liability and should be discussed when making decisions regarding UAGC. UAGC ran a deficit that year for \$18.3 million which was presented by Lisa Rulney at an ABOR meeting. Although it has been said they brought \$47 million in days cash on hand, their operating budget at the time was \$265 million which meant that if they were to meet the ABOR threshold for days cash on hand (38% of the year, 140 days), they should have \$100.7 million which means they are short \$53.1 million. We are assured that the deficit will only be \$2-3.5 million this year that next year, they will turn into profit, but we have seen this type of unrealistic thinking before. This unrealistic magical thinking has gotten us into this situation and what John Arnold presents to reassure us, our projected budgets. There is a reason budgets begin with "B" and end with "S."

Based on actuals, GFFRC has called for systematic course correction with UAGC. Rightsizing the system in a variety of ways, slides will be shared with the Senate later. UAGC is declining as is. Year after year, when we acquired it, we were told by management that we would put a "block A" on it and it would turn the institution around. It has not and continues to decline. That decline needs to be managed responsibility while taking care of the students and grandparent a percentage of those students perhaps into UA online. In the process, the required amount of cash on hand and financial aid liability of underwriting can be reduced.

To prioritize and protect the core, there should be a disaggregation of the academics from support and auxiliary units and disaggregation within them. Housing for example, runs a significant surplus while athletics, a significant deficit. They should not all be treated the same. Second, employees should be protected and prioritized, especially the most vulnerable employees. There should be recalibration with a target number. At the January 29<sup>th</sup> meeting, Senator Mark Stegeman and another Faculty Senator told President Robbins to pick a number (ex: make it 10%, 15%) over the next two years where senior administration would be reduced. There shouldn't be interviews with everyone asking what they do and showing that it is important as they are most likely doing important work, there should be a target for cuts.

Expenditure controls rely on some process of deliberation that involves shared governance and the Deans. GFFRC discussed this idea after the meeting which took earlier in the day with John Arnold. Perhaps there should be all-funds meetings with the senior administration where they are asked to account for their money, not just vice versa. Finally, thanks to Kasey Urquidez in Enrollment Management who already has a plan for scaling back the tuition discounting of merit aid. This can save about \$10 million for four successive years. This should be built into the sense of the deficit because it will reduce it and bring more money into the system. It has been suggested to reinvest 10% of those monies in targeted ways, to mitigate the loss of students that comes with having less financial aid available or students. Then, the rest of the savings should be reallocated to the academic units.

Correcting the course requires a correct diagnosis. Overspending by programs and colleges is the wrong diagnosis, it doesn't fit the data. Correcting the course calls for a correct plan of treatment. Across the board cut scenarios is not a productive treatment, it is a counterproductive treatment which blocks growth, and harms units that are doing well, for the problems of the very few. Correcting the course requires a full understanding of who we are as an institution and taking steps, not just writing emails and stating in meetings that the core is cared for. The core is not cared for or protected with 5%, 10%, or 15% cut scenarios. This leads to more work to do so, and cuts for the very entities at the center of the enterprise.

The GFFRC looks forward to working with Vice President, Enrollment Management & Deal of Undergraduate Admissions, Kasey Urquidez, Interim CFO John Arnold, and President Robbins. Thanks to Vice Chair Hymel for the additional time.

- Senator Ziurys stated Gary Rhoades had an excellent presentation, but he did not discuss the cost of the current IT and HR centralization. Research dollars from grants and contracts bring in about 30% of the University's budget. With IT centralization, it will be "research grant suicide." From what she knows, across campus and especially within the

College of Science, computer programmers assigned to specific space or telescope projects are being centralized and assigned to a centralized supervisor, out of the blue. Many of the programmers are paid from research grants, not only does this violate contracts with federal agencies, but it also puts them under supervision of individuals who aren't knowledgeable about the project. Many department heads have complained and have been told that the new assignment of supervisors won't change anything. The questions are, why are we doing it? Why are we focusing ourselves to have additional cost by the centralization?

- Senator Ziurys stated that it has to be understood that the person running IT is not a technical person who is qualified to make decisions about running a spacecraft or telescope control system but rather, has an MBA and doesn't grasp what is happening.
- Senator Ziurys stated she can only draw a conclusion, by running the IT centralization, ABOR wants to crush research at the University of Arizona and turn it into a UAGC, for-profit teaching college and not a Research 1 University as it currently is.
- Vice Chair Hymel stated there is a hard stop at 4 PM for this discussion.
- Chair Hudson asked if she can grant a question to Senator O'Leary and Senator Zeiders before she begins speaking in the second hour.
- Senator O'Leary stated she is thinking about the letter from Governor Hobbs. At the January 29, 2024, Faculty Senate meeting, John Arnold stated he was looking into hiring some type of consultants which Senator Downing requested an independent consultant.
- Senator O'Leary stated the trust issue is serious and it seems clear that ABOR is just as much at fault for the financial crisis as the central administration. She feels that they should be held accountable, and an independent auditor should be brought in and not chosen by ABOR.
- Senator O'Leary stated she feels that ABOR is like "the wolves taking care of the henhouse," and she would strongly suggest that there is a fresh start away from them. This can avoid interference which is meddling into academic and the core mission. It seems that ABOR is trying to turn the UA into an income generating business, but it is a higher learning institution in charge of credentialing. ABOR has never understood the core mission from the start. The question is, where is the institution in the decision of an outside auditor.
- Senator Zeiders stated the budget decisions and mismanagement have real costs in her college (CALEs) that supports rural communities and the programs that serve those. She is personally invested in the topic and has been for the last year.
- Senator Zeiders stated she has a few questions for Gary Rhoades regarding overspending. Much of the overspending was at the discretion of the former Provost and CFO. The claim that central administration didn't know about this is false, they directed units to spend.
- Senator Zeiders stated overspending appears to be based on AIB and there is a large issue with this. AIB was designed to squeeze more money out of units for collection by central administration and was unsustainable for almost all units. All units were going to need to shrink under the model. Presenting the numbers as if units have done anything but overspend is disingenuous and AIB should not be the starting point for these budget allocations. The problems of AIB should not be effectively institutionalized.
- Senator Zeiders asked Gary Rhoades where the notion of overspending comes from and if it is based on AIB.
- GFFRC Chair, Gary Rhoades stated he is also able to respond to questions over email at [grhoades@arizona.edu](mailto:grhoades@arizona.edu) after the meeting.
- GFFRC Chair, Gary Rhoades stated the acronym does not matter and is a process whereby central management blames production workers for not being effective enough, and they squeeze money from them to reallocate elsewhere. This happens whether it is RCM, AIB, or what the UA is in the midst of now, being squeezed into 5%, 10%, and 15% cuts not because of overspending, but because that is part of reallocation.
- GFFRC Chair, Gary Rhoades stated he agrees with Senator Zeiders that there is not overspending, which is what he continues to articulate to people, but the system has put the UA in a position where departments receive less money over time for doing more work.
- GFFRC Chair, Gary Rhoades stated the question is who benefits from this, and he thinks it is fairly self-evident. It is good to have external auditors, the issue is all the external auditors will do is speak to management. There are various auditors which are interchangeable, and their solutions are similar to what is currently being endured.
- GFFRC Chair, Gary Rhoades stated his committee felt like they had a deal with President Robbins including no across the board cuts, protecting the core, and prioritizing people – the committee feels this has been lost. GFFRC is calling for a reinstatement of what was collectively agreed on and presented to ABOR.
- GFFRC Chair, Gary Rhoades stated he had a similar conversation in his college, he serves all types of communities, locally and statewide. Those communities are hurt.
- Vice Chair Hymel stated Senator Simmons has a quick question and then the meeting will move to the next item.
- Chair Hudson stated she would like to reclaim her time instead.
- Secretary Dysart raised a point of order and stated it is up to the Chair of the meeting who makes the call of who can speak next.
- Vice Chair Hymel stated Senator Simmons can speak.
- Senator Simmons stated he appreciates all the work GFFRC has done. Regarding UAGC, he is not disputing the numbers, but is disputing some of the approach. There is a very strong insinuation that the budget is nonsense.
- GFFRC Chair, Gary Rhoades stated it is clear.



- Senator Simmons stated he would urge him to meet with UAGC's financial team because they are basing their budget off day-to-day actuals, and it is a firmer budget than many are aware of. UAGC is willing to meet with UAGC to go over how they arrive at their budget. The current approach to UAGC and their integration is not productive.
- GFFRC Chair, Gary Rhoades stated he is not speaking to what UAGC is doing but to what individuals are pitching, that everything will be fine. This is precisely the place to work and where duplication can be reduced as far as programs, services, and personnel.
- Senator Simmons stated he agrees.
- Chair Hudson stated her thanks to GFFRC Chair, Gary Rhoades and all senators.

### **Discussion of Senior Management - Chair of the Faculty, Leila Hudson [01:05:03]**

In our second hour I'd like to turn to questions of governance and management, and I'd like to start with a brief set of questions for President Robbins from the Committee of Eleven. We have 30 minutes for this item. I will ask that Senators hold their questions until the end of the meeting. After 30 minutes of dialogue between c11 and president I will make some concluding remarks, then we'll have discussion.

The Committee of Eleven is the oldest shared governance body at the University of Arizona founded in 1947 as an elected advisory committee to the elected Chair of the Faculty. It has no power other than to advise me and by extension, advise the President and the entire community. It has even fewer formal powers than the Senate or SPBAC but offers critical analysis and advice in a collaborative spirit and productive spirit. The Committee of Eleven has had extensive discussions with the President, John Arnold and the various vice presidents and provosts. They have a series of questions which I'll ask Wolfgang to present and hopefully to engage dialogue with President Robbins. We have about 30 minutes for this dialogue between the members of the Committee of Eleven and President Robbins.

After 30 minutes, I will make some concluding remarks and then we will open it back up for discussion before our firm stops at 5:00 PM.

### **C11 Questions for President Robbins - C11 Chair, Wolfgang Fink [01:06:34]**

- Chair Fink asked for confirmation that President Robbins is on the Zoom call. No confirmation was heard, and Chair Fink stated this is unfortunate as the idea was to ask the questions in person.

The Committee of Eleven met the previous week to deliberate over the situation the University finds itself in and seven questions were crafted and distilled. The idea was to take turns and bring the questions to the attention of the President in hopes of receiving answers. Due to the President not being in attendance, the questions will be read, then the meeting will be opened for further discussion in the C11 timeslot.

1. Here, at this meeting, will you, as President of the University publicly clarify that shared governance, through its elected faculty representatives was either unaware or opposed to decisions that led to the financial shortcomings a.k.a "crisis." Specifically, we are referring to decisions, such as the Ashford acquisition loans to the Athletics Department, consultant-driven strategic plans, excessive revenue losses on merit-based scholarships to attract out-of-state students and spending-down "orders" from former CFO and former Provost.
  2. You were incentivized and supported by ABOR on these initiatives. How do you propose to assure that the elected faculty representatives have a voice through you to ABOR to avoid such costly mistakes in the future?
  3. Here, at this meeting, will you, as President of the University publicly state that you unambiguously oppose HB2375 or other legislation threatening shared governance anchored in ARD 15-1601B? If not, explain to the General Faculty, staff, students and the public why you do not.
  4. Last month, the Senate approved the first of its shared governance transparency and accountability mechanisms to avoid off-budget spending. What other transparency and accountability mechanisms would you like to institute together with the elected faculty institutions, i.e., through shared governance, to avoid the circumstances in which we find ourselves.
  5. When will a list of specific administrative positions to be eliminated be posted and acted upon?
  6. How do you propose to address the Governor's concern supported by the Faculty Senate, regarding the Conflict of Interest of an ABOR-imposed interim CFO? Who is in charge: interim CFO and ABOR Executive Director Arnold or you, the President?
  7. Why do you consistently seek outside consultants for guidance rather than trust your own elected faculty representatives and expertise on your faculty who advise major institutions throughout the world and have recognized expertise?
- Chair Fink stated since there is additional time, he would like to invite C11 members and Senator Downing to pose an eighth question.
  - Senator Downing stated it is a huge disappointment that the President is not in attendance to answer critical questions facing the Faculty, the University, and the Southern Arizona community.
  - Senator Downing stated it is inexplicable that he wouldn't have someone in attendance, in his place, to answer the question.

- Senator Downing stated he has been through nine Presidents at the University and he would like to hear directly from the President, from his heart and head, how he plans to manage the situation and bring the institution back to course. "If he insisted grabbing the helm of the ship, at least tell us what is the course."
- Chair Fink stated the slides will be shared with the Senate and questions will be submitted to the President's office with explicit requests for a written response.
- Chair Fink stated he hands his time back to Chair Hudson and perhaps there will be time for questions.
- Chair Hudson stated there were fifteen minutes budgeted for this item and wonders if there can be a form of discussion in placement.

#### **Discussion [01:14:16]**

- Senator M. Witte stated as a medical metaphor, since President Robbins discussed hemorrhaging at the University, she believes more hemorrhaging has happened since. The solution is more hemorrhaging of the life's blood of the University and removing a few vital organs that have nothing to do with the problem. Her suggestion was liposuction which not only includes the fat of administrative bloat, but also strategic spending, athletics, and UAGC. Liposuction is less painful and quite effective and can streamline the body.
- Senator M. Witte stated she is in agreement with the Committee of Eleven's questions.
- Senator Ziurys stated she was very interested in Senator Downing's final question about whether the President can communicate his plan. She thinks it is difficult for the President to operate independently of ABOR, and her questions are:
  - What is ABOR doing?
  - What are ABOR's motivations?
  - Why is the UA being thrown garbage after garbage which started with the furloughs?
  - Why is the UA the only university that had furloughs?
  - Why is UA the only university that got cut so that money could be given to ASU and NAU?
  - Why is ABOR targeting the University?
- Senator Ziurys stated her question needs to be asked to the Arizona Board of Regents as she wonders why ABOR runs a system of University Presidential management that is practically leadership by bonus. It seems that a lot of actions by President Robbins are determined by what type of bonus ABOR presents to him. If this type of system is in place, nothing will change until the root of the ABOR problem is addressed.
- Senator Downing stated ABOR is appointed by the Governor and he/she cannot remove them, it is unelected, unaccountable, and in this case, hidden. He is deeply disappointed and unclear as to whether Interim CFO of UA and Executive Director of ABOR, John Arnold works under Robbins or above him. To have these two individuals absent, at a time when the future of Southern Arizona's major public employer is at stake, is inexplicable and answers must come to the Senate and people of Southern Arizona.
- Secretary Dysart stated she has heard the word "collaboration" in this meeting but hasn't seen actions or language that sounds collaborative. She has heard a lot of dictates, demands, and directions even though the Chair herself recognized that the Senate has no jurisdiction over the budget.
- Secretary Dysart stated the entire meeting plays into the spirit of what the State Legislature is attempting to do. In a sense, the meeting will be fodder for further committee hearings in Phoenix on the future bill. This will probably impact ABOR taking a position on the bill, and a sense that the Senate is their own worst enemy when it comes to working with the President's office. The President has been in attendance for multiple meetings and has been willing to meet with any Senator.
- Secretary Dysart stated it is unfortunate that it has come to him because she has only seen collaboration and working together on his part. She has worked in DC, and administrators at Harvard when she was in Law School. They disagreed on a lot of fundamental ideas but found ways to find solutions. She has not seen that in this body.
- Secretary Dysart stated the Chair of the Faculty, Leila Hudson earlier in this meeting attempted to silence Senator Simmons because she assumed that he would be speaking against her on an item. This is not collaboration or bringing people to the table. This is unfortunate and says a lot about what the body is now.
- Senator Ottusch stated regarding administration, Joellen Russell is the co-chair of the Provost Search Committee, and he is not sure if she has any updates on the search. There was a new athletic director hired, and the new coach got less money than previous coaches. He asked if there has been discussion about the new provost having less than a financial package. He is not sure if this can be disclosed or if the process is far enough along. He asked if this would start coming to play when rehiring for positions that once received more pay.
- Senator Russell stated her committee will be meeting for the first time with the rubric and potentially also the candidates. There are basic times scheduled for interviews in March. There has been no discussion about pay packages since meetings to evaluate candidates are just starting. There are great internal and external candidates. Everyone was worried about the pool and believes everyone will appreciate the interviews.
- Senator Brochin stated she is in the College of Education which is a college rumored to be shut down. She would like to ask C11 to add a question to their list for if/when there is an opportunity to speak with the President. She wants to put much thought into HB2735 and the two Senate bills that will most likely be merged with it (SB1303 and SB1306). Although they are central about changing the language of shared governance, the other bills she would give to ABOR and the Presidents, is the ability to approve or disapprove academic programs and units which is already being seen. The programs approved as a Faculty Senate are now on hold which she heard from her college.
- Senator Brochin stated if these bills were passed, they would give power to the University presidents to cut and

dismantle programs and departments, thus firing tenured or tenure-track faculty, and staff that work in them. This can directly impact graduates, graduate students, and undergraduate students. She worries that the UA is getting into the weeds without thinking about the larger detrimental impact at all three institutions.

- Senator Schwartz stated in response to Secretary Dysart, he is uncomfortable with categorizing the Presidents actions as collaborative and working with the Senate. Attending a meeting, looking concerned, voicing a plan, and having no action is not collaborative. The reality is that there is no further information on a future plan, the information that exists is fairly terrifying.
- Senator Schwartz stated there is a relatively unique opportunity which is that there is a Governor who seems to care about the institution. As she pointed out rather graphically in her letter about the conflict of interest having ABOR practically run the institution through its incentives to the President and imposing upon the institution an employee of ABOR as the CFO. There should be more thought put into how to involve the governor in a way forward as it is clear she has the University's best interests at heart.
- Secretary Dysart asked if she would be able to address this comment since she was specifically mentioned, like presidential debates where you have 30 seconds when your name is mentioned.
- Vice Chair Hymel stated she is happy to allow Secretary Dysart to speak.
- Secretary Dysart stated she has engaged with Dr. Schwartz and appreciates his thoughts on the matter. Under the shared governance law, everything is subject to responsibilities of ABOR, the University, and Presidents.
- Secretary Dysart stated the President has attended meetings, allowed senators to meet with him, incorporated GFFRC's recommendations in what he is doing. Some of the budget issues are difficult and challenging, but collaborative is not calling out ABOR, and the President and suggesting they're lying to the media.
- Senator Fink raised a point of order and stated that because this is C11's timeslot, he would like Senator Downing to immediately respond to the previous comment as it was incorrectly stated.
- Senator Downing stated that was a misstatement of what the law was and would expect someone who has legal training to be able to read three sentences. The third sentence is not subject to the powers of ABOR. Those powers have been given to the elected faculty representatives who are in attendance of the meeting, including C11, and are not subject to that clause. He asked for Secretary Dysart to please read the third sentence which is the correct interpretation.
- Senator Harris stated she disagrees vehemently with the defense of Robbins and ABOR not being in attendance of the meeting. This is a forum where these questions can be asked and where collaboration and shared governance occurs. The fact that President Robbins is not in attendance is incredibly weak and poses the question of whether he is afraid of the Senate. It is emblematic for all to see the lack of transparency and communication, there is a sort of lip service received when attempting to solve the issues.
- Senator Harris stated in terms of collaboration, as Chair Hudson stated, the Faculty Senate has no ability for budgetary input but is required, as faculty staff and students, to bear the burden of mismanagement.
- Senator Ziurys stated regarding Secretary Dysart's comment, she believes there are many, some who are Regent's professors that have tried hard to work with President Robbins. Many felt they were making progress, and there was progress made with certain administrative changes. Every time there is progress, there seems to be a huge step back.
- Senator Ziurys stated she would like to point out IT centralization. The Senate has been very vocal to Barry Brummund repeatedly suggesting that the shoe does not fit all. Computers and software that run specific scientific instruments cannot be centralized. She has repeatedly asked him for his plans with these specialty cases and has never received an answer.
- Senator Ziurys stated suddenly, overnight, IT is centralized and everyone in the College of Science is extremely upset and does not know what will happen with their research efforts. The college relies on these computers to conduct research and raise money through grants. It seems that there is now a bomb dropped on the programs. So, the question is, where does this leave her.
- Senator Ziurys stated there is progress made, then things get completely reserved, like the IT centralization.
- Senator Zeiders stated she would like to reiterate what the bill does as Chair Hudson has said before because it seems that the Senate is getting off track with some of the financial aspects.
- Senator Zeiders stated the bill allows ABOR to delegate their authority to approve academic degrees or organizational units only to the University President who may not further delegate that authority which is in Section 1. It requires ABOR and University presidents to consult rather than share responsibility with University faculty regarding educational and personnel matters, changes faculty's role in the University governance from participation to consultation.
- Senator Zeiders stated this threatens the Senate's work, she comes from a rural community within her college, and it is frightening there is only consultation and not a shared responsibility in creating and overseeing rural education programs. Programs in Southern Arizona and within her own college, CALES, there is an Agriculture and Resource Economic Department (ARED), Agriculture, Education, Technology, and Innovation program (AETI).
- Senator Zeiders stated her thanks to Chair Hudson for leading this special session.
- Chair Hudson asked if she could reclaim her time.
- Vice Chair Hymel stated yes.
- Chair Hudson thanked everyone for the great discussion. She stated this is what we do, we ask questions, debate with civility, and put our heads together through a process that is structured as democratic and representative. This is the way to help govern the university.

## Chair of the Faculty, Leila Hudson [01:32:19]

Thank you everyone for the great discussion. This is what we do. We ask questions. We debate, always, with civility. We put our heads together through a process that is structured as democratic and representative, and this is how we help govern this university. The only power of faculty governance is to ask questions and facilitate discussion and collaborative problem solving. So that being said, I want to spend the last half hour talking about an issue of an importance.

I want finally to turn to an issue raised by Governor Hobbs in her letter to ABOR which has been referenced a couple of times, but we still haven't received an answer. It is the question of the appropriateness of CFO Arnold and conflicts of interest. No response from the U of A admin, Executive Director/cum CFO Arnold or the board itself has publicly addressed this most pressing concern. As I've stated publicly before it is my opinion that John Arnold's chief conflict of interest is that he serves ABOR, and gets his salary from ABOR which oversaw, continues to oversee, and generally approves unanimously and very little public discussion the "big ticket items" that have led us to this in past. Those being, athletics, non-resident aid policy, UAGC, strategic initiatives (which I will calling a special meeting for), and appointments – these "big ticket items", unlike the academic colleges and many of the units that support them, are responsible for the lion's share of the financial and management crisis. As I have also stated publicly it is my opinion that ABOR has not only failed to oversee its administrative appointees, but it has also incentivized the decision making which has brought us here, through "at risk salary increments" to the President of tens of thousands of dollars. This is the source of many of the initiatives and administrative decisions that have brought the UA to its knees. Furthermore, it is my opinion that the amount of time on ABOR, spent discussing these matters in executive sessions, away from the eyes of the press and public is an important part of how we got here.

It appears, in my opinion, that ABOR Chair DuVal has served before and during his second term on ABOR as the managing director of a private equity firm Amicus Investors LLC. which claims to invest private capital in university's real estate, infrastructure development and master plans. It is my opinion that this may constitute a very serious conflict of interest and at the very least the appearance of one. This of course is not the only alleged COI that in my opinion compromises ABOR's suitability to supervise reform at the University of Arizona. I'd like to show a few slides from Amicus investor's now erased website.

This Amicus Investor's website and as you can see, it has been retrieved from the internet archive, the wayback machine. This shows that it has been in existence from 2015 up until April 17, 2023. As you can see, it's claim to fame is, "we invest in universities." The next screen states, "we do it differently, with equity capital, not debt, tax dollars, or tuition hikes. Formed in 2015, we are a team with experienced professionals with one thing in common, we know how to get things done. Our stakeholders are international leaders in real estate and infrastructure investment." If you call the number today for Amicus Investors in Dallas, TX, you will find that it has been disconnected. The website also states, "We are passionate supporters of higher education, we believe universities have the ability to make a significant contribution societal difference by implementing a new investment model alongside our university partners. Amicus can help them build community and fulfill their master plans faster and more efficiently." Underneath this statement, it states who the Amicus Investors team has worked with and the first University listed is the University of Arizona, the second is Arizona State University, in addition to a number of other institutions around the country.

When we look at the mission of this entity, "We invest in universities, partnering with them to help realize their master plans, because strong universities mean successful students and vibrant communities." When looking at the "who we are," page of the website, the founder of the firm, recently deceased this year is Robert K. Utlely III of Texas, an interesting character. His son Steven R. Utlely, a graduate of SMU in recent decades.

Prominently listed throughout this website, Fred P. DuVal with an entire biography which states:

- "Fred is a Managing Director of Amicus Investors LLC and is head of university market development. He is former chairman of the Arizona Board of Regents. He has led significant higher education initiatives in the areas of strategic planning, performance funding and new delivery models both in the Arizona system and for the Lumina Foundation. And he served on the Board of the University Medical Center.

He also has worked extensively with governors, public elected officials and education leaders around the country. He served in the White House as deputy assistance to the president for intergovernmental affairs and was a gubernatorial appointment to Arizona's Commerce and Economic Development Commission. Fred is a graduate of Occidental College and Arizona State College of Law."

- The "former chairman" title refers to his tenure appointed by Janet Napolitano from 2006-2011.

If you were to look up Amicus Investors LLC., you will find that the website has been completely erased. The last notices of it were on April 17, 2023. Subsequently, it was forbidden, then removed from the website. It has pretty much been in continuous existence since 2015. In earlier versions of the website, you will see information about three topics specifically mentioned global capital investment companies: Macquarie Global Capital, Compatriot Capital, and Salmon

Capital – all of which indicate the existence of a layered number of holding and funneling companies going through this particular company.

I have questions, that is what shared governance does, it asks questions. I have questions I would like to ask Chair DuVal, and it does not help that he has been boycotting speaking to the Chair of the Faculty at UA since about a year ago. I can tell you more about that. The website seems to indicate in my opinion that Chair DuVal was serving as managing director of Amicus throughout his appointment for a second term as a regent from 2019 to 2023. If Chair DuVal and the board were more receptive to collaborating with, indeed speaking at all to the elected reps of the UA faculty – I would ask questions. Once again, I would like to emphasize our role is to ask questions, and with that I will stop.

#### Questions [01:43:11]

- Senator Senseney stated if he is following correctly, the website was erased but it can be seen in the archives that that Amicus did business with UA and ASU. He asked what the nature of the work was and most importantly, what compensation and benefits did or does Regent DuVal received as a part of this. He asked if Regent DuVal disclosed this information or potential conflict of interest. If so, to whom, and when. He has a lot of other questions but will start there.
  - Chair Hudson stated she shares some of the same questions as Senator Senseney presented and her answer is that she does not know. All she has is questions, and not answers that she or he sees.
- Secretary Dysart as one of the three elected officers, she had no knowledge that Chair Hudson was going to present that material, she would like to be clear on this in case of any legal liability.
  - Secretary Dysart stated with respect to John Arnold, she has previously had a conversation with Chair Hudson that she is a lawyer and conflict of interest is a legal term with legal implications, especially in the practice of law. She would like to know the legal conflict of interest in Arizona law that Chair Hudson is pointing to concerning John Arnold serving as the interim CFO of the University of Arizona.
  - Vice Chair Hymel stated there is no need to have a law, the conflict-of-interest rules she discussed applied to lawyers. There are conflicts of interest that don't necessarily, statutorily, apply. It also refers to the model rules of implied conflict of interest.
  - Secretary Dysart stated there are state laws that cover conflict of interest which is why there is a requirement to complete COI forms when working with outside employment. As employees of ABOR who sign contracts with them, what is the problem with another employee from ABOR working for the University of Arizona.
  - Secretary Dysart stated she is not asking about what concerns lawyers.
  - Chair Hudson stated as a non-lawyer, she employs the expectation that conflicts of interest, in which a person might be serving other agencies, interacting with one another, on different sides of a transaction or relationship, would constitute a conflict of interest.
  - Chair Hudson stated as everyone does, and as she does as a small business owner, she declares conflicts of interest to their employer. She asked who the employers are disclosing their conflicts of interest, if any. As a layperson and non-lawyer, she has learned that the appearance of a conflict of interest is almost as big of a problem that should be avoided by all scrupulous people acting in good faith, is a real material conflict of interest.
- Senator Little thanked Chair Hudson for bringing this item to the Senate's attention. She is thinking in Regent DuVal's role as Managing Director of Amicus Investors how it will impact his decision making as a member of ABOR as the Chair.
  - Senator Little asked Chair Hudson if she has any insight on this.
  - Chair Hudson stated she does not have information about this, and only has questions. There is only one person who can answer those questions and she hopes for a chance to engage in productive dialogue with Chair DuVal to discuss what this appears to be, in her opinion, a rather surprising potential conflict of interest.
- Senator O'Leary asked Chair Hudson what Fred DuVal did for the University as it was stated that the company, he worked for dealt with UA. She is curious to know the result of his interaction such as whether he consulted, promoted, or even worse and regarding conflict of interest, was he paid for a certain decision that may have impacted everyone and is currently unknown.
  - Chair Hudson stated she has no answers, and only has questions like Senator O'Leary. She believes it is troubling that the website proudly announces in its list of universities, it worked with the University of Arizona first and Arizona State University second. She looks forward to hearing from Chair DuVal about any answers he might provide to the questions posed.
- Senator Harris stated her question relates to COI and who benefits from the centralization of IT, UAGC, and more. As a faculty member, she is required to declare a COI before getting a single grant dollar. Having a conflict is not the problem, it is the non-disclosure element. Those conflicts can be disclosed and managed, but they must be known.
  - Senator Harris stated she has the same questions as everyone else such as: What did he do for Amicus Investors? How was the UA involved? Who approved the UA, as a brand, to be on the Amicus Investors website?

- Chair Hudson stated her thanks for Senator Harris for stating that COIs can and should be managed as long as they are declared.
- Chair Hudson stated she is hopeful that there will be answers heard regarding to whom the possible conflict of interest was disclosed. Another question is when and whether anyone in the political or administrative system has the job of managing and supervising conflicts of interest on ABOR. This question is important and should be learned more about.
- Senator Slepian stated he would like to echo a few points. One is that Amicus Investors is not a dead site. It immediately popped up as soon as he searched for it. The company is also highly visible on LinkedIn and in fact shows many links.
  - Senator Slepian stated as a continuing law student, regarding COI, interest has to be declared, then it is determined whether or not there is a conflict, not the other way around. Chair Hudson should ask this question.
  - Senator Slepian stated going back Secretary Dysart's comments, because the Senate is "dancing on the edge of a tort, that tort is casting someone in a false light." This causes a dangerous and slippery slope that the elected body should get into.
  - Senator Slepian stated Chair Hudson brought up the point and he recommends limiting the conversation and taking it up to ABOR so they can provide answers to these issues and declare interest so that there can be determination of whether there is a conflict. Otherwise, the Senate is failing the elements of a false "light tort" which is not a good place for everyone to be.
  - Chair Hudson stated she agrees this is not a comfortable position to be in while asking these questions. Nevertheless, these are questions that must be asked. Everything that is discussed reflects the opinions, generally, of non-lawyers that relationships of this type should not come as a shock or a surprise. This is a widely shared opinion.
  - Chair Hudson stated the last time she checked the website was the previous Saturday around 3:00-4:00 PM and it was still unavailable. It was up and running and she viewed it many times in 2021 and 2022 with surprise to find that it had been erased from the Web between April 2023 and Senator Slepian's ability to access it during the meeting.
  - Senator Slepian stated he is still able to view the website.
- Senator R. Witte moved [**Motion 2023/24-37**] to extend the meeting by fifteen minutes. Motion was seconded.
- Senator Simmons stated he would like to echo some of the concerns.
- Vice Chair Hymel asked Senator Simmons if his comment is about the motion on the floor.
  - Senator Simmons stated no.
  - Vice Chair Hymel stated the current discussion should regard extending the meeting.
- Senator Spece stated if the Senate returns to the motion, he is a lawyer and has been ignored and has hand his hand up because he has things to say about the allegations and law of conflict of interest.
  - Vice Chair Hymel stated she has Senator Spece on her list next.
- Senator Downing stated he speaks from two points of view, he has had training in conflict of interest questions from the political point of view.
  - Senator R. Witte raised a point of order and stated the discussion regards extending the meeting for fifteen minutes.
- Vice Chair Hymel asked if anyone wants to call for the question.
  - Senator M. Witte called the question.
- [**Motion 2023/24-37**] passed with thirty-eight in favor, five opposed, and one abstention.
- Faculty Center Staff, Jane, stated before Vice Chair Hymel called the question to order she called on Senator Braithwaite who had his hand raised.
  - Faculty Center Staff, Jasmin, stated she has a list.
- Vice Chair Hymel stated she has a list of the next speakers in the chat.
  - Faculty Center Staff, Jasmin, stated she has Simmons on her list as the next speaker.
- Senator Braithwaite stated he is unsure of where the conflict-of-interest conversation leads but would like to encourage the Senate to return to discussion regarding budget and other matters. For a lot of people on campus, he believes these to be the most pressing issues and there are implications for governance. It would be great to know what the action plan is so there are steps taken in response to what the ad-hoc committee has put forward.
  - Senator Braithwaite asked if Chair Hudson and others on the leadership team can speak to what they think the next steps should be as far as advancing topics that University leadership will potentially enable.
  - Chair Hudson stated what she believes everyone is most interested in advancing is the work of the GFFRC to the leadership team constituted to administration and ABOR for their consideration. They should also be engaged in conversation about their views, as articulated and as by C11 on shared governance and how to move forward as a whole.
  - Chair Hudson stated in terms of other action plans, she believes there needs to be a longer discussion of UAGC to inform the community and allow them to ask questions about pressuring of strategic initiative, this is something else on her list.
- Senator Simmons stated regarding implications of speech and unspoken things that are happening, especially with implications of conflict of interest, he Googled Fred DuVal: Amicus Investments and immediately, a LinkedIn for him came up. LinkedIn had a list of dates from when he worked there from 2015-2017.

- Senator Simmons stated this is not amazing detective work on his part but thinks this would be a minimum before something is brought up in a context such as this. He cautions the Senate, before moving forward with things like this, to do background work to ensure the credibility of the body is not undermined.
  - Chair Hudson asked Senator Simmons to submit those links for the record as it will be interesting.
  - Chair Hudson stated the website was up with Chairman DuVal's name on it, for reasons she does not know of, well past 2019. She does not know why, and it is her opinion that there should be more information about this.
- Senator Spece asked if one was an officer in a private equity firm that cooperates with University administration in setting up programs, would they want faculty governance. The answer is no, one would want to emasculate, and destroy faculty governance. There are apparent conflicts of interest.
  - Senator Spece stated the reality is that Fred DuVal has refused to speak to Chair Hudson so that she can ask him these questions, in a totally appropriate forum, the Senate.
  - Senator Spece stated he believes this to be ludicrous and for a couple of attorneys, Secretary Dysart or for Senator Slepian who hasn't graduated from law school, to imply that there could be liability here for something tort.
  - Senator Spece stated this is absolutely absurd and would be shot down by the First Amendment. He asked if they believe in free speech or want to chill their call from speaking.
  - Senator Slepian stated this does not help when some of his own colleagues don't give the benefit of the doubt and assume the Senate is rogue and outing alone. This is the type of message that is being given to ABOR.
  - Senator Spece stated he is a member of the bar of California and Arizona and has written a book on conflict of interest which is edited with a prominent colleague and published by the Oxford University Press. He is an expert on conflicts of interest and believes these discussions to be very appropriate and shouldn't worry anyone as there is a First Amendment.
  - Senator Spece raised a point of order as his name was brought up.
  - Senator Spece stated he stands in a very neutral position, there has been a point raised he is in favor of getting all the information to have an extended conversation.
  - Senator Spece stated he is not suggesting that the Senate will end up with a legal suit and tort but is suggesting that the point is raised that there is a lot of doubt in people's minds and not everyone knows the details. If a formal letter is sent, ABOR has to respond, all of the data will be received, and a more detailed conversation can happen.
  - Secretary Dysart stated that she and Senator Spece are at the same college and they both teach constitutional law, she is not interested in getting into a detailed debate over defamation which is an incredibly thorny topic.
  - Senator Spece that it is a slam dunk and there is no false light.
  - Secretary Dysart stated it is much more complicated and she can discuss this at another time, but she believes everyone needs to be mindful of their speech as everything said and false statements of fact have implications. This is not a collaborative effort to working with ABOR.
- Senator Ziurys raised a point of order.
  - Vice Chair Hymel stated Senator Ziurys comments must be about a point of order.
- Vice Chair Hymel stated at this point, discussion between Senator Spece and Secretary Dysart has to take place elsewhere.
- Senator Downing stated he has had training in two matters, the first as a legislature. There's a conflict-of-interest issue that concerns what Chair Hudson stated, which deals with the appearance of impropriety. This is the proper format.
  - Senator Downing stated Chairman DuVal is a political appointee and the appearance of conflict of interest should be discussed. This is how it is explained to everyone when they take legislative or appointed positions. The issue of tort is secondary to the critical issue of the First Amendment.
  - Senator Downing stated everyone who has had political appointments have had training on conflicts of interest and have been told to avoid the appearance of impropriety.
- Senator R. Witte stated conflict of interest should be on a future agenda so there can be a larger conversation and it can be brought back to senior management.
  - Senator R. Witte stated he would like to remind everyone about what happened in 2020 because there were a lot of similarities. There was a draconian prediction for a loss of \$250 million because of COVID. No other university proposed anything as preposterous as that.
  - Senator R. Witte stated the faculty brought in Professor Howard Bunsis of Eastern Michigan University to look through numbers and his conclusion at that time was there was no financial crisis, and the University would lose \$50 million. This was approximately what the loss ended up being. Despite the recommendations by the Faculty at almost a hundred percent and the recommendation by Howard Bunsis, the same administration proceeded with hiring freezes, furloughs, and layoffs that had tremendous damage to the University. It seems that the University has come back to the same point.
  - Senator R. Witte stated the irony is that Howard Bunsis stated on the last page of his 100 page presentation that one of the top things the University should look at is reducing upper-level management and athletic spending. That was his recommendation for addressing the problem.

- Senator R. Witte stated he would like for people to keep in mind that there seems to be a pattern with the same administration which needs to be fixed.

### **Adjournment**

With no further business, the meeting adjourned at 5:16 PM. Vice Chair Hymel stated her thanks for everyone attending the meeting and there will be continued conversation.

- Vice Chair Hymel said to Jon Dudas that she just received her message and she will get back to him when there is an answer from administration.

**Tessa Dysart, Secretary of the Faculty  
Jasmin Espino, Recording Secretary**

### **Motions of February 19, 2024 Faculty Senate Meeting**

**[Motion 2023/24-36]** to approve the February 19, 2024, Faculty Senate Meeting Agenda. Motion was seconded. Motion passed with thirty-one in favor, three opposed, and two abstentions.

**[Motion 2023/24-37]** to extend the meeting by fifteen minutes. Motion was seconded. Motion passed with thirty-eight in favor, five opposed, and no abstentions.

### **Attachments Within the Minutes**

1. Page 1, Item 2: Action Item Approval of the [Agenda](#)
2. Page 4, Item 3: Discussion of Financial Plans – [GFFRC Recommendations](#), Chair Gary Rhoades
3. Item 4: Discussion of Senior Management
  - a. [LinkedIn Page: Fred Duval](#)
  - b. [LinkedIn Page: Amicus Investors](#)
  - c. [C11 Questions for President Robbins](#) (Page 10)

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