



UCRA Meeting Minutes
April 16, 2021
ZOOM Meeting, 3:00 p.m.

Members Present: J. Burke, J. Dillon, B. Dolan, K. Erhardt, K. Farrell, S. Herbert, R. Hill, D. Kilbride, D. Kwan, M. Sheldon, A. Skurka, L. Strimkovsky (Convener), C. Wenzel

Excused Members: A. Petzel, D. Riley

Recording Minutes: P. Chiller

1. Approval of UCRA Meeting Minutes

The meeting minutes from March 9, 2021, were sent via email following April 16, 2021, UCRA Meeting for approval. As only one committee member responded to approval, March 9, 2021, UCRA meeting minutes will be reviewed for approval at the next meeting.

2. Update on the FY22 Operating Budget preparation process

J. Dillon explained the operating budget preparation process. The budget starts with revenue assumptions and one of those assumptions is the size of the freshman class. The University is budgeting for a freshman class of 625 students. In December 2020, new tuition, room, and board, and fees were increased. Room and board revenue is an integral revenue source. Spring semester 2021, there were only 925 students living on campus compared to past years of 1,400. The projection for students living on campus in Fall 2021 is 1,150.

J. Dillon reviewed the University's expenses which include retirement, salaries, benefits, and department operating budgets. J. Dillon and L. Strimkovsky are meeting with all departments to review each one's budget. One big expense is depreciation, based on the University's capital projects and depreciation policy. There are capital projects this year, and this will impact the depreciation expense.

L. Strimkovsky wants to move to participatory budgets, where department chairs or directors can submit budgets. The University is also working to reduce the discount rate for incoming students. Last year the discount rate was 70.2%. The projection

for this year's freshman financial aid packaging is 68%. The goal is to increase the net tuition revenue. During our next meeting, we will show some detail behind the budget assumptions. At this time, there has not been a decision made on whether the staff retirement contributions will be restored.

3. Review of Capital Budgets

L. Strimkovsky explained the process for capital project approvals. Both Finance Committee and the Property, Facilities, and Technology Committee of the Board review the capital projects and the respective budgets. The projects we will review today have been approved. Capital project expenditures have been reduced significantly over the past two years.

J. Burke reviewed the ITS Capital Projects, deferred maintenance, capital renewal, strategy, and security. Most of the funds are going to infrastructure and the classrooms. Some Classroom PCs need to be upgraded. The University has approximately \$2M in deferred maintenance in classroom technology that ITS will keep working through. Cybersecurity projects are important in today's climate and include training, maintenance, and critical steps to make the University's website more customer friendly.

A. Skurka reviewed the Facilities Capital Projects list beginning with deferred maintenance projects: building facades, an elevator at the library, the pool deck, emergency lighting replacement, plumbing in a residence hall, fire sprinkler repairs, and Boler alarm upgrades. She also reviewed the capital renewal and capital improvement projects: Boler 1st floor single restroom renovation, roof, window, and door repairs in a few residence halls, mechanical repairs, architectural design fees, and fleet upgrades.

L. Strimkovsky mentioned the Dolan Hall renovations that will begin after graduation. Dolan Hall will be ready for a freshman in Fall 2022. The tennis court project will also be completed this year. The counseling center will have its entrance and space in Dolan Hall, where they will be permanently located. The department is temporarily in Pacelli Hall. Library renovations were planned in phases, but a full renovation of the library may become part of a capital campaign to modernize the whole building.

4. New Business

L. Strimkovsky shared information about the University's real estate resources. The Green Road Annex property was purchased more than a decade ago and is in the process of being sold to a renter, Jewish Family Experience. The money will

likely be used for deferred maintenance, but the board of directors will determine how the proceeds will be spent. Green Road Annex was a non-performing asset that would begin to cost the University, so the decision was made to divest.

A question was asked, Al Miciak announced a \$6M shortfall, does the University have a plan?

L. Strimkovsky explained the budget meetings taking place at this time are cutting non-salary expenditures. There is also some money coming from the Federal Government, and the board is considering another draw from the endowment. The board is expecting a balanced budget by 2023. The \$6M gap is with the projected freshman class at 625. There is a lot of work going on with enrollment, marketing, the strategic plan with new programs, and the board of directors to increase net tuition and decrease the discount rate.

The extra endowment draw approved by the Board this year was \$2.8M. The endowment has done quite well, as it is currently at \$270M. It is important to remember that the endowment is also funding professorships, scholarships, etc.

L. Strimkovsky responded to a question regarding whether the endowment draw be part of the budgetary hardship calculation. Discussions regarding the budgetary hardship definition ensued. The amendment goes into effect in August 2021.

There will be follow-up on the hardship amendment calculation at a future meeting.

Approved 9/8/21