

## **University Budget Advisory Council (UBAC)**

### **Meeting Minutes**

**Date:** March 31, 2026

**Time:** 11:45 - 1:15

**Location:** Zoom Meeting

**Co-chairs:** Elisabeth Merkel Baghai, Michael Harrington, Kurt Keilhacker.

#### **Members Attending:**

Elisabeth Merkel Baghai, Michael Harrington, Sonia Caamano, Morgan Maich, Anneliese Mauch, Jeff Paris (joined 11:55), Shannon Burchard, Shirley McGuire, Timothy Redmond, Brian Young (joined 12:00), Sarah Blackburn, David Ferguson, Jenny Lee, William Vitagliano, Bethia Hormoz.

#### **Absent & Excused:**

Kurt Keilhacker.

#### **Attended (noted):**

Eric Groves, Desmond Dair, and other presenters or staff as noted in the meeting discussion.

### **I. Opening and Administrative Updates**

Elisabeth opened the meeting with attendance and approval of prior meeting minutes. The February meeting minutes were approved, 13 yes and 0 no. The Council then proceeded to agenda items focused on enrollment projections, graduate and undergraduate admissions trends, the university's three-year financial planning process, and the implications of budget reductions for faculty, staff, and university operations.

### **II. Undergraduate Enrollment Update**

Eric Groves presented undergraduate enrollment and admissions data. He reported increased inquiries and applications, while noting continued challenges with yield rates and international student enrollment. The current projection is approximately 1,400 new students, with a target yield rate of approximately 9%.

The Council discussed the financial effect of recent smaller entering classes as they move through graduation. Michael noted that the smaller graduating cohorts are projected to contribute to an \$8.11 million net net tuition budget drop next year.

Eric described changes in enrollment strategy, including renewed efforts to engage high school sophomores and juniors and increased focus on Catholic schools. He also emphasized that campus facilities and appearance are part of the prospective-student experience. Council members were encouraged to send observations or reports of facility issues to JJ Thorpe so the campus presents appropriately for prospective students and families.

Brian expressed appreciation for the clarity of Eric's presentation and offered to advocate for additional resources if needed.

### **III. Enrollment Strategy and Strategic Enrollment Planning**

The Council discussed the strategic enrollment planning process being led by the provost, interim CFO, and Eric Groves. The discussion emphasized that enrollment planning should be used to develop campus-wide strategies to grow revenue rather than only to fill near-term budget gaps.

Anneliese noted the need to develop a more public-facing version of the three-year financial plan with clearer visuals for broader campus and external stakeholder communication.

#### **IV. Graduate Admissions and Financial Aid**

Eric reported that several science programs are performing well in graduate admissions. Committee members requested additional yield and admit data by program or major for future planning, including data to be shared at the end of the admission cycle in spring.

The Council discussed potential effects of changes to Graduate PLUS loan policies. Eric explained that the university is moving toward a preferred lender list of five institutions rather than pursuing risk-sharing agreements with SoFi and Sallie Mae. Jeffrey noted that graduate applications have declined, particularly from international students. He also noted that early-start programs shifted to June 2026 may still access this year's Graduate PLUS loans, which should help maintain enrollment.

#### **V. Three-Year Financial Plan Review**

Michael presented the new three-year financial planning document, noting that it had been presented to the Board of Trustees the previous week. The plan includes both operating and non-operating activities, providing a more comprehensive view of the university's financial position.

The document includes five main sections, including narratives from the deans and the provost regarding three-year planning, as well as details on the fiscal year 2027 operating budget and related financial projections.

Anneliese and Jeffrey discussed the importance of including the deans' narratives to show the academic context behind the financial plan, especially the importance of supporting faculty and maintaining student success while addressing budget challenges. The Council agreed to hold questions until after the overall document had been reviewed, particularly during the discussion of assumptions and key inputs.

#### **VI. Three-Year Financial Plan and Structural Deficit**

Michael presented the three-year financial plan highlighting that the projected structural deficit had been reduced from \$36.5 million in the current fiscal year 2026 to \$34.4 million in the next fiscal year 2027. The plan's fiscal year 2027 operating budget includes funded Budget Assist requests, \$25 million in savings, and net tuition adjustments.

The projections anticipate an inflection point in new undergraduate enrollments, with graduate enrollments showing healthier growth in years two and three. The presentation reviewed enrollment trends, discount rates, and return rates. Michael noted that enrollment projections

may be updated based on Eric's comments that actual enrollment as well as the total discount rate could be higher.

Michael also reported a modest \$250,000 improvement in the operating forecast from the previous quarter, reflecting updates to net tuition and compensation forecasts.

## **VII. Planning Status, Budget Reductions, and Campus Communication**

Shirley asked whether the financial document should be presented as a plan or as a snapshot of the university's current situation. Michael and Anneliese clarified that the document provides a comprehensive overview but is not fixed as strategic enrollment planning and additional budget reductions remain in process.

The Council discussed another round of savings to be in the fiscal year 2028 operating budget, estimated at \$25 to \$30 million. Michael and Anneliese indicated that a general communication regarding the \$25 million of budget savings within the fiscal year 2027 operating budget, the use of open positions, and staffing impacts was planned for early the following week, with more detailed information to follow as it becomes available.

The Council also discussed compensation increase budgets. Michael noted that current budgets here, held within the reserves category for fiscal year 2027, may be different than actual compensation increase needs and that the budgets will be revisited for fiscal year 2028.

## **VIII. Non-Operating Activities, Endowment Assumptions, and Benefits Costs**

Desmond Dair presented the three-year projection model for non-operating activities, including key assumptions related to endowment returns and benefits costs.

Desmond explained that university benefits costs have been increasing significantly, with a projected benefits deficit of \$7.3 million this year. The Council discussed a proposed increase in fringe benefit rates from 37.5 percent to 41.5 percent for full-time faculty and staff in fiscal year 2028.

The Council also discussed compensation increases. Anneliese noted that related decisions would be informed by upcoming census results. Desmond and the Accounting Office will lead a formatting update of the university's statement of activities to separate operating and non-operating activities more explicitly for improved transparency.

## **IX. Action Items and Follow-Up**

- Eric Groves will send the enrollment and admissions presentation deck to Elisabeth for distribution to the Council.
- Elisabeth will distribute Eric Groves's deck to the Council and/or link it to the agenda or meeting folder.

- Eric Groves will provide yield and admit data by major to Tim Redmond and the Council at the end of the admission cycle in spring.
- All UBAC members should send observations or reports of facility issues, including appearance and maintenance concerns, to JJ Thorpe.
- Anneliese will work on developing a more public-facing version of the three-year financial plan with visuals for broader campus and external stakeholder communication.
- Michael and Anneliese will communicate details about specific budget cuts, open positions, and staffing impacts to the university community as information becomes available, with a general communication planned for early the following week.
- Desmond and the Accounting Office will lead the formatting update of the university's statement of activities to explicitly separate operating and non-operating activities for improved transparency.