



The University of Toledo Office of the President

Testimony of President Gregory Postel The University of Toledo Ohio Senate Workforce and Higher Education Committee May 7, 2024

Chair Cirino, Vice Chair Rulli, Ranking Member Ingram and members of the Senate Workforce and Higher Education Committee, thank you for the opportunity to speak before the Committee today. My name is Gregory Postel, and I have the honor and privilege to serve as the 18th president of The University of Toledo.

ABOUT THE UNIVERSITY OF TOLEDO

For over 150 years, The University of Toledo has been improving lives. UToledo is a transformative public research institution and academic medical center that amplifies the initiative of its people and raises the wellbeing of students, employees, the greater Toledo community and beyond. Our graduates conduct cutting-edge research, perform on stage, heal patients, teach in classrooms and make an impact in their communities. We offer 200 undergraduate and graduate degree programs across the arts, business, education, engineering, law, medicine, natural sciences, nursing and pharmacy. The University serves over 11,000 undergraduate students, over 3,500 graduate students, and has over 168,000 alumni worldwide.

At The University of Toledo, we are driven to think smarter, tackle challenges and improve lives. We are renowned for research in the areas of astronomy and astrophysics; solar energy, water quality and sustainable technologies; and cell architecture and dynamics. Other areas of unique distinction include human trafficking, disability studies, hypertension and precision medicine.

The University of Toledo partners with industry throughout our region and beyond contributing to Industry Research and local Economic Development. In the last seven years, UToledo went from \$50M in external R&D expenditures to over \$67M last year, as reported by the National Science Foundation Higher Education Research & Development Survey. Some examples of recent partnership on NW Ohio projects include:

- A partner in the Northwest Ohio Glass Innovation Hub, UToledo led the proposal writing team for the \$31M Glass Innovation Hub.
- UToledo has worked closely with Davis-Besse Nuclear Plant to enable hydrogen production using nuclear energy.
- UToledo hosts a local USDA's Agricultural Research Service (ARS) cooperative unit for supporting the greenhouse industry.
- UToledo works closely with First Solar & solar industry growth through the Wright Center for Photovoltaics Innovation & Commercialization, a leading national center.



- In 2022, The University of Toledo won the Association of Public & Land Grant Universities ‘Public Impact of Research Award’ and is an Innovation and Economic Prosperity designated university.
- UToledo is nationally recognized for its research of harmful algal blooms, addressing the public health impacts and establishing best practices in water treatment technologies.
- UToledo is working closely with the U.S. Department of Energy to bringing national laboratory expertise and assets to bear against industry questions in Northwest Ohio.
- Most recently, in 2023, UToledo was ranked as a top 100 University in utility patents by the National Academy of Inventors. We were also named a leading university for technology transfer by Heartland Forward in 2022.
- UToledo is designated as a Carnegie Foundation Community Engaged University.
- UToledo is poised to be designated as a Carnegie Foundation R1: Doctoral University – Very high research activity in 2025.

Additionally, UToledo has 31 academic programs — including undergraduate, graduate, online and professional programs — that are nationally ranked by U.S. News & World Report. U.S. News also ranks us as a Best National University. We empower our students to achieve and reach their goals — personally, academically and professionally. We offer students plentiful opportunities to build their skills and resumes through experiential, hands-on learning. Our Tuition Guarantee puts a UToledo degree within reach for more families. By offering students an affordable and transformational degree, UToledo is paving the way for their future success including less debt at graduation. UToledo is ranked a Top Performer in Social Mobility by U.S. News & World Report and is ranked second in Ohio for graduates’ social mobility. UToledo is among the highest compared to other Ohio public research universities for graduates’ income mobility. And over the last five years, our graduation rate has continued to improve creating opportunities for our graduates to get jobs in their field of study or continue their education.

At the time of graduation, 92% students from our College of Engineering and Neff College of Business and Innovation have participated in an internship or co-op and 72% have accepted either a job or an offer for graduate school. Engineering alone has 1,500+ annual co-op placements in 46 states and 44 countries, a \$21.80 average co-op hourly wage, and a \$73,397 average annual full-time starting salary in 2023. We are focused on providing a premier education and have focused our efforts on being the place for a STEM-H education in Northwest Ohio.

UToledo also proudly owns and operates a hospital. Since 1964, the University of Toledo Medical Center has offered the highest level of healthcare to northwest Ohio. As an academic medical center, we infuse teaching, research and care for transformative outcomes in the greater Toledo community. Driven by our connection to the university and discovery mindset, we have a deep-rooted foundation of service and a relentless pursuit of excellence in healthcare.

Regional Economic Impact

The University of Toledo contributed \$2.8B to the regional economy during the 2021-22 academic year, according to an economic impact study conducted last year by independent consulting firm Lightcast. That number accounts for approximately 6.1% of the region’s total gross regional product. One in 11 jobs in Ohio’s Fulton, Lucas, Ottawa and Wood counties — a total of 36,911 regional jobs — is supported by



the activities of the University and its students. For every dollar a student invests in their UToledo degree, it's calculated that they'll receive \$7.20 in higher future earnings. The average annual return on investment is 18.9%. Those figures are higher than the average across Ohio's 14 public universities at \$5.60 and 16.2%. Meanwhile, UToledo generates more in tax revenue than it receives. For every dollar of public money invested in UToledo, taxpayers enjoy a cumulative value of \$4.20 over the course of students' working lives. That comes to \$467.3M in added taxes for students enrolled during the fiscal year 2022.

In calculating economic impact, Lightcast considered direct expenditures — accounting for the daily operations of the University, its hospital and its research operations — and the resulting expenditures of visitors, students and regional businesses. It also considers the economic impact of student volunteers and of alumni employed in the region. These alumni are credited with generating \$2.1B in added income for the regional economy.

The University of Toledo has been working with the consulting firm Smith Group, which also collaborated with UToledo on the 2017 Multiple Campus Master Plan (MCMP). As part of this engagement, we have been looking into the efficiency with which we use our campus spaces. UToledo has been able to strategically reduce campus by 17% (1.3M gsf) since November 2016. By this summer, we will have reached 20.7%. Our Master Plan update calls for additional reduction over next 5 years pushing total space reduction to 26% (2.04M gsf), so that the future state footprint would be 5.83M gsf. Our specific asset removal plan calls for the following further changes:

- FY24 – Palmer Hall (67K gsf) cost: \$760K (funded w/ FY23/FY24 State Biennium capital).
- FY25 – Horton International House, Academic House, Sullivan Hall (231K gsf) cost: estimated cost \$2M (in today's dollars).
- FY26/FY27 – Rocket Hall (110K gsf) cost: Estimated \$830K (in today's dollars).
- FY28 – Health & Human Services (136K gsf) cost: Estimated \$1.25M (in today's dollars).
- FY30 – Bowman-Oddy Hall, Wolfe Hall (367K gsf) cost: Estimated \$2.8M (in today's dollars).

Additional state support for helping us to right size our campus assets would be greatly appreciated.

Deferred Maintenance

The University of Toledo's deferred maintenance liability currently is tracked at \$400M. As of FY23, 67% of campus space was older than 25 years with 31% older than 50 years. In our current projections for FY28, 71% of campus space will be older than 25 years with 40% older than 50 years. Per Gordian (Sightlines) data, since FY19 our average annual capital investment has been \$23.9M while our target annual investment to not increase our deferred maintenance liability was \$44.1M. Between FY05 – FY23 we invested below our annual target by a combined \$247M.

Since FY 05/06, UToledo has received \$197,123,252 in State Capital Funds. Of that total, 71.5%, or \$141M, has been used for deferred maintenance or renovations to existing spaces or buildings. Only 8.35%, or \$16.45M, of these state funds have been used for new construction during that same period. Our University Strategic Plan, UToledo Reimagined, calls for a minimum of 30% of the State Biennium



Capital funds be allocated toward deferred maintenance. The State Biennium Capital funds are the single largest funding source for deferred maintenance on our campus.

State Capital Appropriation History:

- In FY19/FY20, UToledo received \$21.023M, 62% was directed towards deferred maintenance/infrastructure.
- In FY21/FY22, UToledo received \$19.920M, 56% was directed towards deferred maintenance/infrastructure.
- In FY23/FY24, UToledo received \$19.525M, 46% was directed towards deferred maintenance/infrastructure.
- In FY25/FY26, UToledo received \$19.053M, 43% was directed towards deferred maintenance/infrastructure.

CAPITAL PROJECTS

Space Replacement/Consolidation

This project involves the continuation of the University's efforts to consolidate space and reduce the overall square footage of campus as targeted in our Multiple Campus Master Plan. This work will concentrate on renovations and space repurposing required to support the movement of staff and operations from low functioning and high deferred maintenance facilities into higher performing assets to provide a high quality educational and research experience for our students and faculty. The consolidations and relocations will result in a higher level of efficiency in operation and lead to additional demolition and elimination of space on campus. As the budget allows, campus building demolitions may also be completed with this project.

Building Envelope/Weatherproofing

The exterior design materials on many University buildings require periodic replacement to maintain their weatherproof integrity. This project will involve cleaning and the replacement of weatherproofing, weather flashings, doors, and window glazing and roof replacement to eliminate existing or potential leaks. This is a continuation of our Building Envelope/Weatherproofing efforts over the past several biennia.

Mechanical Systems Improvements

This project is the continuation of mechanical upgrades that have been consistently addressed by the University over the past several biennia. The project will involve the upgrade or replacement of air handlers, exhaust fans, unitary equipment, and other components of building HVAC systems. Replacement will reduce maintenance costs, improve indoor air quality, and lower utility use. The project will also address deficiencies in our campus-wide steam/condensate and chilled water distribution systems.

Electrical Systems Enhancements

This project is a continuation of our upgrades to our electrical systems and will involve the replacement of electrical switches and transformers connected to the high voltage power service on campus, which controls electrical power distribution to the buildings. It will provide a reliable power source to some of the busiest buildings on our campuses that support a significant amount of classroom and laboratory



space. This project will also target replacing the motor control centers for buildings on campus, which allow for central observation and operation of numerous electrical motor systems required to operate the facilities.

Carlson Library Renovations

Academic building renovations are needed in many of the university's older academic facilities. The renovations will address deferred maintenance and provide infrastructure for new models of student learning. The focus of this project will be within the Carlson Library on the Main Campus. The project will relocate the University Writing and Tutoring centers from the basement to the first floor of the building to make them more visible and inviting for students. The project also looks to create additional indoor and outdoor seating and study space to support student learning outside of the classroom.

The University of Toledo has received grant funding of nearly \$7M from the U.S. Department of Commerce's National Institute of Standards and Technology to update and expand its biosafety level 3 laboratory, enhancing the University's ability to study dangerous pathogens. These next two projects help the university build both supporting infrastructure and capacity to support this key research asset.

Reverse Osmosis Automatic Watering System Phase 2

A centralized reverse osmosis (RO) system was purchased in 2023 and installed in the animal facility within the Health Education Building on Health Science Campus. The system provides over 1,200 gallons of highly filtered RO water daily to more than 7,000 research animals plus the ability to support the University's continued research growth in animal research. This phase 2 project would complete the work on the system originally started during the FY21/FY22 biennium and will extend the watering lines so that the entire facility is plumbed for automatic watering. The distribution lines will include access ports to connect the University's current approximately 60 automatic-watering ventilated rodent housing racks to the system and will allow for additional racks to be connected as research grows.

DLAR Procedure Room Renovations

This project will renovate research animal facilities within the Health Education Building on our Health Science Campus. It will address concerns regarding a shortage of adequate procedure room space for research. The original DLAR design from 1975 was focused on large animal species (e.g., dogs, small ruminants, and swine) and included numerous small mason block kennels to individually house large animals that cannot be efficiently used in their current configuration. This project will reconfigure 8 inappropriately sized kennel rooms (<50 sq ft) and enclose 2 unused corridors to create 11 flexible rooms appropriate for the current research species (rodents). The multipurpose rooms can be used for current and future research activities, including surgery, behavioral studies, imaging, and beyond.

DATA REQUEST

Instructional Spend

The UToledo's instructional costs including salaries, benefits and other costs, like operating expenses (supplies, travel, occupancy, etc.) has been trimmed where possible. We are currently going through a program prioritization process with the Provost and Deans, making decisions on selectively and strategically investing in areas where we have potential for the most growth and leaning into our emphasis on STEM-H educational programs. This spring, the University suspended admissions for 51 degree programs and has announced that at least 8 more programs will follow after the Fall 2024



semester. Our instructional faculty and staff has gone down slightly, as has the overall annual spend from \$200M in FY2019 to \$187M in FY2023.

Maintenance and Grounds Spend

In decreasing our campus footprint, UToledo is also working to whittle down costs related to our maintenance, grounds and utilities. We did not include food service because that has been outsourced to a partner. The uptick in spending in the last fiscal year is the result of a timing issue related to staff and expenses in the transition from self-operating our residence halls to moving to a P3 model. We expect that will settle out and we will be able to continue to shrink these costs as we shrink our footprint.

Other Spend

Other costs, like Academic Support, Student Services, Institutional Support Services (including financial operations, compliance and human resources) spending has remained relatively consistent.

Operation Efficiency, low administrative overhead

Overall, you will see that UToledo has worked hard to keep our expenses low and our operational efficiencies high, as such UToledo is 19.6% lower in our Institutional Support costs compared to the Ohio average.

Diversity Programing and Support

The University of Toledo's overall spend on diversity programing and support is less than two tenths of one percent of all general fund labor and operating expenses when you include accessibility and disability resources, the Office of Diversity, Equity and Inclusion, our military and veterans' services, the Eberly Center for Women, student diversity programing and the multicultural scholars program.

Budget Reporting to the BOT

To provide greater transparency, the UToledo finance team presents financial results to the BOT monthly in full GAAP format. GAAP is a set of generally accepted accounting principles widely used in the U.S. for financial reporting by corporations and government entities.

Despite the challenging environment for Higher Education, through prudent fiscal management UToledo has managed to:

- In 2022, achieved A2 "stable outlook" credit rating with Moody's Investors Service. An improvement from A2 "negative outlook" earned in 2020.
- Improve its Senate Bill 6 scores between 2022 and 2023 (3.4 to 4.0).
- Create a balanced general fund budget each year without relying on Board designated reserves.

Artificial Intelligence

The University of Toledo offers courses in: Artificial Intelligence, Machine Learning, Intro to Fuzzy Systems and Apps, Image Analysis and Computer Vision, Artificial Neural Networks, Biologically Inspired Learning, SpTp – Pattern Recognition and Neural Networks.

Institute Milestones

I want to thank you, Chairman Cirino, and your Senate colleagues for including funding in the most recent state operating budget to create the UToledo Institute of Constitutional Thought and Leadership. The



Institute aims to help develop future leaders within the legal profession and to provide a space for intellectually diverse voices to discuss and debate key questions about American society, history and politics, both past and present. And it's off to a terrific start under the leadership of Director Lee Strang, having already hosted five speaker programs, as well as offering relevant courses in areas such as civil disclosure and free expression in times of crisis. We hope that funding to sustain the Institute will be considered in future state budgets.

Thank you for the opportunity to testify before the Senate Workforce and Higher Education Committee. I am happy to answer any questions you may have at this time.

