

University Budget Advisory Council (UBAC)

Date: November 14, 2024

Members Present:

Elisabeth Merkel, Michael Harrington, Jeffrey Paris, Shannon Burchard, Sarah Blackburn, David Ferguson, Aaron Hahn Tapper, Kurt Keilhacker, Angelica Martinez, Brian Young, Tim Redmond, Chibuike Nathan Nkemere, Ellen Ryder, Edgar Ryan Silva, Sonia Caamano, Will Vitagliano

Members Absent & Excused:

Otgo Erhemjants

Opening and Introductions

Elisabeth Merkel welcomed members and confirmed attendance. She began the meeting by highlighting the agenda, which included updates on tuition increases, debt covenants, and marketing strategies. The minutes from October 17, 2024, were reviewed and approved. Brian Young motioned for approval, seconded by Shannon Burchard.

Holiday Plans and Budget Concerns

The meeting opened with concerns over potential budget cuts. Shannon Burchard expressed apprehension about an additional \$10 million reduction on top of current cuts, highlighting the toll of a decade of cost-cutting measures.

Debt Overview and Financial Covenants

Stacy Lewis provided a detailed report on the University's debt, primarily held with JP Morgan Chase. She explained the fixed interest rates and the current challenge with meeting financial covenants. Stacy revealed that four out of eight debentures are in default, and the University is negotiating waivers with JP Morgan. She emphasized that adjustments to bond agreements are being considered to address the balance sheet ratios.

Tuition and Enrollment Projections

Michael Harrington presented the proposed tuition increases for 2025, with a 3% increase for undergraduates and a 2% increase for most graduate programs. He clarified that these adjustments are meant to account for inflation and market positioning, not to cover the deficit. Enrollment projections were reviewed, showing a 5.3% forecasted decline in the new undergraduate Hilltop student population. Strategic efforts to mitigate this were discussed, including financial aid enhancements and targeted recruitment campaigns.

Marketing Challenges and Strategies

Jennifer Delahunty outlined challenges in marketing and enrollment, noting a drop in undergraduate applications. She shared insights into new strategies to attract students,

particularly those from disadvantaged backgrounds, and discussed the impact of FAFSA issues on yield rates. Efforts to emphasize the University's value proposition through strategic communications and enhanced marketing were also highlighted.

Next Steps

The following action items were agreed upon during the meeting:

- UBAC members to review budget assist requests and submit questions by December 4, 2024.
- UBAC members to review and submit questions for the Provost by December 12, 2024.
- Michael Harrington to follow up with Mike London on solar panel tax incentives.
- Jennifer Delahunty to advance marketing and admissions strategies to address enrollment challenges.
- Office of Planning and Budget to update enrollment projections after the spring census.
- Provost's office to progress on core curriculum redesign and experiential learning initiatives.
- UBAC to discuss budget assist requests at the December 19, 2024, meeting.
- Michael Harrington to prepare a survey for UBAC members on budget assist recommendations.