

Administrative Leaders Meeting

Thursday, May 2, 2024

The Next Meeting...

- **Wednesday, August 7**

Student Center Ballroom, 9:00 a.m.



175th Anniversary Updates!

- ❑ **Birthday Party (3/28/24) was a success!**
- ❑ **New website launched:**
www.emich.edu/175-anniversary
 - ❑ **Interactive timeline of EMU's history**
 - ❑ **“Leave Your Legacy” (photos, written pieces, etc.)**
- ❑ **Watch your email for upcoming activities!**



Other Upcoming Events

Sunday 5/5: American Heart Association Heart & Stroke Walk (WCC's campus)

June: On-campus summer camps begin!

Thursday 6/20: Board of Regents: committees & regular meetings (all day)



Some Recent Hires

Vince Cavataio: Assistant Vice Pres.,
Advancement Services & Strategic Solutions (EMUF)

Marshall Conley: Director, Competitive Events,
Michigan DECA

Rebecca Craigmile: HR Business Partner

Kathryn Farkas: University Ombus*

Brandon Hagan: Director, Stewardship (EMUF)

Neil Herman: Director, Football Operations



** internal transfer*

Some Recent Hires

Gary Laruta: Director, Int'l Programs & Partnerships,
Enrollment Mgmt.

Meghan Lechner: Director, College Citizens Program

Kimberly Lindquist: Director, Nursing Operations

Stephanie Moore: Assistant Controller (EMUF)

Anduriel Pontiff: Communications Officer, Academic and
Student Affairs Division

Natalie Taliaferro: HR Total Rewards Specialist

Harvey Wilson: Assoc. Director, Charter Schools

** internal transfer*



Today's Agenda

1. Understanding Attorney-Client Privilege
2. Delegated Email Accounts
3. Public Safety Update
4. Finance Update
5. Human Resource Updates
6. Final Comments





EASTERN MICHIGAN UNIVERSITY

Understanding Attorney-Client Privilege and “Preliminary & Advisory” Exemption

Lauren London, General Counsel

What is the Attorney-Client Privilege?

- Protects confidential communications between a lawyer and their client related to the client's seeking of legal advice or services
- Extends to any information exchanged during these privileged communications, encompassing not only verbal discussions but also written correspondence, e-mails, text messages, and other forms of communication.
- Belongs to the **client**, meaning they have the authority to waive or invoke it.



Elements of a Privileged Attorney-Client Communication - CRIBS

- Made in **Confidence**;
- **Related** to the client's seeking of legal advice or services;
- Must be **Intended** to be private and held in private. If the conversation is held in a public place where others could overhear it, the conversation is not considered protected;
- **Between** and lawyer and their client;
- Must be a **Statement** (oral, written, or nonverbal).

Notable Exceptions to the Privilege

- Presence of a non-client third party, unless that third party is essential to the attorney-client relationship, such as an interpreter;
- A client's fraudulent/criminal purpose in seeking advice;
- A client's use of their attorney's advice as a defense;
- An overriding public policy interest (like child protection);
- **Communications relating solely to non-legal business matters.**



Common Misconceptions and Mistakes About The Attorney-Client Privilege

- Simply including an attorney on your correspondence does not protect the communication or attached documents.
- Simply titling an e-mail “SUBJECT TO ATTORNEY-CLIENT PRIVILEGE” – without more – does not protect the document, and may do harm.
- Asking for University legal advice from **any** lawyer does not apply the privilege unless that person is **the** lawyer for the University, retained for the purpose of giving University legal advice.



More Common Misconceptions and Mistakes

- Just because **part** of a record is subject to the privilege doesn't mean the entire thing is.
- Forwarding a privileged e-mail to **any** third party – even a contractor with whom we work closely – can waive the privilege. Talking to a third party later about the content of the privileged conversation can also waive the privilege.



Can Waiver be Undone?

Under certain circumstances, yes. But immediate action is warranted. Waiver can be undone if:

- The disclosure was inadvertent;
- The holder of the privilege took reasonable steps to prevent disclosure; and
- The holder promptly took reasonable steps to rectify the error.

The key: **document** every step taken to prevent and rectify the error.

A Word About “Preliminary and Advisory”

- This is a concept of, and specific exception to, the Michigan Freedom of Information Act.
- It's different than the Attorney-Client Privilege in several ways and protects different information.
- **General rule:** unless it falls into a narrow exception, all of your written communications are subject to disclosure under Michigan's FOIA.

The “Preliminary & Advisory” FOIA Exemption

- *“Communications and notes **within [the University] or between [the University and another public body]** of an advisory nature to the extent that they cover other than purely factual materials and are preliminary to a final agency determination of policy or action...”*
- Also known as the “frank communications” exemption because it allows Board members, officers and employees to communicate freely prior to a final decision.

Difference between Attorney-Client Privilege and “P&A”

- Preliminary and Advisory (“P&A”) communications need not involve an attorney. They apply to communications between any two employees of the public body, who are discussing an issue prior to making a university decision about it.
- Records (or parts of records) subject to a P&A exception may be exempted from disclosure under FOIA, but are not exempt from other types of disclosure. Records subject to Attorney-Client privilege are rarely disclosable unless the privilege is waived.

Common Misconceptions about “P&A”

- Simply titling a communication “PRELIMINARY AND ADVISORY” does not render it so, and mislabeling or inconsistent labeling can do far more harm than good.
- As with Privilege, because **part** of a record is subject to P&A doesn't mean the entire thing is. We are required to provide portions of communications that aren't subject to P&A.
- Including an outside party, even a contractor, can render the P&A exemption inapplicable.
- NEVER withhold or redact your documents before giving them to Legal Affairs in response to a FOIA request or subpoena.

Questions?





EASTERN MICHIGAN UNIVERSITY

Delegated Email Accounts

Leigh Greden, Chief of Staff

Background

- Situation: 1,000+ “delegated” (non-person) email addresses across the University
 - Many are inactive
 - Some are active but not properly assigned to an employee
 - Some are not sufficiently monitored
- Challenge: People send emails to some of these addresses, but do not receive a response
 - Poor customer service
 - Lost opportunities for the University



Solution:

Identify which delegated email addresses are monitored

... and then either reassign or shut down the remaining addresses

Next Steps:

1. A test email will be sent to all delegated addresses in the coming weeks
2. A second test email will be sent to those addresses that do not respond to the first test



If test email(s) is answered:
Area manager will need to confirm
the position responsible for
monitoring the delegated account



If test email(s) is not answered:
Outreach to manager(s) believed
to oversee the account; account
may eventually be closed

Questions?





EASTERN MICHIGAN UNIVERSITY

Public Safety Updates

Matt Lige, Chief of Police

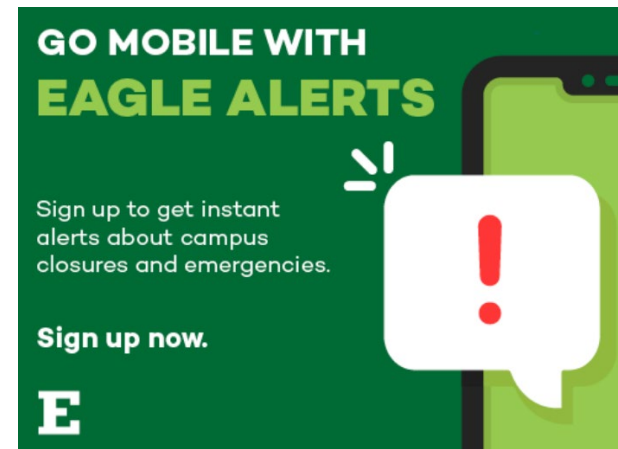
Update about 4/9/24 incident

- Bomb threat against Ann Arbor Ypsilanti Marriott a few days earlier
- Bomb threat against specific EMU buildings on 4/9/24
- EMU Police worked closely with “bomb squad” units from across the County to carefully inspect campus
 - Response rate to get to “all clear” was faster than usual
- Federal, State, and local law enforcement agencies working together on investigation



Key Points to Remember

- Sign up for Eagle Alerts
 - Encourage students and co-workers to do the same
 - New system for temporary Eagle Alert sign-ups (parents, visitors)
- Please follow the instructions contained in Eagle Alert – but don't speculate beyond that information
- We will always inform you if there is an active shooter



“Zero Eyes” Detection



- New software integrates with EMU’s digital cameras
- Detects a firearm and alerts DPS dispatch
 - Designed to prevent mis-identification of non-firearms
 - Includes a confirmation step to reduce false alarms
- Allows for faster response – perhaps before any shots are fired
- Testing underway across campus

Other Updates

- Classroom Building Door Lock Update
- Narcan Program Update
- K9 Program
- See handout at your table for other updates!

Questions?





EASTERN MICHIGAN UNIVERSITY

FY25 Budget Update

Mike Valdes, Chief Financial Officer

Agenda



- Situational Overview
- Declining Enrollment: Data & Drivers
- Expense & Liquidity Management
- Budget Trends
- FY24 Revenue Update
- FY25 Revenue Assumptions
- Levers That Impact FY25 Revenues & Expenses
- Positioning For The Future

Situational Overview

EMU relies primarily on two sources of revenue:

1. State Appropriations

- ❑ EMU's appropriation from the State of Michigan is LESS than what we received in FY03 – 21 years ago – before adjusting for inflation
- ❑ EMU has lost \$289M in cumulative appropriations since 2002
- ❑ Michigan ranks 40th in the nation in per capita State funding for higher ed

2. Tuition (student credit hours)

- ❑ EMU is tuition dependent: approx. 75% of our revenue comes from student tuition
- ❑ SCH down 35.3% since fall 2017 and down 11.1% since fall 2021 (see subsequent slides)
- ❑ Tuition limited by State of Michigan tuition restraint



Declining Enrollment: Data & Drivers

- Student Credit Hour (SCH) declining at an increasing rate
- Result = reduced revenues

Fiscal Year	SCH	YoY Decline	Total Decline
2017	490,216		
2018	472,503	-3.6%	-3.6%
2019	443,278	-6.2%	-9.6%
2020	411,412	-7.2%	-16.1%
2021	380,003	-7.6%	-22.5%
2022	354,281	-6.8%	-27.7%
2023	327,675	-7.5%	-33.2%
2024 (Proj.)	317,000	-3.3%	-35.3%

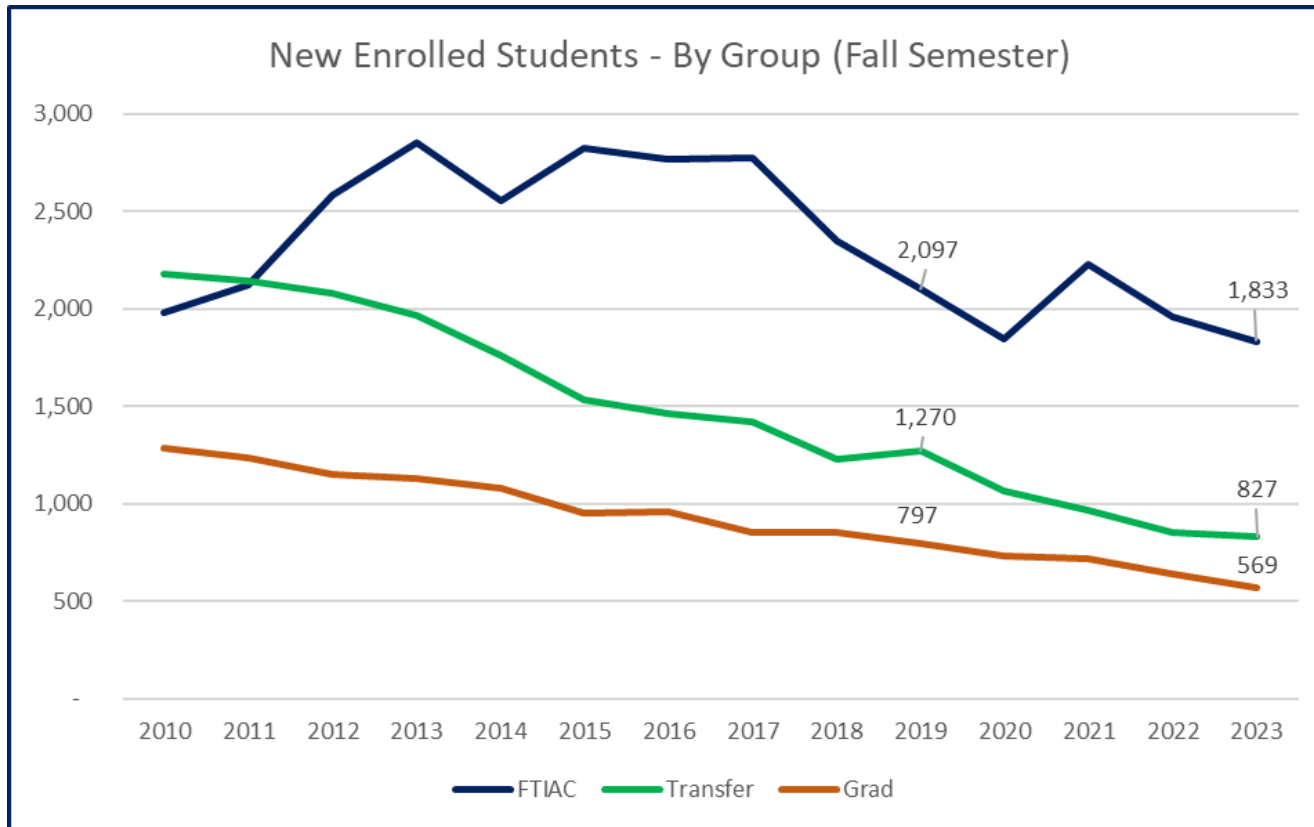
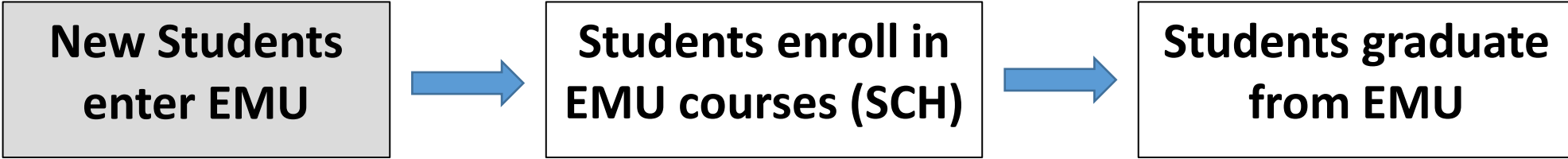
Why is enrollment declining?

Demographics: fewer high-school graduates in Michigan

Preference: fewer of those people are attending college (college attendance rate down 12 percentage points since 2015)

Competition increasing from flagship universities

A Deep Dive: Declining SCH



Since 2019

FTIACs	-264 (-12.6%)
New Transfers:	-443 (-34.9%)
New Grad:	-228 (-28.6%)
Total:	-935 (-22.5%)

A Deep Dive: Declining SCH

New Students enter EMU

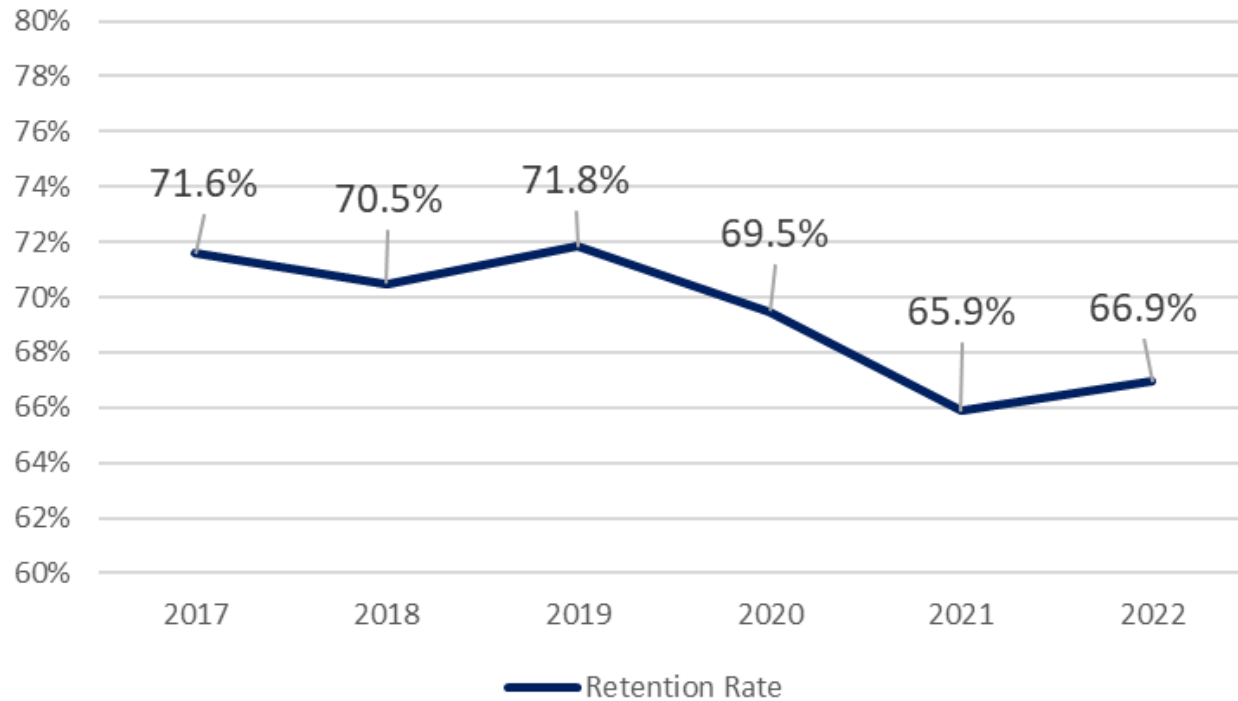


Students enroll in EMU courses (SCH)



Students graduate from EMU

FTIAC Cohort Retention Rate



FTIAC

Cohort Year	Original Cohort	Cohort Returning	Retention Rate
2017	2,783	1,992	71.6%
2018	2,375	1,674	70.5%
2019	2,123	1,525	71.8%
2020	1,855	1,289	69.5%
2021	2,245	1,479	65.9%
2022	1,978	1,324	66.9%

Not only has retention rate declined from 71.6% down to 66.9%, but the overall cohort size has declined 28.9% since 2017 – leading to less enrollment and SCH.

A Deep Dive: Declining SCH

**New Students
enter EMU**

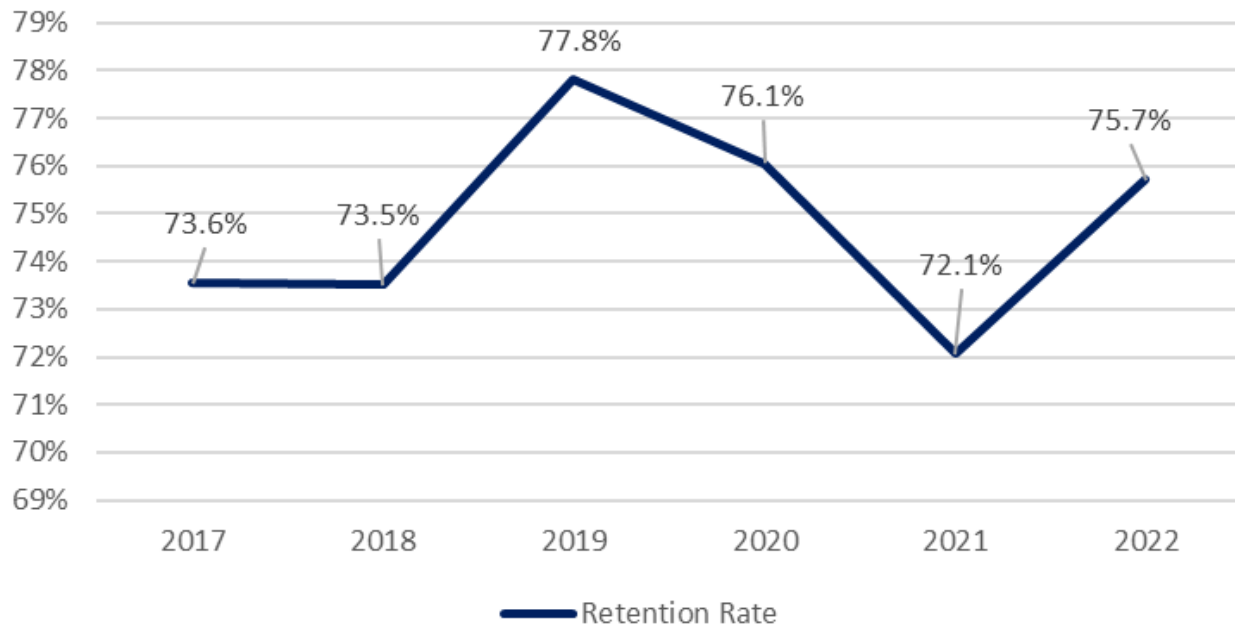


**Students enroll in
EMU courses (SCH)**



**Students graduate
from EMU**

Transfer Cohort Retention Rate



Transfer Students

Cohort Year	Original Cohort	Cohort Returning	Retention Rate
2017	949	698	73.6%
2018	755	555	73.5%
2019	816	635	77.8%
2020	706	537	76.1%
2021	680	490	72.1%
2022	589	446	75.7%

While retention rate has increased slightly for the transfer student population, the size of the cohorts have decreased by 37.9%, leading to an overall loss of enrollment and SCH.

Expense & Liquidity Management

Meanwhile, we sought to reduce expenses and increase reserves through various initiatives:

- ❑ Reduced faculty & staff through buyouts and attrition
 - ❑ Instructional headcount down 25.5% since FY17
 - ❑ Staff headcount down 24% since FY17
 - ❑ Examples: VERIP, VSIP

- ❑ Reduced square footage of campus buildings
 - ❑ projected to be down 500K sq. ft. by 2025, from 3.3M sq. ft. in 2017

- ❑ Partnered with auxiliary experts to provide cash/capital infusions while allowing EMU to focus on central mission
 - ❑ dining, parking, housing, energy plant

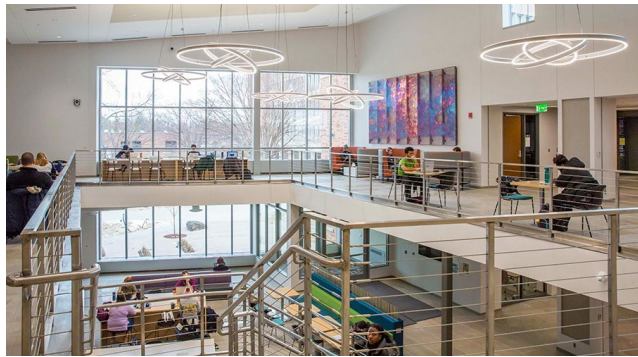


E | DINING

Investing in the Future

We also invested in high-demand student-focused areas, such as:

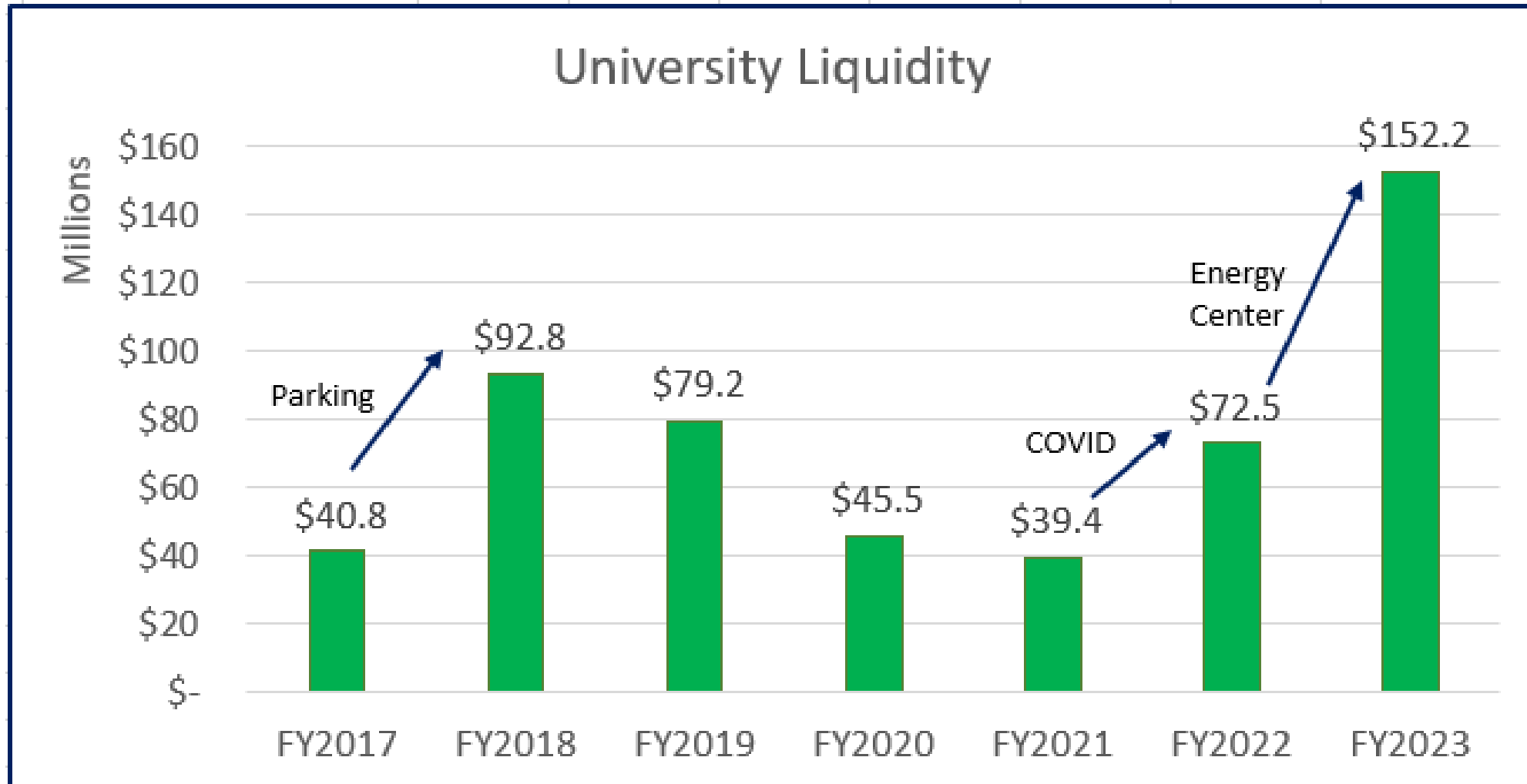
- ✓ Sill Hall - \$40 million renovation
- ✓ Strong Hall - \$40 million renovation with state partnership
- ✓ Housing - \$200m+ renovation with housing partnership
- ✓ Rec IM - \$16m renovation



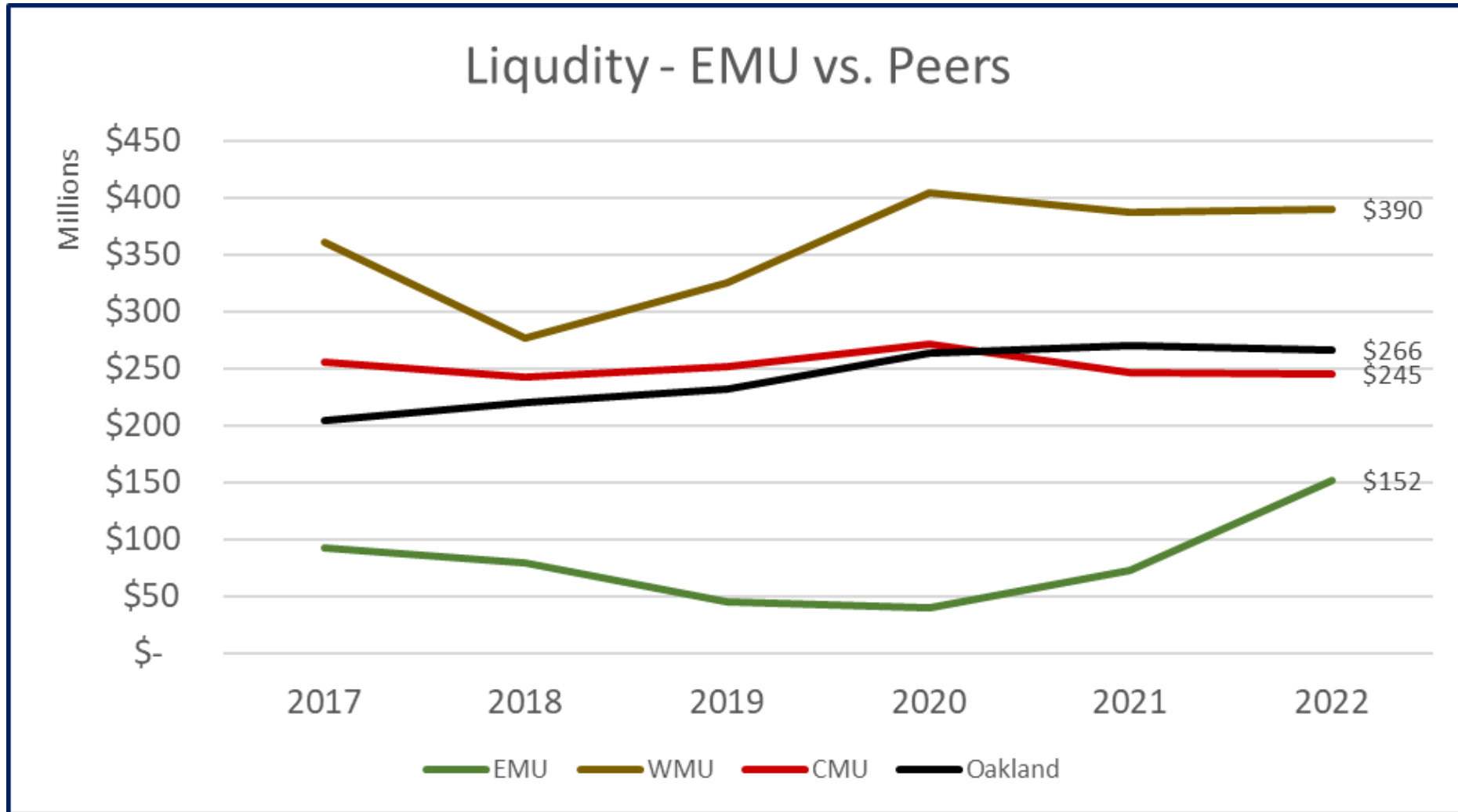
Results:

- ✓ Reduced operating deficits
- ✓ Improved CFI score from Higher Learning Commission (national accreditor)
 - ✓ measures a university's financial health
- ✓ Improved liquidity position (more “cash on hand”) as expected by bond rating agencies and accreditors ... but still not where our peers are

Improved Liquidity



Liquidity – EMU vs. Peers



FY24 General Fund Revenue Update

General Fund revenue budget shortfall = \$8.1m driven primarily by:

- lower-than-expected enrollment
- no ITEM funding from the State of Michigan

Revenue Budget Category	Budget	Actual
Tuition Revenue – FTIAC Enrollment	2,000	1,853 (down 7.3%)
Tuition Revenue – SCH	322,000	317,000 (down 1.6%)
State Appropriations	\$90.1 million	\$84.3 million Driven by \$7m ITEM funding loss

FY25 General Fund Revenue Assumptions

- FTIACs up 2.7% (1,850 to 1,900)
- SCH down -2.0% (317,200 to 311,000)
- UGR tuition increase of 5.0%
- GRAD/DOC tuition increase of 3.0%
- Program Fees increase of 3.0%
- State Appropriations increase of 2.5%
- Online/Hybrid Revenue flat

Levers That Impact FY25 Revenues & Expenses

\$2.0M

+/- 100 FTIACs

\$2.0M

+/- 1% change in
all-student retention

\$1.5M

+/- 1% change in undergraduate
tuition (planned 5%)

\$0.8M

+/- 1% change in State of
Michigan appropriations

Another Lever: University Salary Expense

FY16 - \$157.4 Million

FY17 - \$157.5

FY18 - \$153.8

FY19 - \$150.7

FY20 - \$144.7

FY21 - \$138.2

FY22 - \$134.4

FY23 - \$134.5

FY24 - \$138.8 (projected)

} **Projected to
increase 3.2%**

Note: this includes only salaries/wages, not benefits

Challenges Going Forward

- Declining pool of potential FTIACS (demographic declines)
- Fewer people choosing to attend or return to college
- Increasing competition from flagship universities (UM, MSU, etc.)
- End of certain government funding programs (i.e., COVID)
- State funding support lags vs. other states
 - Michigan is 40th in state appropriation funding
- Pell grant maximum funding was held flat for 2024-2025

Positioning Ourselves For the Future

What can we do?

- Continue to right-size the operations to meet the smaller enrollment
- Voluntary Separation Incentive Program (VSIP) in Academic & Student Affairs (announced this week)
- Careful examination of FY25 budget
- Maintain collective focus on driving enrollment and retention

Questions?





EASTERN MICHIGAN UNIVERSITY

Human Resources Updates

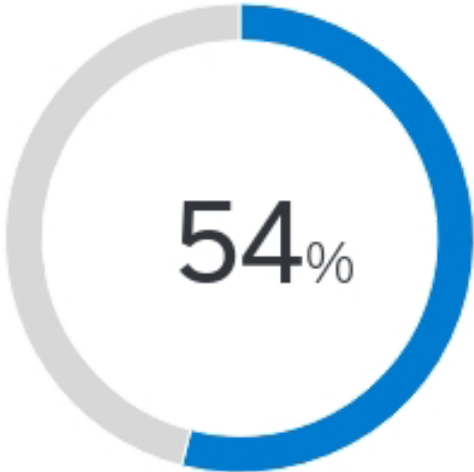
Brett Last, Chief Human Resources Officer

Empower You-Build Us Survey Update

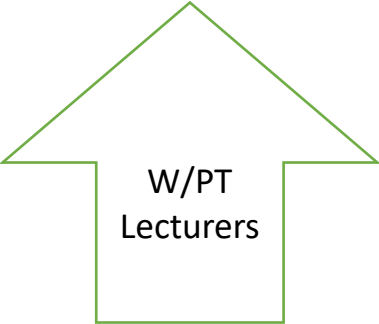
- This survey was different from surveys that EMU has done in the past.
- Do not over rationalize results.
- Be committed to taking action to improve employee connection.
- Involve your employees in action planning.
- Partner with HR to develop strategies and ideas for implementing action plans.

Final Participation

Overall Participation

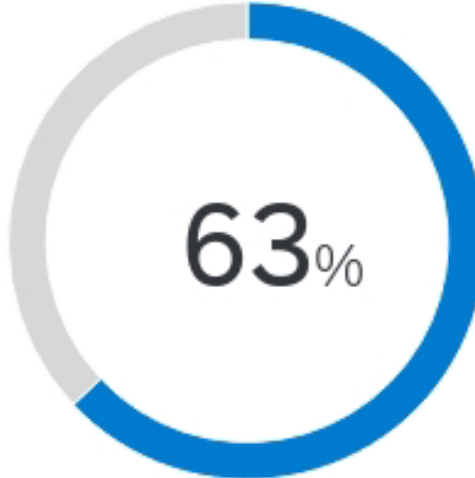


Responses
981 of 1803

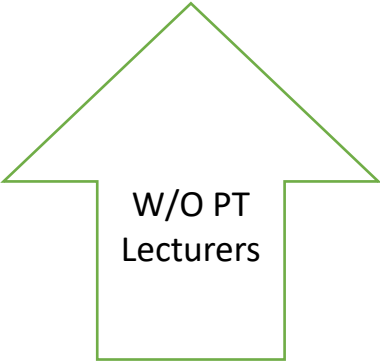


W/PT
Lecturers

Overall Participation



Responses
894 of 1428



W/O PT
Lecturers



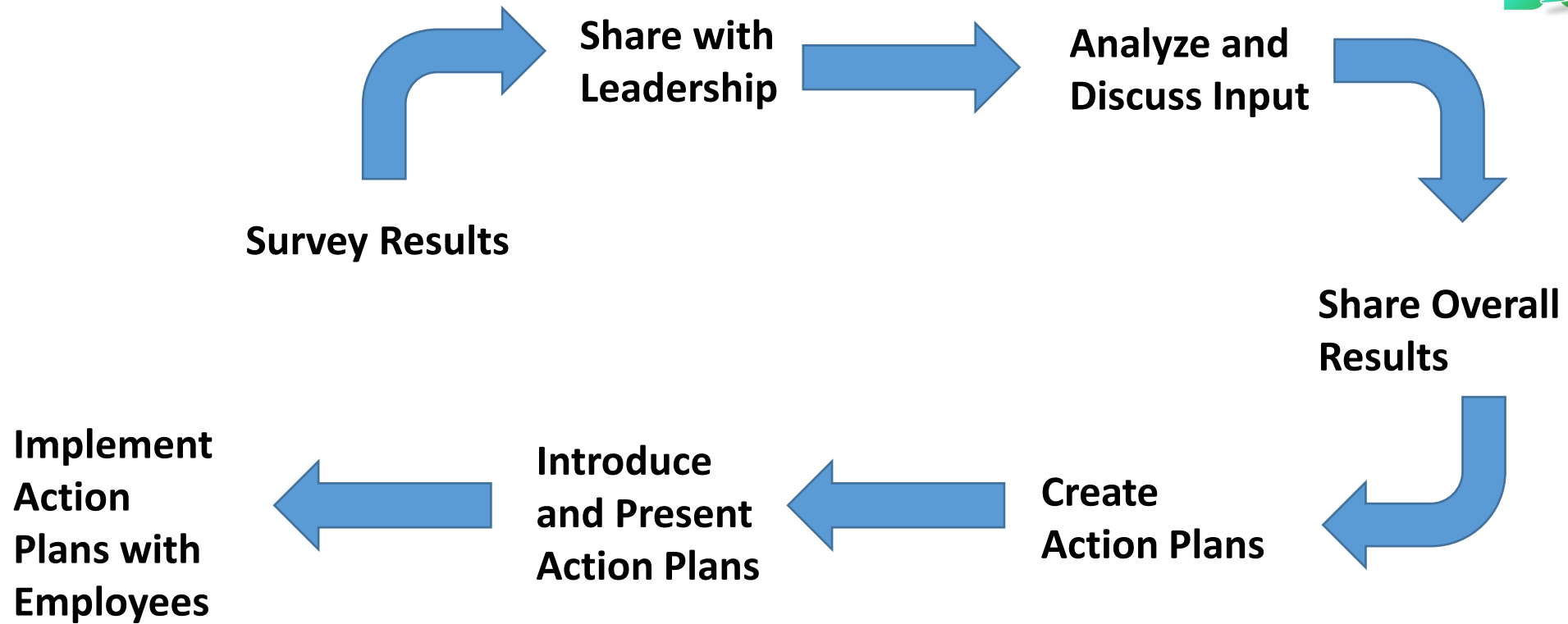
Strengths	Opportunities
Work Life Balance	Change Management
Committed & Caring Managers who Provide Useful Feedback	Enunciation of Vision
Opportunities for Prof. Dev.	Opportunities for Advancement
Sense of Belonging	Collaboration between Depts/Divs
Tools/Training to do Job	Expedient Resolution of Issues

Dashboard Access

- EC members are currently analyzing their results via a Qualtrics dashboard.
- Additional AP leaders will receive an invite for dashboard training in late May (target) and access to a dashboard for their departments (subject to confidentiality/response thresholds).
- The dashboard allows AP leaders to dig into the results by various categories and provides insights/tools for action planning.



What do you do with the results?



Quiz Time

Who is responsible for developing and implementing action plans focused on improving the employee experience at EMU?

- Executive Council Members
- University Human Resources
- Academic Human Resources
- AP Leaders
- All Employees

Fair Labor Standards Act Update- New Rule

New salary thresholds for “Administrative Exemption”-

Who will become eligible for overtime pay under the final rule?

Date:	Most salaried workers earning less than:
Currently	\$684/week (\$35,568/year)
July 1, 2024	\$844/week (\$43,888/year)
Jan. 1, 2025	\$1,128/week (\$58,656/year)

Starting July 1, 2027, the eligibility thresholds will be updated every three years, based on current wage data.

dol.gov/OT

What does this mean?

- We will be analyzing positions based on overtime projections. Approx. 20 employees impacted for July 1 (all NBF) and 75 for Jan. 1 (including some PE).
- Some positions **will be** re-classified to non-exempt hourly.
- Positions that remain exempt will need to have salaries adjusted to meet the new thresholds.
- The Committee for Workforce Planning will be discussing these impacts over the coming months.

Questions?



Where Can I Find This Information?

emich.edu/president/communications/meetings.php

Thank You!

END OF PRESENTATION