

Board of Trustees Special Meeting

President Dennis Assanis — as prepared for delivery

9 a.m. Tuesday, March 18, 2025, STAR Audion

Good morning. Thank you for being here today for our update between our December and May meetings.

This is certainly a very challenging time for higher education that needs to confront many uncertainties, so we have a lot of updates today.

Almost-daily executive orders and other federal actions are changing the landscape for all of us. There have been a lot of changes — as well as *proposed* changes that might or might not become a reality. In many cases, it's a matter of how federal agencies and the legal system specifically interpret and implement an executive order. And that can take time.

The leadership team and I are doing everything we can to minimize disruption to UD students, faculty and staff while remaining in compliance with federal law. Through frequent meetings and discussions with external and internal groups, we are navigating this rapidly evolving situation. And we have created a Federal Action Updates webpage which provides appropriate guidance to our community.

One example is our response to the federal action to impose a 15% limit on reimbursements for indirect Facilities and Administrative costs for all National Institutes of Health (NIH) research grants. While this policy change has been temporarily restrained, we remain concerned about the devastating impact that such caps could have on all biomedical, health and life science advances and human wellness. To give you a sense, UD stands to lose \$12 million a year from an NIH cap, and \$40 million a year if caps were to be instituted across all agencies.

Regarding funding, out of hundreds of current federally funded projects, only five have received stop work orders, with the loss in unobligated funding balances estimated to be under \$2 million. We remain concerned, though, that there are considerable delays with respect to pending applications and awards, and many agencies will not be supporting certain areas of research. The impact of the continuing-resolution (CR) budget is still uncertain, though it is unlikely to receive support for earmarked Congressionally directed spending (CDS) and/or plus-ups.

As we navigate this rapidly evolving landscape together, our values will continue to be at the heart of our community. We are committed to and celebrate the success of every student at UD. We promote academic freedom and the free exchange of ideas and opinions. We will continue to welcome and value people of all backgrounds, perspectives and learning experiences. And we will continue to encourage respect and civility toward everyone.

As a highlight of our efforts, in the Anti-Defamation League's [2025 Campus Antisemitism Report Card](#), UD recently received a grade of "B" two years in a row, which is better than most of the 135 institutions scored. Only 8 got a score of A.

You'll hear more from **Miguel Garcia-Diaz, our Vice President of Research, Scholarship & Innovation**, about how we're working to support our research community.

Many institutions are struggling to maintain enrollment because of changing demographics and other factors.

UD is fortunate to receive record application numbers again this year: almost 41,000, compared to less than 40,000 last year.

Those numbers may level out eventually, so we want to make sure we aren't resting on our laurels.

One of the ways we're navigating this landscape is by continuing to create and expand great opportunities for our students.

You'll hear from **Provost Laura Carlson** about the good work of our faculty and staff to support programmatic and financial growth, as well as provide an update on enrollment momentum for Fall 2025.

UD's faculty, staff and retirees are the heart of our institution. Everyone in my administration and everyone on the Board of Trustees is committed to continue providing a competitive benefits package for employees, caring for our retirees and retaining our position as a top employer in Delaware.

As you know, we recently announced that UD will begin managing our own health insurance coverage for employees and retirees directly, rather than through voluntary participation the state plan, effective July 1, 2025.

I am proud of how we reached this decision after extensively consulting with multiple constituencies and experts throughout the past year. A key group that helped us in this process is the Benefits Cost Containment Committee, which is a joint committee with the AAUP and other staff representatives. To help guide future employee benefits, the University will establish a Benefits Advisory Committee with representation from union and non-union employees.

This is an important move to support our goal to be fiscally responsible. It's a big change *administratively*, but healthcare benefits for employees and retirees are *not* changing.

To give you an update on this process, we have **Melissa Bard, our Vice President and Chief Human Resources Officer**.

The healthcare change is one aspect of how we've been navigating a challenging financial landscape, especially over the past year and a half.

Like every household and every business, we're dealing with higher expenses on just about everything. We're also seeing greater need for student financial aid.

As we've worked to trim our expenses and grow our revenues, we've also worked to become more transparent with the University's finances.

We've had many meetings with the Faculty Senate Executive and Budget committees. We've made detailed information available to faculty and staff and are continuing to make that information more understandable and useful.

I've asked **Mary Remmler, our Senior Vice President and Chief Financial Officer**, to provide an update on our current budget status and an early projection of next year's budget.

As our Grounds & Buildings Committee knows very well, UD has more than 460 buildings with 10 million square feet of space statewide, worth approximately \$8 billion. That's a lot of capital infrastructure to maintain. In some cases, it makes more sense to build a new facility to meet our needs for a larger or more modern space.

Our capital plan is a dynamic list of short-, medium- and long-term projects and opportunities. When deciding on priorities for capital projects, we consider a variety of factors — how to best serve the mission of a college, what is the condition of existing facilities and the projected need to grow/meet new modalities of education and research, funding sources, etc.

The ability to finance the bulk of a project through fundraising is a major factor in prioritizing a given project among many worthy possibilities on the capital plan. And this is because fundraising can greatly reduce or ideally eliminate the need for the institution/unit to have to borrow funds and serve the debt.

Planning big capital projects and raising the money for those projects both have very long-time horizons, often a decade or more. Fundraising needs to be happening even when — and **especially** when — our finances may be constrained.

As you often hear me say, philanthropy is the margin of excellence. It can play a catalytic role during difficult times: It can help us absorb external impacts and enable us to continue providing unparalleled educational and research environments for our students and faculty.

As you know, yesterday we announced a very generous gift — the largest in UD history — from Rob and Kathy Siegfried and their company: \$71.5 million for Lerner College. While I know Rob and Kathy aren't here today, that definitely deserves a round of applause.

Their gift will help create Siegfried Hall, a state-of-the-art, student-centric learning space with modern classrooms, research and teaching labs, a student-run café and an auditorium. Siegfried Hall will maximize student services, experiential learning, collaborative programming and community connection.

It will also house the new Siegfried Institute for Leadership and Free Enterprise, an “idea lab” that will contribute to developing the capabilities and characteristics of effective leadership.

Even more, the Siegfried gift agreement is a model of how the flow of funds are synchronized with the various phases of construction, incorporates provisions for adjustment of the time schedule based on changing business conditions, and above all, creates an endowment that will support the building and the Institute in perpetuity.

Schematic design, which is the first part of the design phase, will be commissioned for Siegfried Hall this spring.

What’s important to remember is that a major capital project for Lerner College was identified as a priority during our campus master planning process *back in 2018*. It’s a good example of my point: Planning and fundraising are long-range activities, and they are the only way these big projects will become reality.

The impact of this transformational gift on our Lerner students, faculty and staff will be immense. It will prepare our students for the skills of tomorrow, marrying the digital and human worlds in an environment promoting collaboration. And it will propel Lerner to excellence among its peers. Our online MBA is already recognized among the top 20 in the nation by *U.S. News & World Report*; our Horn Entrepreneurship program is recognized among the top three in the mid-Atlantic; and our undergraduate business program was recognized today as #52 in the nation by *Poets and Quants* (one of only six schools with consistent double-digit rises compared to last year).

Again, I want to thank you for your engagement and support. UD is a strong institution, and however the landscape continues to evolve, we’ll *continue* to be strong by focusing on serving the needs of our students, faculty, staff and communities now and in the future.

So, at this time, let me bring up **Miguel Garcia-Diaz, our Vice President of Research, Scholarship & Innovation**, for our first presentation.

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