



## Ohio Administrative Code Rule 3335-5-02.1 Financial exigency.

Effective: July 25, 2013

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(A) Definition. "Financial exigency" is an imminent financial crisis which seriously jeopardizes the ability of the university as a whole to survive as an institution of excellence in teaching, research, and public service. Projections of enrollment, of instructional subsidies, and of other sources of revenues must demonstrate that the shortage of funds will be both severe and persistent and cannot be alleviated by temporary or voluntary measures, as specified in paragraph (B)(2) of this rule.

(B) Mechanism of determination.

(1) In the event of an imminent financial crisis, as announced and defined by the president to the university senate, the president will solicit the recommendations of the fiscal committee, as provided for under rule 3335-5-48.11 of the Administrative Code, to ascertain whether a determination of financial exigency is warranted.

(2) The fiscal committee, acting in accordance with rule 3335-5-48.11 of the Administrative Code, shall have the responsibility to:

(a) Review the budgetary documentation of the crisis, having full access to that documentation.

(b) Assess whether the crisis would reduce the quality of the academic programs of the university as a whole to an unacceptable degree and would render the university unable to meet its obligations to the public.

(c) Ascertain the extent to which consolidation or elimination of some administrative offices and services or reductions in operating and equipment budgets would alleviate the crisis.

(d) Ascertain the extent to which voluntary retrenchment mechanisms, including early retirement or resignation or other economic incentive plans, would alleviate the crisis.



- (e) Make a recommendation based upon the above considerations of the need for a determination of financial exigency.
  - (f) Report the results of its deliberations to the university senate.
  - (g) Monitor the financial condition of the university during a state of financial exigency.
- (3) Upon receipt of the report of the fiscal committee, the university senate shall make its recommendations as to whether there should be a determination of financial exigency.
- (4) Upon receipt of the recommendations of the fiscal committee and the university senate, the president will notify the university community and the university senate of the administration's analysis and proposed response to the financial situation, allowing an opportunity to respond to questions and to solicit advice and opinions.
- (5) In the event that the recommendations of the university senate and the president differ substantially on recommending determination of financial exigency to the board of trustees, recommendations of both shall be forwarded to the board, which has final responsibility for the determination of financial exigency. No further establishment of financial exigency will be required for one year at which time the full procedures must be invoked again.
- (C) Review of administration proposals for alleviating financial exigency.
- (1) Upon determination of a state of financial exigency and upon receipt from the executive vice president and provost of proposals, prepared in consultation with the college faculties, for curtailment of academic programs to alleviate financial exigency, the council on academic affairs shall review the proposals.
- (2) For the purpose of this review, the council is to be an advisory committee to the president and is to report the results of its review both to the president and to the university senate.
- (3) For this review, the council shall be chaired by a tenured faculty member of the council. If neither the chair nor the vice chair of the council is a tenured faculty member of the council, then a



tenured faculty member of the council shall be elected to act as chair of the council for the review of these proposals and for the submission of results to the president and to the university senate.

(4) In the conduct of its review, the council is authorized to:

- (a) Obtain explanations of the proposals or provisions thereof;
- (b) Request or initiate changes in the proposals and seek concurrence of appropriate administrators. In the event of non-concurrence, the council will note any points of disagreement.

(5) All proposals are to be reviewed both individually and as a coordinated set.

(6) In the review, the council shall:

- (a) Consider alternatives to those proposals which would result in involuntary termination of tenured faculty members or tenure track faculty members in the probationary period;
- (b) Determine that the proposals are consistent with established educational and academic policies of the university;
- (c) Determine that there has been appropriate consultation with administrators, faculty, and students in the preparation of the proposals;
- (d) Determine the extent to which the proposals affect the affirmative action commitment of the university;
- (e) Determine that the proposals consider the effect upon students whose faculty advisers are reassigned or terminated and students whose field of study would be eliminated;
- (f) Determine that the reassignment, economic incentive, and retraining provisions under rule 3335-5-02.2 of the Administrative Code have been considered;
- (g) Determine that the proposals take into account the quality of relevant programs.



- (7) The council shall conduct a hearing or hearings at which appropriate administrators, faculty members, and students are invited to testify.
- (8) Within sixty days of the receipt of the proposals or such time as the president may designate, the council shall submit its report to the president and the university senate.
- (D) Ending a state of financial exigency. A state of financial exigency ends one year after determination, unless ended sooner by the board of trustees.