

Delaware Joint Capital Improvement Committee — April 3, 2025

As prepared for delivery



PRESIDENT DENNIS ASSANIS

Good morning, **Senator Walsh, Representative Heffernan** and other members of the Joint Capital Improvement Committee. I have with me **Provost Laura Carlson** and **Peter Krawchyk, Vice President of Facilities, Real Estate and Auxiliary Services**, who can help answer any questions you may have.

Thank you for taking the time to talk with us today about our capital appropriation request for FY26.



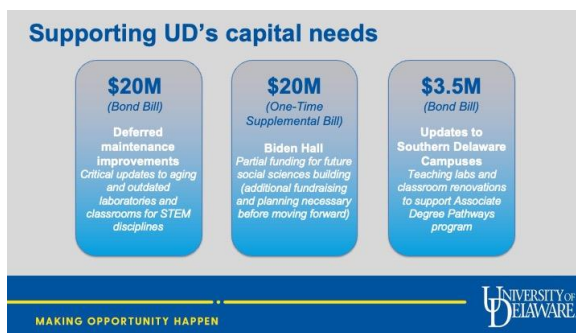
I'm very proud of the University of Delaware's academic excellence, our research impact and the outstanding experience we offer our students.

And I am equally proud of the connections that UD has with the state of Delaware. We provide Delawareans with affordable access to a world-class education, from associate to doctoral degrees, as well as professional certifications and lifelong learning opportunities. We provide the research and innovations that help fuel the state's economy. And we are deeply engaged with helping communities throughout the state meet their social, educational, healthcare and other needs.

Currently, the landscape of higher education nationwide is changing rapidly. As you know, federal executive orders and other actions are injecting significant uncertainty around research funding, Pell Grants for students and the operations of the Department of Education.

We obviously have concerns about how these changes might affect UD in the short and long term. As we navigate this situation, we are doing everything we can to minimize disruption to students, faculty and staff and the University's operations while remaining in compliance with federal law.

We also remain focused on serving Delaware's needs and advancing opportunities for everyone in our state. Our capital appropriation is a key element in this important work.



Our requests before you today focus on three important areas that serve Delaware's interests:

- Maintaining the teaching and research spaces that educate UD students and help drive the state's economy,
- Investing in the future through the recommended funding for Biden Hall,
- And expanding educational opportunities in southern Delaware.

These requests all support our overarching goal of meeting the educational goals of Delawareans, who are coming to UD with greater financial need.

We offer admission to every qualified Delaware applicant. In fact, the admission rate for Delawareans is 84%, compared to 69% for non-residents. Almost half of the Delaware residents we admit decide to come to UD, compared to just 11% of non-residents. Over the past six years, we have also seen a significant increase in Delaware residents transferring to UD from other universities.

It's great news, and we're excited that residents want to stay in their home state for their education. But it does increase the financial pressure on the University.

That's why we are so grateful for the state's financial support through the First State Promise program and the SEED program.

First State Promise is a key initiative in making sure Delawareans can access a great education at UD. It aims to cover tuition and fees for Delaware families with annual incomes of \$75,000 or less.

This year, First State Promise is benefiting about 2,300 Delawareans enrolled at UD, which is about a third of our in-state students. We want to ensure that this program continues, but rising expenses make this difficult. So, our request to the Joint Finance Committee includes additional funding for this important program.

Our First State Promise program works together with the state's SEED program to help fund multiple affordable pathways for Delawareans to earn their degrees.

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.

These programs are critically important, given that there are additional factors affecting our budget. These include increased costs for goods and services, as well as higher expenses to attract and retain the excellent faculty and staff who are vital to teaching and supporting our students.

All these pressures affect our capital spending, which is why we continue to need state support.

Request: Addressing deferred maintenance

\$20M
Deferred maintenance improvements
Critical updates to aging and outdated laboratories and classrooms for STEM disciplines

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The slide features a blue header with the title 'Request: Addressing deferred maintenance'. Below the title is a blue rounded rectangle containing the text '\$20M' in large font, followed by 'Deferred maintenance improvements' and a smaller italicized line: 'Critical updates to aging and outdated laboratories and classrooms for STEM disciplines'. To the right of this box is a photograph of a male scientist in a white lab coat and blue gloves working in a laboratory. At the bottom of the slide is a blue bar with the University of Delaware logo and the slogan 'MAKING OPPORTUNITY HAPPEN'.

The University's first request is for state assistance in helping us to make some critical updates and repairs to help reduce our deferred-maintenance backlog.

Gov. Meyer's recommended budget includes \$14 million toward this ongoing effort. The previous administration had recommended \$20 million, and we are hoping that you will consider providing that level of funding to help us maintain academic spaces, especially the

laboratories that provide our students with hands-on learning in biology, chemistry, physics, engineering and other STEM disciplines.



Maintaining modern facilities is a critical component in preserving our stature as a top-tier research institution, which is one of the most significant ways that UD serves the needs of our state.

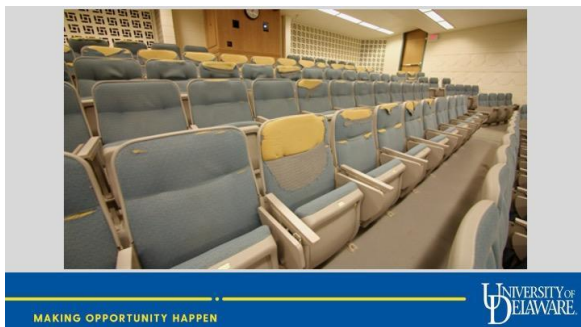
Every day, our faculty and students are pursuing cutting-edge research in biosciences, engineering, quantum physics, business, social science and many other fields. Our research activity is a major contributor to the \$3.2 billion economic impact that UD has in the state, and it benefits Delaware in multiple ways. We are advancing the science that helps Delawareans live longer, healthier lives ... makes our coastal communities more resilient ... and makes our agriculture industry more efficient and competitive. Our research leads to new technologies and innovations that drive our economy. And it draws new students, residents, businesses and entrepreneurs to our state, as well as retaining companies that can grow and thrive here.

In FY24, UD had more than \$269 million in sponsored research spending, which is essentially external money invested by federal agencies in our research projects. That puts us among the top 8% of colleges and universities nationwide in spending not connected to a medical school.

These successes build upon themselves. The National Science Foundation recently announced an \$8 million EPSCoR E-CORE grant to strengthen Delaware's STEM research infrastructure, with a focus on data and intellectual property, and to bolster workforce development. UD is the lead institution on the project, which also will involve Delaware State University, DelTech, Wilmington University and Goldey-Beacom College.

Also, UD received a nearly \$5 million grant from the NSF to bolster Delaware's workforce in artificial intelligence and software engineering. This collaborative effort with Delaware State University leverages UD's expertise in AI and will help equip students with the knowledge and abilities demanded by the evolving job market, ensuring Delaware remains at the forefront of AI innovation.

These research initiatives and many others — as well as our academic programs in the STEM disciplines — require up-to-date technologies and facilities. It's important to note, too, that modern buildings are a competitive factor in our effort to attract and retain top students and faculty to UD and the state.



Yet some of our most-used buildings have long lists of maintenance needs, each totaling tens of millions of dollars.

For example, this video shows some of the areas within Sharp Lab. Each semester, it serves about 7,800 students who are majoring in the health sciences, life sciences, chemistry and engineering.

As you can see, there is a lot of wear and tear on the seats, the ceilings and other fixtures. The lighting is poor, and the air-handling systems are noisy and inadequate. The building is often too hot or too cold, too humid or too dry, and those conditions affect students, researchers and the work they do there.

We are planning to renovate two auditorium classrooms in Sharp Lab this summer using University funds. But that still leaves a long list of projects in Sharp, and many other buildings on campus need similar attention.

UD has more than 420 buildings with 10 million square feet of space statewide; the average age of our buildings is over 50 years.

Overall, deferred maintenance is a critical issue for UD, just as it is for institutions of higher education across the nation. Our backlog of projects has grown to almost \$1.2 billion in the past few years. Recent increases in the cost of materials and labor have helped drive that increase.

We have a multi-pronged strategy to address this challenge. We are consolidating spaces across campus, demolishing or closing rental housing and underused buildings, exploring public-private partnerships to invest in energy-saving projects. Where it makes sense, we are building new facilities instead of spending money on endless repairs.

While we continue to work very hard to secure donations and funding from other sources, it is extremely difficult to find philanthropists who want to support replacement of an HVAC system or torn seats in a lecture hall.

State capital assistance is one element of our plan, and we are grateful for every dollar that you provide.

This effort will take time, but we are confident we can reduce our backlog to a more manageable level.



As an example from a few years ago, I want to point to Drake Hall. We are grateful to have received \$30 million in state capital appropriations over three years, which eventually allowed us to renovate a portion of Drake and add chemistry labs to accommodate more students in the STEM disciplines.

With a more open floor plan in this addition, instructors can adequately monitor students, and personal belongings can be stored properly. This is how we want all of our labs to look.

However, older labs still exist in the sections of Drake that have not been renovated yet. Even with the addition, we do not have enough space to accommodate all the students taking introductory chemistry labs there, so we still have to use the older, outdated labs. And the labs in Drake Hall are fully booked for classes from 8 a.m. until 9 p.m. five days a week, every semester.



Another example is the Spencer Lab Engineering Design Studio. With support from state capital appropriations, philanthropy and University funds, we recently completed renovations to create this amazing academic makerspace dedicated to undergraduate engineering education.

It features 13,000 square feet of training and collaboration space that serves more than 700 students each semester. Students can work on design projects related to automotives, aerospace, biomechanics, medical devices and robotics.

And, besides being important to our students, public investment in capital projects at UD also contributes directly to Delaware's economy.



That's evident with our newly completed interdisciplinary science facility, which we have been calling Building X to reflect its vast potential.

Building X replaces McKinly Lab, which was heavily damaged in a fire in 2017. We are grateful that former Gov. Carney committed \$43 million in federal ARRA funds toward the project, which covered almost a quarter of the total \$185 million cost.

Building X represents a significant investment in the future of the University and the economy of our entire state.

We held a tour of the building in January, which some of you attended, to highlight its economic impact. The new building is an incredible, state-of-the-art interdisciplinary science teaching and research facility where researchers can explore the causes, treatments and prevention of disease and advance our understanding of developmental disorders, neuroscience and human behavior.

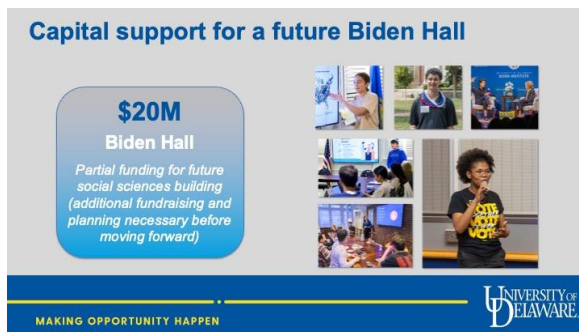
Like UD's other capital investments, Building X supports jobs, creates demand for goods and services, and encourages innovation and entrepreneurship in Delaware. For the past few years, we have been paying prevailing wage on all capital projects at UD. Capital spending on Building X and many smaller projects throughout the University supports 16,700 direct, indirect and induced jobs in Delaware. And those

jobs generate \$872 million in earnings within the state.

Building X will also help UD to educate more than 1,000 students a year. Many of them will go on to work in Delaware's technology, life sciences and health care industries. These are sectors that have a large and growing need for leaders, workers and entrepreneurs.

We are hosting an official ribbon cutting ceremony for Building X on April 17 at 4 p.m., and I hope you can all join us to celebrate this amazing new space.

It is important to note that all these capital projects were several years in the making. We are continually working to anticipate our future capital needs and engage in long-range planning and fundraising.



This is why we are grateful that Gov. Meyer has recommended \$20 million to support construction of Biden Hall at UD. This had been recommended for the Bond Bill but is now part of the One-Time Supplemental Bill.

This funding would provide a portion of the money we need for a new social sciences building on campus. We are still very much in the fundraising and planning stage of this project, so we have not set a timeline for construction yet. However, this demonstration of state support for the project will greatly help us in our efforts to continue to raise the necessary funds through philanthropy.

Once completed, Biden Hall would be the new home for the Biden School of Public Policy and Administration. As you know, Biden School offers education, research, programming and services that support government at all levels throughout the state. You are familiar with our Legislative Fellows program, in which UD and DSU students provide valuable research and assistance to state legislators. The Biden School also offers workforce training programs and assistance with committee staffing assignments that directly help the state.

This building has been on our radar for several years, and we still need to raise additional funding before we begin construction. But every great project needs a starting point.

Indeed, we also want to make sure our students have a strong start to their educational journeys, so the final part of our presentation focuses on how we're working to increase access to UD for more Delawareans.

For this, I'd like to hand it over to Provost Carlson.

Request: Renovating labs and classrooms

\$3.5M
Academic Pathways
Program Expansion
*Teaching labs and
classroom renovations
for Lewes and
Georgetown campuses*

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UNIVERSITY OF DELAWARE

PROVOST LAURA CARLSON

Thank you, President Assanis. And good morning, everyone.

I'm grateful for this opportunity to tell you about this element of our capital request, which will help expand the capacity of our Pathways initiative.

Most of our students follow a traditional pathway to higher education by entering a bachelor's degree program directly from high school. But that doesn't work for everyone, so we're expanding and strengthening a variety of alternative pathways so students can earn the degree that makes the most sense for their career goals.

We have had great success with our Associate in Arts Program. About 60% of AAP students earn their associate degrees within three years, which is twice the national average. And 32% of students who start that program go on to earn a bachelor's degree, compared to just 4% nationwide.

We want more Delawareans to have those opportunities, so we are developing associate degree programs to focus on areas that are growing in Delaware. This year, we are working to add programs in Business, Nonprofit Management & Leadership, and Health Science. We also plan to grow the existing associate program in Nursing, especially in southern Delaware, and we expect to launch additional programs next year, as well.

Classes will be offered at UD's locations around the state, as well as in online and hybrid formats.

The curricula for these programs are organized around a 2+2 model, with the first two years offering a plan of study that leads to a two-year associate degree and workforce opportunities. Each of these feed into a bachelor's degree in the "+2" years for those who want to continue for a four-year degree. Some may even go on to earn a master's or doctoral degree, depending on their long-term career goals.

This structure is important because it facilitates even more collaboration with DelTech through our connected programs, with their graduates able to seamlessly join UD if they want to complete their four-year degree.



We want these programs to leverage the unique aspects of our presence in the state, particularly in southern Delaware.

In support of this expansion, we are planning to convert 2,000 square feet of classroom space on our Georgetown and Lewes campuses into teaching labs. We also plan to upgrade 10 classrooms to facilitate distance learning for online and hybrid classes offered through the program.

To make these improvements in southern Delaware in support of the Pathways Program, we are requesting \$3.5 million as part of our FY26 capital budget appropriation.

Thank you for your consideration and your time today.

PRESIDENT ASSANIS

Thank you, Provost Carlson.

Before we conclude, I want to take a moment to thank this committee for your ongoing support of UD, and particularly with two important initiatives.



The first is for \$6 million in the FY24 capital appropriation for upgrades to the women’s softball stadium at UD.

I’m happy to report that the upgrades are complete, and our softball season is off to a great start. The renovated stadium will also host the 2025-26 Conference USA Championship Tournament next year, which is very exciting because it will bring fans to the area and increase Delaware’s national visibility.

We are hosting an official celebration of the updated stadium on Saturday, April 12, at 1:30 before the game, so please join us for that if you can.



Also, I want to thank the Bond Bill committee again for funding the Grant Assistance Program, or GAP. This initiative was launched three years ago by UD’s Institute for Public Administration in the Biden School to help Delaware municipalities access funds from the Federal Infrastructure Investment and Jobs Act.

So far, the GAP team has helped Delaware municipalities submit 59 grants, with an application success rate of 41% for awards totaling \$9.9 million in grant funding.

In Fall 2024, GAP received informal notification of awards for multiple projects through FEMA’s Building Resilient Infrastructure and Communities Program. These include:

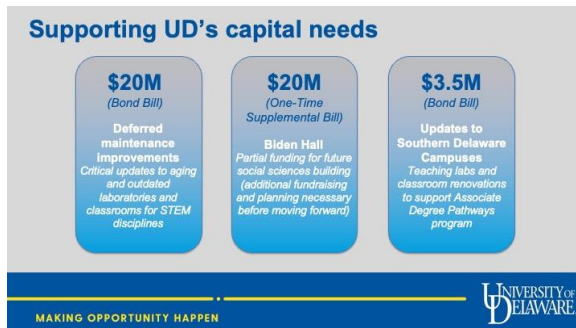
- \$395,000 for underground utilities in Seaford as part of Oyster Park development
- \$327,000 to purchase a generator for the New Castle Municipal Services Commission

- \$410,000 for a planning study to address flooding in Fenwick Island on the bayside

Last year, the Team kicked off its eight-week comprehensive grant training program designed to build capacity at the local level. This year, GAP will launch this training as an asynchronous online course that municipal employees and community participants can use to build their grant writing skills on their own time and at their own pace.

Unfortunately, some project funding has been frozen by the Trump administration, and the status of several grant programs is being debated in the courts. But we believe these metrics speak to the success of GAP, and we are hopeful that the funds will once again benefit Delaware’s cities and towns in advancing critical infrastructure projects.

In the meantime, GAP continues to be a great resource, so please encourage the municipalities in your districts to reach out to UD for more information about this program and other ways we can assist them.



In conclusion, I believe you’ll see that our capital appropriation requests for FY26 reflect our deep commitment to providing the outstanding resources and facilities that advance educational and economic opportunity for all Delawareans.

Thank you for your time today. We are happy to answer any questions you may have.

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