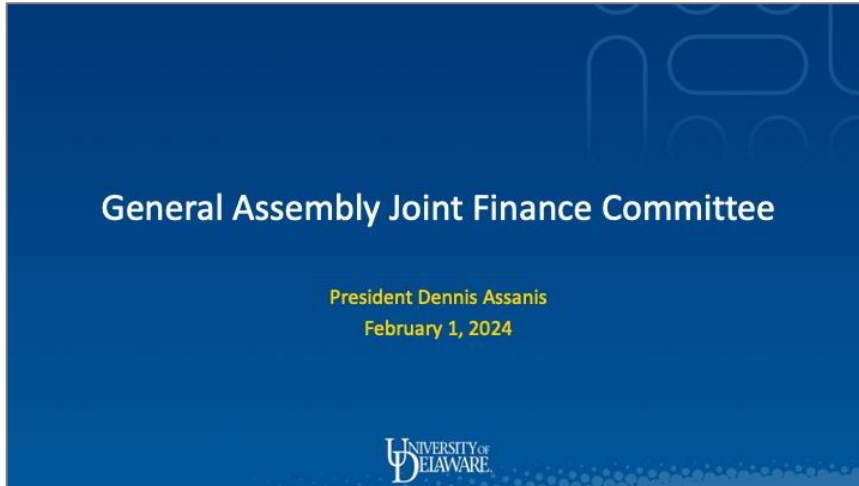


Delaware Joint Finance Committee presentation
University of Delaware President Dennis Assanis
Feb. 1, 2024

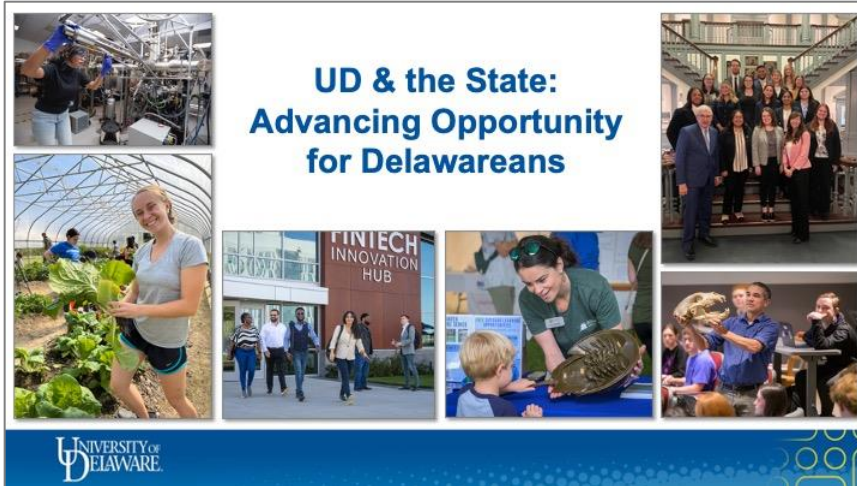


INTRODUCTION

Good afternoon, Senator Paradee, Representative Williams and other members of the Joint Finance Committee. I have with me Provost Laura Carlson and Senior Vice President & Chief Financial Officer Mary Remmler, as well as others who can help answer any questions you may have.

Thank you for taking the time to talk with us today about how the State and the University of Delaware can continue to work together to help meet the educational, social and economic needs of the Delawareans of today and those of future generations.

The University's operating appropriation request for FY25 can be summarized in one word ... opportunity.



OPPORTUNITY

The University’s mission is to provide Delawareans of all ages a lifetime of educational opportunities to learn, explore, grow and contribute to our society in meaningful ways. We are committed to ensuring that all Delawareans continue to have access to an affordable, world-class education that’s close to home.

UD offered admission to 80% of the Delawareans who applied last year to either Newark or AAP, compared to 63% of non-residents. And 50% of those admitted Delawareans enrolled at UD, compared to 14% of non-residents.

We are also committed to expanding the opportunities for research that helps Delawareans live longer, healthier and more productive lives. The size of UD’s research enterprise is now among the top 8% of all institutions nationwide, and our sustainability efforts rank 33rd in the country. Every day, the discoveries and innovations that emerge from UD help build Delaware’s economy and strengthen the fabric of our community.

Our excellent faculty and staff, and our top-notch facilities at the University of Delaware also attract new students, residents, businesses, entrepreneurs and others to our state. UD continues to be an economic driver for Delaware, generating a \$3.2 billion impact that supports more than 26,000 jobs.

And together, the State and the University have the opportunity to collaborate — as we have always done — to meet these and other evolving needs of Delaware and its people.

These themes are reflected in the stories and handouts in your packets today, so I invite you to enjoy them at your leisure. I can almost guarantee you’ll discover something new about the University of Delaware.

FY25: Advancing opportunity for Delawareans



First State Promise Program

How Delawareans benefit:

- Helps thousands of families pay for education
- Easy to understand and plan for
- Encourages Delawareans to stay in state

GRB: \$2.5M increase
Additional request: \$1.7M above GRB



DSU-UD Dual-Degree Program

How Delawareans benefit:

- Students earn 2 degrees in less time with lower cost
- Greater opportunity for minority students
- Grows the state's engineering workforce

GRB: \$1.4M



Relief from rapidly escalating health care costs



FY2025 REQUEST

To advance these goals, our appropriation request for FY25 centers on continued state support for financial aid and academic programs, both of which have been highly successful.

The first is an increase for our First State Promise program, which makes a UD degree more affordable for thousands of Delaware families.

Second, we are asking for your ongoing support of the dual-degree engineering program that UD and Delaware State University have created to expand the state's engineering workforce.

In addition, we need a measure of financial relief from the rapidly escalating health care costs that are having a deep impact on our budget resources and planning this year.

Carefully managing our budgetary challenges





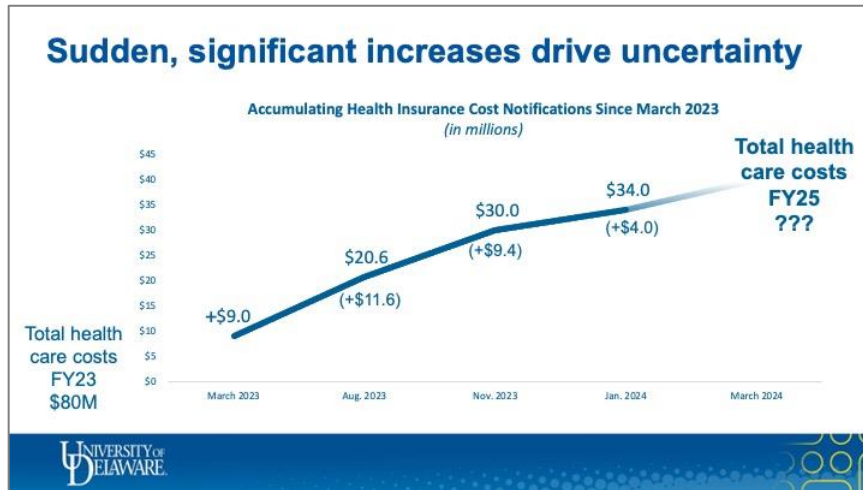

- Higher personnel costs, especially health insurance
- High inflation on goods and services
- Prevailing wage on all capital projects
- Keeping tuition and costs affordable for students and families



In making these requests, we ask you to remember that the University is under significant financial pressure from multiple sources this year.

High inflation rates have driven up prices on all the goods and services that the University needs to continue operating. And while UD's commitment to pay prevailing wage on all capital projects is beneficial for workers in our state, it has also increased the cost of providing modern laboratories, classrooms and other facilities for our students.

And most importantly, higher personnel costs, especially for healthcare, have made it more expensive for UD to attract and retain the excellent faculty and staff members who are essential to providing our students with great educational opportunities.



I want to particularly focus on escalating health care costs, which have been rising dramatically and repeatedly over the past year, with potentially more to come.

We are deeply concerned about the state's current projections that health insurance coverage for UD, as a participant in the state plan, will go up by 27% in FY25, on top of the increase of about 10% in FY24.

While I recognize that healthcare costs are affecting every state agency that is appearing before this committee, I want to walk you through the unique challenges this has posed to our ability to responsibly budget University resources:

Last March, as the University was finalizing its budget, we received notice of a \$9 million increase in our FY2024 health insurance costs. We implemented strategies to manage that significant increase.

Then, in August, we were told of an additional \$11.6 million increase, on top the door-opener of \$9 million in FY25. In November, we were given a revised figure that the increase would actually be an additional \$9.4 million on top of the other increases, for a total increase of \$30 million in FY25. Yet, in January, we were told of an additional, one-time bill of \$4 million, bringing the projected total increase to \$34 million.


Mitigating the impact of these costs will require significant reductions in programs and services. Indeed, this cost is far greater than the increase we are seeking in our operating appropriation for FY2025.

We are taking significant measures to deal with these sudden increases, including pausing many capital projects. While this saves the University some money in the short term, it does have a negative impact on the Delaware economy with a reduction in construction jobs.

However, we still need substantial assistance and financial predictability from the state to protect our most valuable asset — our people here in the First State — who are essential to delivering the University’s mission and core operations.

As we navigate these financial challenges, it is critically important that both the state and the University always remain focused on our shared goal of providing an affordable education for Delaware students.

First State Promise supports Delawareans



- Coverage:** Total tuition costs
- Eligibility:** Students whose families earn \$75,000 or less
 - Neediest students:** Support for room, board and fees
 - Above \$75,000:** Partial aid
- Benefiting:** ~2,300 Delawarean undergraduates

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FIRST STATE PROMISE

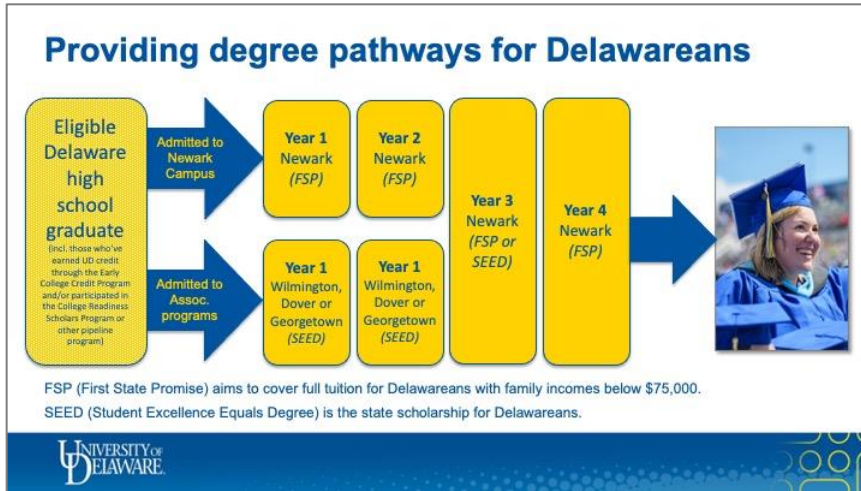
One of the most important ways we keep tuition affordable is through our First State Promise program.

First State Promise aims to cover total tuition costs for Delaware-resident undergraduate students with family incomes of \$75,000 or less. For the lowest-income students, we also provide support for room, board and fees, while those above \$75,000 may be eligible for partial aid.

This year, First State Promise is benefitting about 2,300 Delawareans enrolled at UD. That is about a third of our 6,800 in-state students.

Of those students who get First State Promise funds, about two-thirds are also eligible for federal Pell grants, which help those with extreme financial need.

That means that the First State Promise program is doing exactly what we designed it to do: ensuring that Delaware’s students aren’t missing out on educational opportunities because of financial reasons. It helps keep more Delawareans here for their education, and it allows them to graduate with little or no debt, both of which provide long-term benefits for the state’s economy and vitality.



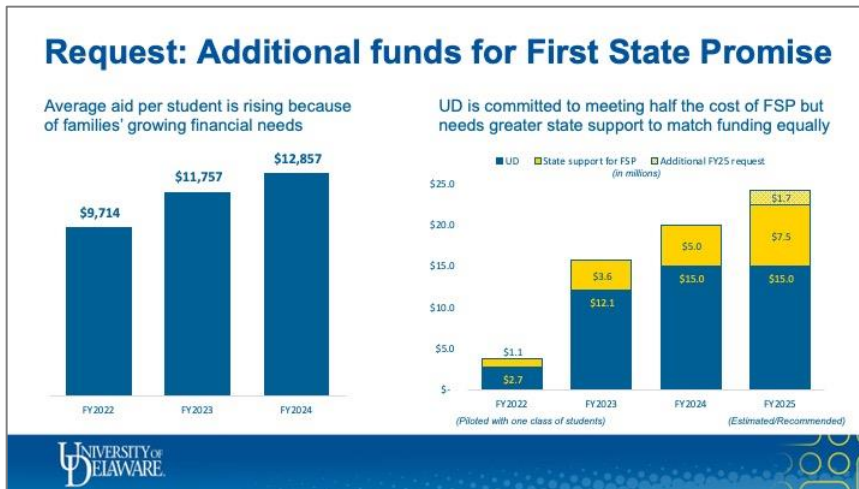
It's important to know that First State Promise is distinct from the state’s SEED scholarship program.

Eligible students who enroll full-time on UD’s Newark campus may receive First State Promise funds all four years.

Students who begin their studies in our Associate in Arts Program may receive SEED funding for up to three years, plus First State Promise funds to help them complete their bachelor’s degree. In this way, First State Promise and SEED work together to provide multiple affordable pathways for Delawareans to earn their degrees.

We appreciate that Governor Carney has recommended a \$3.4 million increase in SEED funding for UD and Delaware Tech for FY25 because that money goes directly to support Delawareans.

Now we need your help to ensure that First State Promise continues to meet the needs of Delawareans.



Because of economic pressure and the lingering effects of the pandemic, students are coming to UD with greater financial need. This has driven up the average First State Promise aid package, which is now 32% larger than it was two years ago.

And this restricts the amount of support we can provide to students with family incomes above \$75,000.

UD has consistently covered half the cost of First State Promise. And since we rolled out the program, we have asked the state to match UD’s investment in First State Promise. We appreciate that the state has increased its support of First State Promise each year, and we are grateful that Governor Carney has recommended a \$2.5 million increase for First State Promise in FY25.

Our request to the state OMB this year was for a \$4.2 million increase. Therefore, we are asking you to increase the governor’s recommended figure by \$1.7 million. This will help align the state more closely with UD’s financial commitment to First State Promise.

Without additional funding from the state, UD would have to consider adjusting the sliding scale of our financial support for those students from families with incomes over \$75,000.

First State Promise is one component of the commitment that the University shares with the state to provide affordable educational opportunities for Delawareans.

Our in-state tuition plus fees is 60% less than what non-residents pay, thanks to our state appropriation as well as funds that come from philanthropy.

All of these numbers are important, of course. But I also want to take a few moments to tell you about some of the programs and the people behind the numbers.



DEVELOPING DELAWARE'S WORKFORCE AND ECONOMY

In every part of the state, we have academic, research and community programs that serve Delaware's needs and educate students for lifelong success in the workplace.

We work closely with educational leaders to strengthen Delaware's schools and prepare the next generation of teachers for the state.

- Through our full-time recruiter, we're encouraging high school students to enter UD teacher preparation programs.
- Also, the Teachers of Tomorrow program and the Educators Rising conference brings high school students to the UD campus to learn about our programs.
- We're offering associate degrees in Elementary Teacher Education and Early Childhood Education and developing a master's degree program in social work.

UD is also building Delaware's healthcare workforce — especially with our #1-ranked Physical Therapy program and our highly competitive School of Nursing — and we are expanding access to quality care statewide.

- Through the Partnership for Healthy Communities, we have created a mobile health unit that will expand our Newark clinics to serve communities in southern Delaware.
- We're developing a 12-credit certificate in Epidemiology for public health workers, which will be especially beneficial to those who want to pursue a master's degree in this critically important field.
- We're expanding our Community Mental Health Clinic on the STAR Campus to provide much-needed services to children, teens and adults in the area.

To support Delaware's business community, we continue to develop new academic programs in emerging and rapidly growing fields.

- We are creating both a major and a minor in financial technology, or fintech. This will make UD one of just a handful of accredited business colleges nationwide with a fintech degree program.
- To complement our highly successful doctoral program in Financial Services Analytics, we're developing a master's program in this field.
- We're developing a certificate program focused on the use of generative AI in solving a wide variety of business challenges.

Many UD programs are enriching the culture of our communities while also addressing a variety of important issues.

- Our Museum Studies & Public Engagement Program partnered with Howard High School of Technology in Wilmington to preserve the school's rich history.
- More than 200 researchers, Delaware policymakers, survivors, advocates, filmmakers and UD students attended the Equitable Approaches conference last fall, hosted by UD's Center for the Study and Prevention of Gender-Based Violence.
- In schools throughout the state, UD helped bring a performance group called Indigenous Enterprise to share their heritage and culture as part of National Arts and Humanities Month.

Another exciting field is the so-called "blue economy," which focuses on the sustainable use of ocean resources. Most of this work is happening at UD's Lewes Campus.

- At the new Blue Economy Tech Center, we're working with the private sector on environmental, energy and climate projects while also providing career training in Kent and Sussex counties.
- UD's Center for Research in Wind is helping offshore wind farms to be more efficient while also addressing environmental and social concerns about this technology.
- Through the Delaware Sea Grant program, we've partnered with local communities to develop the Delaware oyster industry and other aquaculture opportunities.

Agriculture has always been — and always will be — a key area for UD education, research and community programs.

- Our Landscape Architecture Program is training students to help Delawareans respond to a changing climate by making their communities more environmentally resilient.
- UD's One Health certificate program — one of only a few in the world — educates students about the critical balance of human, animal and environmental health, which can help mitigate the spread of infectious diseases.

- In recent years, we have built up support for the Farm Business Management program in UD Cooperative Extension and within our undergraduate curriculum. This will help us support agriculture in the state and prepare the next generation of Delaware farmers.

In fact, I want to tell you about a few students in our agriculture programs, as well as other Delawareans who are thriving at UD.

Delawareans benefit from unique experiences at UD



Yasmin Cruz, Greenwood
 "My whole life's going to change, but I think I'm ready for it. I don't feel that nervous about it. I'm really excited for a new chapter in my life."



Maci Carter, Harrington
 "I'm super excited [about studying in Brazil]. I'm never going to have this opportunity again."



Cameron Emmett, Middletown
 "Learning how to get around challenges by communicating clearly was probably the biggest thing I learned."



STUDENT SUCCESS

One of our first-year students is Yazmin Cruz of Greenwood. She's the first member of her family to pursue a bachelor's degree. She's majoring in Food & Agribusiness Marketing & Management, and she wants to own a livestock farm or work for the USDA after graduation.

There's also Maci Carter of Harrington, a senior who is majoring in Plant Science and Agriculture & Natural Resources. She is one of just a few students who have TWICE earned a Farm Credit Foundation for Agricultural Advancement scholarship to help advance her education. This year she used the scholarship to help pay for a UD study abroad program in Brazil to learn about the ecology of the Amazon rainforest. After graduating, Maci plans to pursue a career in agronomy.

Cameron Emmett of Middletown is also a senior this year. He's a Mechanical Engineering major who is passionate about space travel, and last summer, he participated in an internship where he got to work on a rocket launch from NASA's Wallops Flight Facility. After he graduates in May, he hopes to continue working in the space industry.

Delawareans benefit from unique experiences at UD



Legislative Fellows
 "[This] has been the highlight of my time at UD. Nothing could have better prepared me for a career in public service." — Wyatt Patterson, Dover, one of 7 Delawareans



Kiara Hall, Millsboro
 Now teaching at Bunker Hill Elementary as part of UD's Teacher Residency Program



Jim Kerschen, Wilmington
 "I can't tell you how exciting it is to hear about all of this cutting-edge research. It gives me the shivers."



We're also proud of our Legislative Fellows, who work here in Legislative Hall to learn and grow as future leaders in government and public policy. Seven of the 16 students in the program are Delaware residents, five of whom are pursuing master's degrees.

Another great initiative is our Teacher Residency Program, which is not only an excellent career springboard for students but also helps address Delaware's teacher shortage. At the end of FY23, 52 students have graduated, and they're all teaching in Delaware schools.

For example, Kiara Hall graduated in December and is now teaching at Bunker Hill Elementary School in Middletown for her year-long residency, after which she will stay on at the school as a long-term substitute.

Finally, I want to tell you about Jim Kerschen, who proves that you're never too old to become a Blue Hen. At age 70 — after a successful career in the chemical industry — he's back in the classroom to pursue his fascination with astronomy.

In the magazine in your packets today, you can read more about Jim — and many other older Delawareans — who are taking advantage of the array of lifelong learning opportunities that UD offers.

Promoting safety, inclusion and free speech at UD

- Working closely with leaders of religious and cultural groups on and off campus
- Ensuring safe and peaceful campus events
- Developing relevant programming and educational opportunities
- Upholding the principle and practice of free speech for all
- Advancing civil discourse and respectful dialogue



PROTECTING THE UD COMMUNITY

We want to make sure that all our students can benefit from the UD experience, so we work every day to protect our community and ensure that everyone feels safe and welcome at UD.

In light of the disturbing rise in antisemitic and Islamophobic incidents nationwide recently, we have been in constant communication with leaders of the Jewish, Arab and Muslim organizations at UD and in the external community to mitigate the emotional impact of the Israel-Gaza war on our campus. Further, our Division of Student Life and the UD Police Department have worked to ensure that campus events have been safe and peaceful.

Also, as an institution of higher education, we have provided opportunities for the community to learn more about the Middle East conflict and the history of Israel and the region. We continue to explore other programming opportunities on these topics.

As we do so, we remain committed to promoting the free exchange of ideas through respectful dialogue for everyone in our community.

We also continue to strengthen our bonds with the whole Delaware community.



ENGAGING WITH DELAWAREANS

For example, our Blue Hen athletics program serves as an excellent ambassador for the University. Last summer, about 40 of our student-athletes — plus 20 coaches and staff — embarked on the inaugural 302 Tour. At 21 stops over three days, they learned about agriculture, healthcare and Dover Air Force Base, connected with fans in every county and served the community with events like a clean-up along the Wilmington Riverfront. They even came here, to Legislative Hall, to learn a bit about our state government.

Speaking of athletics, we are thrilled to be stepping up to Conference USA in 2025, which is a more competitive and more prominent level of college athletics. We’re proud of UD and our state, and this move will give us a greater platform to share UD’s academic excellence and the Delaware story with the rest of the country. Two years from now, there will be significant economic impact on our community during home games. NCAA does assess a conference entrance fee, but we are covering that entirely through fundraising.

Another great opportunity to connect with the community is Coast Day, which brought more than 4,000 people to UD’s Lewes campus in October to learn about the marine science and climate research we do there. This is always a hugely popular event that we weren’t able to have in person the past few years, so it was wonderful to see so many people.

And last year, we celebrated the 50th anniversary of the Institute for Public Administration at UD which has provided invaluable service to our state and local governments through its research and the education of numerous, notable public servants, including Governor Carney.

I’m also excited to that on April 1st, Brian Farkas will become our new dean for the College of Agriculture & Natural Resources. Brian is actually returning to UD, as he earned his bachelor’s degree here before embarking on a very successful career in academia and the food

industry. He has already visited several UD sites throughout the state, and he's eager to begin working with the agriculture industry in Delaware later this spring.

Request: Support DSU-UD dual-degree program

- Provide DSU students a seamless path to bachelor's and/or master's degrees in engineering at UD
- Build collaborative programs that promote student success
- Build the STEM and engineering workforce for the state

GRB: \$1.4M

- Financial support for more students
- Summer research
- Advising and outreach



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DSU-UD DUAL-DEGREE ENGINEERING PROGRAM

Another way that we are supporting our state is through a growing academic partnership with Delaware State University.

Delaware needs more engineers, and UD has one of the nation's best engineering programs. Our dual-degree program with Delaware State provides a flexible, seamless pathway for students to earn a bachelor's degree in a STEM field from DSU and then earn a second bachelor's or a master's degree from UD, depending on their needs.

Students can complete their degrees more quickly, which reduces costs and puts graduates into the workforce sooner. It has the additional — and important — benefit of increasing educational opportunities for students from underrepresented minority groups.

Funding for FY25 will enable financial support for more students, summer research experiences, advisors and communications efforts to reach more prospective students in the future.

We are asking you to support Governor Carney's recommendation for \$1.4 million in FY25 to support and expand this program — a modest investment that will benefit students and the entire state for decades to come.

BUILDING DELAWARE'S ECONOMIC FUTURE

Finally, I want to highlight a few exciting initiatives that aren't directly related to our operating appropriation request this year but are further examples of our commitment to working through partnerships to grow opportunities for all Delawareans.

Growing innovation and leadership in fintech



FinTech Innovation Hub on the STAR Campus



First, we officially opened the FinTech Innovation Hub in October.

It's the latest development on UD's Science, Technology and Advanced Research Campus — the STAR Campus. It is the result of collaboration with the state through Delaware Technology Park and with Discover Bank; we are also grateful for capital funding from the state to help us equip and furnish it.

Fintech is a large and growing sector of Delaware's economy. This hub brings together innovators, entrepreneurs and experts from the community to work with UD's researchers and students to develop new financial services and prepare a highly skilled workforce for the industry.

What's more, the hub puts UD and the state at the forefront of promoting equity in finance and health. The mission of the FinTech Innovation Hub is to make financial services more accessible and affordable, which can help break the cycle of poverty and enable marginalized communities to build wealth and financial stability.

UD to lead workforce development in MACH2



Mid-Atlantic Clean Hydrogen Hub

- \$750M from Energy Department's new Regional Clean Hydrogen Hubs program
- Network of hydrogen producers, consumers, local connective infrastructure for hydrogen deployment, and education and training
 - Creation of 20,000+ jobs in the region
- UD leads higher education component, with Cheyney University, Rowan University and the University of Pennsylvania



A second recent development is the Mid-Atlantic Clean Hydrogen Hub, or MACH2, which was also announced in October.

MACH2 is one of seven federally funded hydrogen hubs nationwide. The goal is to accelerate the use of hydrogen as a clean energy source and as a way to decarbonize heavy industry, transportation and energy storage.

UD will lead the higher education component of MACH2, along with Penn, Cheyney and Rowan universities. It's going to provide incredible educational and research opportunities for our students and grow our region's skilled workforce. MACH2 is projected to create 20,000 high-paying jobs in the clean-hydrogen sector in this region.

A significant factor in securing this role in MACH2 was the existence of the federally funded Center for Clean Hydrogen, a collaboration among UD, Chemours, the National Renewable Energy Laboratory and the company Plug Power. UD's expertise and resources in clean hydrogen are going to catalyze even greater investment and growth in this field.

FY25: Advancing opportunity for Delawareans

Program	How Delawareans benefit:	GRB
First State Promise Program 	<ul style="list-style-type: none">Helps thousands of families pay for educationEasy to understand and plan forEncourages Delawareans to stay in state	\$2.5M increase Additional request: \$1.7M above GRB
DSU-UD Dual-Degree Program 	<ul style="list-style-type: none">Students earn 2 degrees in less time with lower costGreater opportunity for minority studentsGrows the state's engineering workforce	\$1.4M
Relief from rapidly escalating health care costs 		

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CONCLUSION

In conclusion, I want to return to the word I mentioned at the beginning of my presentation: opportunity.

UD's First State Promise program and our dual-degree engineering program with Delaware State University help ensure that Delawareans have the opportunities they need to succeed through education, both today and tomorrow. And to continue to provide these opportunities, we need state assistance to manage the significant budget challenges we are facing.

Thank you for your time today, and we would be happy to answer any questions you may have.

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