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How the U. of Arizona Found Itself in a 'Financial Crisis' of Its Own Making

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32–40 minutes

"Financial crisis."

That's how Lisa Rulney, then the chief financial officer of the University of Arizona, characterized the condition of the campus to the Arizona Board of Regents early last month. Rulney explained that when the university modeled how much liquidity it would end the 2023 fiscal year with, it had done it poorly — over-projecting the amount of liquidity it would have on hand on June 30, 2023, by approximately $225 million (reported as $240 million elsewhere); and under-projecting its total operating expense for the 2023 fiscal year by $155 million.

On Wednesday evening, the *Arizona Daily Star* reported Rulney had resigned. In remarks to the Arizona Board of Regents, President Robert C. Robbins said, "I promised all of you that I would dig in, and I've dug in, and I don't like everything that I've discovered."

For Arizona, these over- and under-projections meant that, instead of planning on ending the 2024 fiscal year with 152 days' cash on hand, Rulney said in her remarks last month that the university was at that point projecting to close out the fiscal year with 97 days’ cash on hand. In a faculty meeting later in November, Robbins warned of “draconian cuts” on the horizon.

That declaration of a crisis drew widespread attention. Gov. Katie Hobbs, a Democrat, called on the university to avoid cutting its financial-aid programs, and she expressed her preference that it resolve the crisis on its own rather than expect additional funding from the state.

The university submitted a report to the Board of Regents on Wednesday outlining its strategy to, as Robbins put it in an email to employees, “address our structural deficit, and rebuild our reserves.” The contours of that plan are as follows, and will take effect over the next 18 months, with some policies being initiated immediately:

- No furloughs
- No cuts to retiree benefits
- No reduction in need-based aid
- Hiring and compensation freezes
- Restricting purchasing

- Deferring nonessential capital projects
- Reductions aimed at units' spending on deficit, overhead, and administrative functions
- Delaying planned salary increases
- Eliminate an eight-semester tuition freeze for undergraduates starting in the fall of 2025
- "Rebalancing" merit aid for new nonresident undergraduates

Robbins also recently promised the faculty "that budget cuts are going to disproportionately impact administration in an effort to promote equity," according to the *Arizona Daily Star*.

The crisis bedeviling Arizona looks much different from other recent higher-ed financial crises, like the one at West Virginia University, which has led to program closures and faculty layoffs. At Arizona, the prospect of a flagship institution with a $2.3-billion operating budget — a member of the exclusive Association of American Universities, no less — pushing the fiscal panic button has made for a startling turn of events. Even more puzzlingly, Arizona's enrollments remain strong, and it didn't run a deficit in the 2023 fiscal year. Unlike some distressed private colleges and universities, Arizona continues to make on-time payments to vendors and employees. And its credit rating is one of the strongest in the country.

Robbins told the regents on Wednesday that the university's financial issues resulted chiefly from two problems. The first, according to the *Arizona Daily Star*, is that the university has "an ongoing budget deficit." The second, he said, is a "decentralized budgeting allocation process and administrative structure that has led to the poor budget controls and ineffective administrative structure and overspending in some of our budget units."

To better understand the nature and origins of the crisis, *The Chronicle* listened to the university's public comments about the budget shortfall and recordings of recent board presentations, and analyzed its financial statements and budget documents for the past decade. *The Chronicle* also sent 30 questions about the university's models, projections, and transactions to a spokeswoman and received a reply that did not answer each question directly, but instead attempted to respond to them in a single statement. (Here is the full list of questions and the complete statement).

"It is important to note that the university is not in financial jeopardy and has no issues making payroll or meeting debt obligations," Pam Scott, associate vice president for external communications, wrote in the statement. "This financial situation is primarily about the university's over investment in the Strategic Plan and the resulting over expenditure compared to revenues."

In the end, many questions remain about what exactly happened at the University of Arizona to necessitate "draconian cuts," despite the efforts made by *The Chronicle* and others to learn and understand. But what also emerges is a larger question: How and when is it decided to call something a "financial crisis"?

In his public statements last month and on Wednesday, President Robbins has cited any number of factors contributing to the situation. For instance, since the Covid pandemic, the university has lent $86.6 million to the athletics department; the debt has not been paid back fast enough, Robbins said. While the athletics department generated an actual surplus of $2 million during the 2022 fiscal year, the university reported that the department produced a $17-million negative balance the following year.

Another cause he’s cited has been the university’s financial-aid policies. It costs around $20,000 a year to educate each student, Robbins said, but in-state students pay an average of $5,000 (and students with high-school grade-point averages above 3.75 pay nothing).

Some faculty members have found such assessments from Robbins to be lacking. Leila Hudson, chair of the faculty, took issue in early November with Robbins’s statements aimed at the athletics department, noting his omission of the University of Arizona Global Campus, the UA’s relatively new public online university, created after it acquired a for-profit institution. It’s considered to be prized by the administration and the Board of Regents, though many critics have suggested that UAGC is responsible for the University of Arizona’s financial problems (more on that later).

Other faculty members say Robbins’s rhetorical targeting of athletics was a means of conveying the seriousness of the financial situation — that not even the sacred cow of athletics would be spared. Robbins’s remarks, said Caleb Simmons, executive director of online education for Arizona Online, a unit distinct and separate from UAGC, would in theory implicitly concede that some amount of cost-cutting should be expected at UAGC, too — though Simmons said he had no insider knowledge of what the president’s cabinet was considering.

“I think his point was that nothing is untouchable,” Simmons said, referring to the athletics department. "So my assumption is that UAGC is also not untouchable. They're part of the institution and they will have to not only partake in the good times, but also the lean times with us."

What was happening behind the scenes within units on campus while this apparent "financial crisis" was underway has also generated controversy, as reported by the *Arizona Daily Star*. Leaders at the College of Agriculture, Life, and Environmental Sciences, for example, reportedly warned the university's senior staff, including Robbins and Rulney, about the unit's deficit spending and depletion of central reserves previously — but Rulney and other senior officials reportedly pressured the college to keep spending.

And spending at the university has increased over the past decade. Its operating expenditures (adjusted for inflation) boomed between the 2012 and 2023 fiscal years, with increases including an additional $132 million for wages and benefits related to instruction, research, and public service (for growth of 15 percent); $91 million in added spending on academic support (42-percent growth); and $88.6 million in increased institutional-support expenses, representing growth of 67 percent. Such spending increases have been offset, though, thanks to significant, if unsteady, growth in grant and contract revenues from state, local, and non-government actors.

As for the university's ability to attract other forms of revenue, it's a mixed bag. State support dipped slightly between the 2012 and 2020 academic years, falling from around $16,000 per full-time-equivalent in-state student (undergraduate and above) to $13,000 — though per-student spending hit $18,000 for 2022-23. The university did manage to net an additional $182 million more from tuition revenue (inflation adjusted) in the 2023 fiscal year compared with a decade ago. But since hitting a net-tuition peak of $828.6 million in the 2017 fiscal year, revenues have slumped, settling in at $736 million for 2022-23.

Still, even though assessments by Moody’s Investors Service of the University of Arizona’s outlook have vacillated between negative and stable at various points since 2011-12, the credit-rating agency as of last year considered the risk associated with the university’s debt to be relatively low.

When Rulney explained to the board last month how far off the university’s budget modeling was, she did so in terms of dollar amounts and in “days’ cash on hand.” The model’s error at one point projected that the university would have 156 days’ cash on hand, compared with 110 days in actuality.

The reason for the focus on “days’ cash on hand” is that, in Arizona, the universities overseen by the Board of Regents — the University of Arizona, and Arizona State and Northern Arizona Universities — adhere to a set of public guidelines that call upon each institution to hold “acceptable” levels of cash and other highly liquid assets (think investments that can easily and quickly be converted to cash, like Treasury notes or the cash stored in money market mutual funds) relative to the operating expenses of each of those three institutions.

The guidelines require each institution to annually derive a liquidity-to-operating-expenses ratio by dividing the cash and certain liquid assets on its books (come end-of-day every June 30) by its aggregate operating expenditures across the entirety of that just-ended fiscal year.

Multiply that ratio by 365 days, and you get “days’ cash on hand.” Despite the name, here’s what it does *not* represent: the days until bankruptcy or until the organization runs out of liquidity. The use of the term “days” is simply a means of conceptualizing the ratio. And don’t let the word “cash” in “days’ cash on hand” confuse you. What “days’ cash on hand” really stands for is “days’ liquidity on hand.”

Click here for more about “days’ cash on hand.”

Currently, a public four-year university in Arizona is determined by the Board of Regents to hold an “acceptable” amount of liquidity if its “days’ cash on hand” ratio sits anywhere between 140 and 234 days. Those numbers are based on a median figure derived from the credit ratings assigned to all public universities graded by Moody’s Investors Service.

To the regents, “days’ cash on hand” is a goal-setting tool. If the actual or projected fiscal year-end “days’ cash on hand” figure falls outside the established range, a university need only provide “an explanation for the deviation” to the board, “detailing the reason for the deviation, how it ties to the university’s strategic plan, and any corrective action that will be taken to bring the ratio in line with the range.” There’s no hard deadline established in the guidelines for when an institution needs to bring its liquidity into compliance.

Universities in the Arizona system check in regularly with the regents. For example, after the University of Arizona passes its budget each March for its July 1-June 30 fiscal year, it reports on its finances to the regents at least three times over the next year and a half. The fall update, which Rulney spoke about last month, can be especially significant. That's typically when the books are closed on the previous fiscal year, which tells financial officers how accurate their budgets and projections were relative to the year's actual financials. If it turns out those forecasts were far off base, that can have ramifications for the current budget.

This week, the Board of Regents announced new measures to increase oversight of spending at the three institutions and to impose controls on how much financial aid they offer to out-of-state students. Additional changes include:

- Financing and budgeting processes will be centralized under greater control of each institution's administration, with budgeting controls implemented to "prevent college, unit, or program expenditures in excess of established budgets."
- Institutions are expected to provide additional transparency in budget communication. The board is to receive monthly operating-cash-flow balance reports.
- The University of Arizona will be required "to engage outside expertise to assist the university."
- The previous budget models used by the University of Arizona, which are now eliminated there, are not used at any public universities in the state.
- The Board of Regents must approve the spending of reserve funds that would put a public university below required thresholds.
- A peer-review process is proposed, in which regent representatives and representatives from the other two universities evaluate the third university's "financial planning and analysis processes."

The University of Arizona has repeatedly had trouble projecting its end-of-fiscal-year liquidity, since at least 2015, though typically the annual forecasts became more accurate as each year progressed. And, initially, those "early in the year" errors were in the institution's favor.

In the late fall of 2015, for example, the university anticipated it would hold 140 days' cash on hand ($1.69 billion in operating expenses across the year; approximately $650 million in liquidity reserves) at the end of the fiscal year. In actuality, it would end up with 168 days' cash on hand, having generated approximately $150 million more in liquidity than it had projected six months earlier, while spending came in as expected (all figures are unadjusted for inflation). The same pattern — ending the fiscal year with more days' cash on hand than projected — played out in the 2017 fiscal year.

But in 2018, the university stopped being wrong in the right direction. That year, though, the missed target wasn't that painful ($48 million less in end-of-year liquidity than originally projected; $25 million above projected expenditure). But in the 2019 fiscal year, instead of ending with 184 days' cash on hand, the university's ratio on June 30, 2019, clocked in at 151 days — an under-projection of its actual fiscal-year expenditures by around $70 million, and an over-projection of its liquidity reserves by approximately $141 million.

The next fiscal year and those that followed have been upended by Covid, a time of historic uncertainty, and one that scrambled many institutions' financial projections. But in the two most recent years, 2022 and 2023, the gaps have widened.

The Chronicle asked the university about its budget and projection models, and how, at different points in the year, such tools combine actual cash-flow data with ongoing or updating assumptions for the rest of the fiscal year. Scott, the university’s spokeswoman, wrote, “The university has a number of internal and external review and reporting deadlines and requirements throughout the year.”

“We review revenues and expenditures and compare those to the budget during the year,” Scott continued. “The University’s expenditures continue to outpace its revenue, and we’ve been making up the difference with reserves. While we utilize every available data set at our disposal to create the most accurate forecast, we did not accurately forecast revenues, expenditures, and use of reserves last year.”

In the mid- to late spring of 2022, the University of Arizona prepared a budget for the coming fiscal year, projecting that it would end the 2023 fiscal year with 160 days’ cash on hand (approximately $900 million in liquid reserves; $2 billion in operating expenses). That fall, it amended its projection down slightly, to 156 days’ cash on hand, a forecast that remained in place at its next report to the Board of Regents, in March 2023.

But the forecasts were becoming increasingly detached from reality — and in the negative direction. When the university modeled that end-of-the-2023-fiscal-year “160 days’ cash on hand” ratio in the spring of 2022, the university was assuming it would end the 2022 fiscal year with approximately $900 million to $910 million in liquid reserves.

Instead, when it calculated the actual size of its liquidity reserves on June 30, 2022, the university learned it had only around $838 million available ($844.5 million, according to a Board of Regents' report).

And so, in order to increase its liquidity from approximately $838 million to $925 million, the university in March 2023 evidently assumed its operating and nonoperating activities would be able to generate positive gross cash inflow of around $137 million by the end of the 2023 fiscal year — to make up for a $50-million increase in operating expenses between the previous fiscal year's actual spending and what the university was then projecting to spend across the 2023 fiscal year, with approximately $87 million left over to push liquidity reserves up to $925 million.

This past October, when the university got a look at its actual financials for the 2023 fiscal year, liquidity reserves had in fact been bled down to around $700 million. Spending had also outstripped expectations: Instead of finishing the 2023 fiscal year with more than $2.16 billion in expenses, the university ultimately spent $2.31 billion, with employee compensation and other operating expenses contributing equally to that $155-million cost overrun.

According to Rulney, at issue was the model used to calculate the "days' cash on hand" ratio for the university's spring estimate. Going forward, Rulney told the regents last month, the model used to prepare the "days' cash on hand" ratio each spring will incorporate "to-date actuals as well as a regression analysis that reviews the last nine years."

Had the administration used the new method in its forecasts, Rulney said she would have told the board at its June 2023 meeting that the university was projecting to end the 2023 fiscal year with 105 days' cash on hand instead of 156 days.

Robbins made a similar point in correspondence to the employees posted online, writing that "the model produced a significant overestimate because it did not account for the collective accelerations in spending. The model has been replaced."

Left largely unexplained is how exactly the university went from expecting to increase its liquidity reserves from approximately $838 million to $925 million, to instead ending June 30, 2023, with only around $700 million in liquidity saved.

The university's allusions to excessive spending on operating activities only partially explain how it missed its target by approximately $225 million. And the institution's most recently filed financial statements, previously published budget documents, and own statements in response to questions from *The Chronicle* have not articulated in sufficient detail how the institution under-projected its liquidity position by nine figures.

In mid-November, Hobbs, the governor, told the news media that she was "concerned about the fact that this sort of just happened and there hasn't been a lot of oversight. And I think right now the priority is getting to the bottom and finding out what happened and what can be done to make sure they're on solid fiscal ground." Faculty members want an external audit, according to the *Arizona Daily Star*. And an editorial in that newspaper this weekend admonished the university for refusing "to answer many questions posed by the *Star*."

About $65 million of the $225 million missed liquidity target can be explained by overspending on expenses associated with the university's operating activities.

Beyond the matter of operating activities, at some point (or at a series of points) in the 2023 fiscal year, the university converted around $200 million in liquid investments into cash, with some indication that around $15 million to $20 million of that cash was converted into corporate bonds and other less-liquid investments. However, it is not clear what happened to the bulk of the remaining cash after the university converted it.

To be clear: Such a conversion or set of conversions on their own wouldn't have affected the calculation or modeling of the "days' cash on hand" ratio. The conversion of cash simply made it easier to make transactions, because such assets were no longer "captured" in money-market mutual funds or some other liquid investment. And all available evidence suggests that essentially all that converted cash was paid out, supporting the university's operating and non-operating activities.

What remains unexplained, though, even after the numerous answers given by university officials on the subject, is this: Why did the university think it would end the year with so much more liquidity than it actually did? Presumably, it must have had some idea during the year of how quickly it was converting and spending down its liquid investments — or was it not fully aware?

Click here for more about the university's liquid investments.

No available evidence suggests the university reinvested the bulk of the cash it converted in 2022-23 into less liquid financial instruments, or back into Treasury securities and money-market mutual funds. Rulney told the Board of Regents in November that the cash (presumably after it had been converted) went toward the university's "planned investments in initiatives outlined in our strategic plan" as well as "other investments that we knew were critical" to its mission: marketing, personnel retention, IT infrastructure for cybersecurity, unexpected demands related to safety expenses, utility increases, and legal expenses.

"We have always assumed we had more time to dial back on strategic investments and prepare for the next opportunity and build back our reserves," Rulney told the regents. "However, in the last few months, it's obviously become clear that our position is precarious and already turned downward."

But some of the increased spending Rulney mentions would qualify as "operating expenses," and would therefore already be accounted for in the university's publicly available budgets and projections.

Regarding the remaining \$160-million to \$210-million portion of UA's \$225-million missed target (that range is a result of uncertainty regarding whether the university's projections anticipated a cash infusion from UAGC because of its acquisition), one possible answer for how the university missed the mark so badly might originate from the fact that the university simply didn't anticipate putting so much cash toward the purchase of "capital assets" — think land, buildings, equipment, or software. By the end of the 2023 fiscal year, the university had significantly increased the collective balance of its capital assets. But Scott said capital assets were not a factor in the university's predicament. "Capital asset purchases did not significantly contribute to our overestimated Days Cash on Hand forecast," she wrote.

According to a Board of Regents report, the reduction was caused by a combination of planned and unplanned expenditures. "Planned expenditures included investments in student success outcomes, increasing research, a transition to an on-campus dining program and some limited capital investments," the report stated. "Unplanned expenditures included impacts from inflation and higher than anticipated enrollment of students qualifying for financial aid. Over all, the majority of the university's budget units spent beyond their base budgets."

Asked further about what might have contributed to the missed $225 million in its March 2023 projection, the university said it was "over investment in the Strategic Plan." The university then touted positive outcomes, like enrolling "the largest, most diverse, and most qualified classes in university history, improved retention and graduation rates," and its record research activity and alumni and donor support.

Absent more detailed, concrete guidance, the only additional insights that can be drawn from the university's financial records are speculative — and they lend credence to four possible scenarios that could explain the rest of the university's $225-million missed target.

1. Some expected infusion of cash never materialized. The university or its March 2023 model anticipated significant cash generation from an unidentified source or set of sources — but not from state appropriations; revenues from contracts, grants, or private gifts; or revenue netted from auxiliary resources (those items and the projected revenues associated with each are already accounted for in publicly available records).

2. Non-operating expenses exceeded expectations. The university or its March 2023 model anticipated that certain non-operating activities, such as debt service or the purchasing of investments, wouldn’t use as much cash as these activities actually did. According to the university, the purchasing of capital assets in the 2023 fiscal year was consistent with its budgeted targets.

3. The university didn’t have a good handle on its actual liquidity position. In March 2023, the U. of Arizona didn’t know how much cash and other liquidity had been used or was being used to pay for its operating activities, as well as its financing and investing activities (non-operating activities). Instead of relying on actual cash-flow information, the university in theory modeled for an answer. But its model, for whatever reason, assumed the university had more liquidity saved up at the time than it actually did — an assumption that the model extrapolated out, and thereafter generated its subpar end-of-year projection. Rulney’s reference to the March 2023 model and its lack of “to-date actuals” may have been an acknowledgment of this possible scenario.

4. Some combination of any of those three scenarios.

And now it’s time to talk about the University of Arizona Global Campus.

Critics have suggested that the University of Arizona Global Campus has drained the larger university’s coffers, and has contributed to the mess UA finds itself in. For context, when UAGC’S acquisition of Ashford University was announced at the start of the 2020 fall semester, UA made two [commitments](): The venture would have “no disruption or impact to University of

Arizona students, faculty and employees"; and the deal would "have both immediate and long-term positive impacts on our university's fiscal health."

Those bold guarantees, which were promised amid skepticism of the announced venture, became essentially impossible to fulfill as various government regulators took action against UAGC and Zovio, Arizona's online-program-management partner, in mid-2022, effectively killing Zovio and forcing the University of Arizona to forge ahead without the partner it had anticipated working with for years to come. Rather than shut down UAGC's operations — which would put over 2,500 people out of work (based on a count of workers taken across the whole of calendar year 2021) at some point and obligate the teach-out of students — the University of Arizona elected to move UAGC's operations onto its books in late June 2023, still confident that UAGC could be a success story for UA and the state of Arizona.

According to the university's administration, what prompted the declaration of a financial crisis was its "days' cash on hand" ratio falling 30 days below the Board of Regents' minimum preferred target ratio of 140 days, to 110 days (or 97 days at the end of the 2024 fiscal year). But even in a world in which the acquisition of UAGC never occurred, the university would have still failed to notch a satisfactory "days' cash on hand" ratio at the end of the 2023 fiscal year.

The timing of the acquisition and the effect that timing had on the university's financial position is noteworthy in and of itself. The deal formally took place in late June 2023 — as in, literally the last minute of the university's fiscal year: at 11:59 p.m. on June 30, 2023. Because of the way the university timed the deal, the institution was able to incorporate the transfer of $44.3 million in cash from UAGC onto its books — without needing to also incorporate all the operating expenses that UAGC had run up between July 1, 2022, and June 30, 2023.

Without that last-minute infusion of $44.3 million in cash from UAGC, the “days’ cash on hand” ratio recorded by the University of Arizona for the 2023 fiscal year would have been closer to 103 days than 110. It’s unclear whether this infusion factored into the university’s March 2023 model that projected what liquidity reserves might look like on June 30, 2023. The university declined to provide an answer to that question in its statement to *The Chronicle*.

While UAGC did not contribute to the current “financial crisis” bedeviling the University of Arizona, the venture — at least in the near term — will be a drag on the institution as it attempts to restore its liquidity reserves. A similar dynamic occurred when Purdue University acquired Kaplan University’s operations in the 2018 fiscal year. The entity that resulted, Purdue Global, recorded three straight years of losses, and it continued to burn through its liquidity reserves in the two fiscal years that followed.

As of last month, the University of Arizona projected that it would end the 2024 fiscal year with approximately $698 million in liquidity reserves, and $2.6 billion in operating expenses — for a projected ratio of 97 days’ cash on hand. Again, remove UAGC from the equation, and the University of Arizona’s projected “days’ cash on hand” ratio goes up to around 100 days.

Currently, UAGC is also projected to generate an $18.5-million operating deficit across the current fiscal year. And cash the university uses to backstop that overrun won't be in its coffers when its liquidity is sized up on June 30, 2024 — thereby counting against UA when its "days' cash on hand" ratio is calculated for the current fiscal year. In her November 2 comments, Rulney, the now-former chief financial officer, said the primary contributors to the overruns would be infrastructure investments and increased spending on wages and benefits to bring employee compensation at UAGC in line with the university's levels.

UAGC, which recently saw the departure of its leader, Paul Pastorek, also has a history of maintaining fewer days' cash on hand as a unit than the Board of Regents requires for the main campus. Based on publicly available, though incomplete, financial documents from recent years, UAGC would have, in theory, ended the 2023 fiscal year with between 54 and 68 days' cash on hand — far fewer than 140 days. And in its prior incarnation, when it was part of a for-profit company, that ratio was slightly lower; in the 2019 calendar year, prior to the announcement of the University of Arizona's acquisition of Ashford University, Zovio (formerly Bridgepoint Education) — the then-corporate owner of Ashford — only held around 53 days' cash on hand.

Some faculty members at the University of Arizona aren't willing to forgive leadership when it comes to UAGC. "The original project at its very best was a grotesque and catastrophic miscalculation at that time," said Leila Hudson, the faculty chair.

"UAGC threatens to destroy the university," Hudson added later in the interview. "We're going to try and turn that around."

In spite of broken promises currently tied to UAGC's legacy, though, some faculty members working within the University of

Arizona’s main campus operation, like Caleb Simmons, the executive director of online education, are cautiously optimistic about the opportunities that UAGC might bring in the long run, and don’t want to see it bear a disproportionate level of spending cuts.

“I would hate those 25,000 students to suffer more,” Simmons said. “The best thing about Ashford being acquired by the University of Arizona is that we now have oversight and can really help a large number of students achieve their academic goals. I think, sadly, those 25,000 students get lost in this conversation quite a bit.”

Simmons said he also hoped the institution’s longer-term liquidity-restoration plan wouldn’t impose exceptionally punishing constraints on the university. Perhaps a hypothetical five-year hiring freeze could net the same amount of cash for the University of Arizona as immediate across-the-board layoffs or furloughs would (again, all of this is purely hypothetical, to illustrate Simmons’s argument). Ultimately, it’s up to the Board of Regents, which provides feedback to Robbins and ultimately has the final say on who leads the institution, to decide how comfortable the body is with the president’s plans to fix the university’s finances, and how quickly it wants the university to restore its liquidity reserves to somewhere above 140 days’ cash on hand. And at least as of Wednesday, the plan Robbins presented was “met with enthusiasm by the regents,” the *Arizona Daily Star* reported.

“Some of the terms that have been thrown around to describe whatever cuts the university might make, like ‘draconian’ — yeah, ‘draconian cuts’ are the only way we’re going to generate that much money, that quick,” Simmons said. “And that’s going to hurt our daily operations. And we’re not going to be able to serve our students well; or be able to serve our staff well; our faculty well.”