



# Special Meeting of the Board Minutes

University of Delaware

Mar 19, 2024 at 9:00 AM EDT

@ Trabant Student Center, 17 W. Main Street, Newark | Zoom

## Attendance

### Present:

Members: Carol Ammon (remote), Dennis Assanis, Christopher Baker (remote), Shawn Brittingham (remote), Allison Castellanos (remote), John Cochran (remote), Beth Cooper (remote), James Correll (remote), Claire DeMatteis (remote), William DiMondi, Donna Fontana (remote), Robert Rider Jr. (remote), Terri Kelly, William Lafferty, Nisha Lodhavia, Guy Marcozzi (remote), Nick Marsini, John Paradee (remote), Claudia Peña Porretti, Donald Puglisi, Edmond Sannini, Sean Wang (remote), Freeman Williams (remote)

### Absent:

Members: Joan Coker, Kathleen Hawkins, Terence Murphy, Kenneth Whitney

#### I. Call to Meeting

Ms. Kelly called the meeting to order at approximately 9:00 a.m. and welcomed those in attendance.

#### II. Attendance Report

Ms. Kelly reported on behalf of Secretary/Treasurer Hawkins that 23 board members are present and a quorum is established for the meeting. She noted those unable to attend were excused.

#### III. Approval of Minutes: Semiannual Meeting of December 5, 2023

##### Motion:

To approve the minutes of the December 5, 2023 semiannual meeting as presented.

Approved as presented.

#### IV. Public Comment

Ms. Brand recognized Dr. Firestone to address the Board.

#### V. Report of the Chair

Ms. Kelly reported on the purpose of this meeting, which had been scheduled earlier in the academic year, to have additional opportunities for the Board to engage with senior leadership and the university community. She noted that the agenda topic related to the

bylaws will be tabled for a future meeting. Ms. Kelly acknowledged the challenges impacting the entire higher education sector and noted the intention to work with the administration to ensure short- and long-term health and vitality for the institution.

#### VI. Report of the President

Dr. Assanis welcomed the Trustees and the community to the meeting. He reviewed recent news headlines showcasing challenges faced by other institutions around the country, indicative of changes in the higher education environment. Dr. Assanis reviewed ways in which the university is well-positioned for continued success, including strong interest measured by undergraduate applications and steady enrollment, increased diversification of the student body, and gains in research and philanthropy.

Dr. Assanis reviewed gains in state operating appropriations as well as investments in capital projects. He reviewed enrollment levels over the past several years and noted the strong interest in the university. In today's environment, the university has continued to increase investments in student financial aid based on increased family need. Over time, investments in financial aid have grown from \$110M to \$180M. Dr. Assanis noted this increase has impacted the overall discount rate from 27% to 33%, which has an impact on net tuition revenue. He shared that this is a trend taking place nationally and the average public institution has a discount rate of 35%, where private institutions have an average discount rate of 59%. Dr. Assanis reviewed the first state promise and how this program has supported nearly 2,300 Delawareans and supported an increase in diversifying our student body. This program has resulted in significant investments from the University and growth in state support.

Dr. Assanis reviewed the balance of expenses and revenues from fiscal year 2017 through projections for the current fiscal year. He noted that total operating revenue has increased by \$240M since fiscal year 2017 while total operating expenses have increased by \$345M since fiscal year 2017. Dr. Assanis noted pressures are a combination of multiple factors including higher costs of goods and services, personnel compensation higher than expected, increased student financial need, and anticipated increases in health insurance premiums.

Ms. Remmler presented a high-level summary of the fiscal year 2024 budget with a decrease in revenues and an increase in expenses relative to budget as projected at the mid-year of the budget. These deviations are projecting an operating deficit in the range of \$20-40M and an operating margin range of -2.3% to -3.7%. Ms. Remmler reviewed the variances to budget as outlined in the presentation. Mr. Remmler noted that factors

impacting increases in payroll expenses include higher than budgeted costs per contractual agreements, strong yields in faculty and staff searches, higher salaries than budgeted, position reclassifications and equity adjustments, and better retention compared to trend. Ms. Remmler explained that the increase in hiring was an intentional effort to ensure the university maintain a ratio of faculty and staff based on peer benchmarking and service expectations.

Ms. Remmler previewed all-funds planning for fiscal year 2025. She acknowledged that preliminary all-funds operating expenses are estimated to outpace revenue generation by \$10M-45M, depending on the success of revenue generation and cost-mitigation strategies. She reviewed projected operating revenue increases and sources as well as preliminary operating expense projections.

Dr. Assanis encouraged the community to join him in taking thoughtful action, perseverance and unity to manage through this challenging moment, with a sustained commitment to the excellence of our top-ranked education, world-renowned research, dedicated service, and unparalleled campus experiences that define the institution. Dr. Assanis invited Dr. Carlson to speak to the listening sessions with the campus community and measure to attend to this current moment.

Dr. Carlson reviewed the categories of the proactive guidelines to help manage uncertainty. These categories are intended to draw attention to the every day decisions that units will make and how to pause and reflect on whether tasks are essential, time-sensitive, or open to re-imagination. She acknowledged the challenges faculty and staff are experiencing in this time, and given those challenges, there may be opportunities to pause or deprioritize certain activities given the request to pause on spending. Dr. Carlson thanked those members of the community who participated in listening sessions and acknowledged the ongoing conversation with different audiences within the university. She provided a synthesis of common themes that were unearthed throughout the sessions held to date.

Dr. Carlson moved to the principles related to targeted growth to build through this current period. She highlighted student success, balance of mission, strategic admissions and financial aid packaging, optimization and efficiencies, and faculty capacity. Dr. Carlson presented several revenue-generating initiatives and expanded on several of the initiatives. She spoke to the strategy to strengthen financial aid operations and acknowledged the unique challenges this year related to the rollout of the updated FASFA process. Dr. Carlson noted initiatives to increase the success of transfer students,

an increase in connected degrees such as combined bachelors and masters programs, and newly created professional master's programs which may utilize online education for working professionals.

Dr. Assanis noted the need to plan strategically for budget resilience given recent and anticipated challenges that have impacted the university and broader society. Initiatives include optimization of education delivery and cost, exploring revenue enhancing opportunities, operational excellence, researching compensation and benefits strategy, multi-year budget planning and ongoing communications with the campus community.

Dr. Assanis encouraged the community to join him in protecting, advancing and enhancing the great work happening at the University of Delaware.

Ms. Kelly thanked Dr. Assanis and the administration for their presentation and invited the board members to ask any questions of the administration.

## VII. Report of the Nominating Committee

### A. Nomination of New Members

 [NominatingCommittee.CandidatesForApproval.19Mar24.docx](#)

Dr. Puglisi provided the report of the Nominating Committee and presented the following individuals for election to a six year term:

- Dr. Udit Batra
- Ms. Shanté Hastings
- Mr. Michael McMullen

#### **Motion:**

To approve the election of Dr. Udit Batra, Ms. Shanté Hastings, and Mr. Michael McMillan to a six year term on the Board of Trustees.

Approved.

## VIII. Bylaws Review

Ms. Kelly noted that this topic will be discussed at a future meeting.

## IX. Adjournment

With no additional business, Ms. Kelly adjourned the meeting at approximately 11:00 a.m.