



## Board of Trustee Retreat Business Update

October 5, 2017

## Enrollment Overview

**Total Undergraduate Enrollment**

- Newark = 18,144 (Fall 2016 Undergraduate enrollment was 17,669)
  - 36% Delaware Residents
  - Largest enrollment of minority students
  - 4.8% International Students (from 4.1% Fall 2016)
- Associate of Arts program = 804 students

**First Year Newark Enrollment**

- Record number of applications, overall and by residency received = 27,507
  - 22% more applications from Delaware students than Fall 2014
  - Selectivity = 61% compared to 65% last year
- Largest freshman class in history of UD = 4,306
  - Record enrollment of Delaware students = 1,402 (32.6% of freshman)
    - Test optional is promoting access: 220 of 700 applicants enrolled Delaware students applied test optional
      - 119 White
      - 37 Black/African American
      - 31 Hispanic
      - 9 Multi-Ethnic
      - 76 First Generation
      - 100 Pell Students

**First Year Newark Enrollment (cont.)**

- Profile
  - Median GPA, 3.51-3.92 (25<sup>th</sup>-75<sup>th</sup> percentile)
  - Median SAT band 1,180-1,350 (25<sup>th</sup> – 75<sup>th</sup> percentile)\*
  - Honors Enrollment = 531 students
  - Enrollment in affinity programs = 146 (Delaware Innovation Fellows, Community Engagement Scholars, Cybersecurity Scholars, Grand Challenge Scholars)
  - World Scholar Enrollment = 79 (40 at John Cabot in Rome and 39 at St. Louis University, Madrid)
- Diversity
  - Largest class of underrepresented minority students (URM), 721 (16.7% of class), 20% greater than largest previous URM enrollment (Fall 2014)
    - Largest classes of URM students by residency; 39% more Delaware URMs than largest prior year (Fall 2016) and 4% more non-resident URMs than largest prior year (Fall 2014)
  - Largest class of international students, 228 (5.3% of class), 22% greater than largest previous international freshman class (Fall 2016)
    - Record enrollment of direct entry international students

\* SAT went through a major revision, so it is difficult to compare one year to another.

**New SAT scores sow confusion over how to tell a good result, Washington Post, 9/26:** The College Board discourages comparisons, calling this year's results a new baseline. David Coleman, president of the College Board, acknowledged that the transition has caused misunderstandings. "By next year, we'll turn the page and this period of some confusion will be over," he said.

**First Year Associate of Arts Program enrollment = 364**

- 25% of the Newark and AAP enrollment of Delaware students are URM students, compared to 23%, 22%, and 21% the prior three years

**Transfer enrollment = 411**

- Largest transfer enrollment in three years
- Largest URM transfer enrollment over the past four years

## Fiscal Year 2018 Budget & Capital Plan

		Q2 Year-End Projection	Budget			
				\$ vs.	% vs.	
		FY 2017	FY 2018	PFY 2017	PFY 2017	
1	<b>Beginning Balance</b>	<b>519,232</b>	<b>563,685</b>			1
<b>Revenue</b>						
2	Undergraduate Tuition & Fees	443,731	462,976	19,245	4.3	2
3	Graduate Tuition & Fees	93,839	95,071	1,232	1.3	3
4	Other Tuition & Fees	34,736	37,056	2,320	6.7	4
5	<b>Total Tuition &amp; Fees</b>	<b>572,306</b>	<b>595,103</b>	<b>22,797</b>	<b>4.0</b>	5
6	State Appropriation	121,186	118,794	(2,392)	(2.0)	6
7	Federal Appropriation	3,443	3,154	(289)	(8.4)	7
8	Contracts & Grants Federal, State, & Other	141,642	155,730	14,088	9.9	8
9	F&A Cost Recoveries	35,351	39,239	3,888	11.0	9
10	Gifts	34,407	38,689	4,282	12.4	10
11	Endowment Payout and Other Inv. Income	67,555	68,229	674	1.0	11
12	Other Sources Revenue	52,164	68,170	16,006	30.7	12
13	Auxiliaries	122,003	127,039	5,036	4.1	13
14	<b>Total Revenue</b>	<b>1,150,058</b>	<b>1,214,147</b>	<b>64,089</b>	<b>5.6</b>	14
15	Undergraduate Tuition	443,731	462,976	19,245	4.3	15
16	Student Aid	(92,907)	(103,086)	(10,179)	11.0	16
17	Net	350,824	359,890	9,066	2.6	17
18	Graduate Tuition & Fees	93,839	95,071	1,232	1.3	18
19	Graduate Tuition Expense	(63,144)	(63,985)	(842)	1.3	19
20	Net	30,695	31,086	391	1.3	20

		Q2 Year-End Projection	Budget			
		FY 2017	FY 2018	\$ vs. PFY 2017	% vs. PFY 2017	
1	<b>Total Revenue</b>	<b>1,150,058</b>	<b>1,214,147</b>	<b>64,089</b>	<b>5.6</b>	1
	<b>Expense</b>					
2	Professional Salaries	150,191	164,473	14,282	9.5	2
3	Faculty Salaries	148,822	159,867	11,045	7.4	3
4	All Other Salaries	145,882	150,797	4,916	3.4	4
5	Fringe Benefits	162,394	166,438	4,043	2.5	5
6	<b>Total Compensation</b>	<b>607,289</b>	<b>641,575</b>	<b>34,286</b>	<b>5.6</b>	6
7	Travel	26,909	28,945	2,036	7.6	7
8	Supplies and Expense and Other	113,122	127,982	14,859	13.1	8
9	Graduate Tuition Expense	63,144	63,985	842	1.3	9
10	Student Aid	92,907	103,086	10,179	11.0	10
11	Plant M&O	77,776	85,557	7,781	10.0	11
12	Subcontracts - Sponsored Agreements	25,984	36,916	10,932	42.1	12
13	Library Books, Cap Equip & Svcs	23,774	23,717	(57)	(0.2)	13
14	Debt Service	38,668	42,488	3,820	9.9	14
15	<b>Total Expenditures</b>	<b>1,069,574</b>	<b>1,154,251</b>	<b>84,678</b>	<b>7.9</b>	15
16	Endowment Transfers (to) / from	(410)	(268)	142	(34.6)	16
17	<b>Operating Surplus/(Deficit) before Capital</b>	<b>80,074</b>	<b>59,627</b>	<b>(20,446)</b>	<b>(25.5)</b>	17
Margin		7.0%	4.9%			



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4	<b>Endowment Transfers (to) / from</b>	<b>(410)</b>	<b>(268)</b>	<b>142</b>	<b>(34.6)</b>	4
5	<b>Operating Surplus/(Deficit) before Capital</b>	<b>80,074</b>	<b>59,627</b>	<b>(20,446)</b>	<b>(25.5)</b>	5
<b>Major Capital</b>						
6	Gifts for Capital	1,359	7,841	6,482	477.1	6
7	Bond Proceeds	38,725	62,949	24,224	62.6	7
8	State Bond Bill Appropriation	5,246	8,000	2,754	52.5	8
9	Other Capital Funding	498	267	(231)	(46.3)	9
10	Capital Expenditures	(81,449)	(133,346)	(51,897)	63.7	10
11	<b>Capital Funded from Operations</b>	<b>(35,621)</b>	<b>(54,289)</b>	<b>(18,668)</b>	<b>52.4</b>	11
12	<b>Surplus/(Deficit) after Capital</b>	<b>44,453</b>	<b>5,338</b>	<b>(39,114)</b>	<b>(88.0)</b>	12
13	Margin	3.9%	0.4%			13
14	<b>Ending Fund Balance</b>	<b>563,685</b>	<b>569,023</b>	<b>5,338</b>	<b>0.9</b>	14

- FY18 State budget appropriation was reduced by 2%
- In early August, 2017 the State informed us of an additional cut of \$87k

	FY 2017 State Appropriation	FY 2018 Final Appropriation	FY 2018 Vs. FY 2017 Appropriation	
<b>Total: Operations</b>	<b>93,918.3</b>	<b>91,975.0</b>	<b>(1,943.3)</b>	<b>-2.1%</b>
<b>Special Lines</b>				
Scholarships	10,355.7	10,355.7	0.0	
College of Agriculture	5,515.7	5,405.3	(110.4)	-2.0%
Great Beginnings	19.9	17.9	(2.0)	-10.1%
College of Business & Economics	1,778.0	1,742.4	(35.6)	-2.0%
College of Arts & Sciences <sup>(2)</sup>	2,851.5	2,794.5	(57.0)	-2.0%
Women's Leadership Training Programs	11.3	10.2	(1.1)	-9.7%
College of Education & Public Policy <sup>(2)</sup>	2,829.2	2,772.6	(56.6)	-2.0%
College of Earth, Ocean, & Environment	850.1	833.1	(17.0)	-2.0%
College of Engineering	827.9	811.3	(16.6)	-2.0%
College of Health Sciences	565.5	554.1	(11.4)	-2.0%
Nursing Program Expansion Initiative	250.0	247.5	(2.5)	0.0%
<b>Other Programs</b>				
Delaware Biotechnology Institute	548.4	494.8	(53.6)	-9.8%
Diversity Enhancement (Minority Recruitment Prog)	274.6	247.8	(26.8)	-9.8%
Improved Campus Security	94.4	85.2	(9.2)	-9.7%
Library Automation	44.2	39.8	(4.4)	-10.0%
Multimedia Center	183.8	165.7	(18.1)	-9.8%
Software License Support	267.4	240.6	(26.8)	-10.0%
<b>Total Special Lines</b>	<b>27,267.6</b>	<b>26,818.5</b>	<b>(449.1)</b>	<b>-1.6%</b>
<b>Total Operating Budget</b>	<b>121,185.9</b>	<b>118,793.5</b>	<b>(2,392.4)</b>	<b>-2.0%</b>

The FY 2018 budget process is unique. Initial discussions of the RBB/BUD model in Fall 2016 attempted to modify the existing model, however there were no easy adjustments that allowed for funding of strategic priorities.

- RBB/BUD Strengths include:
  - More control over unit budgets.
  - Ties resources to activities in a predictable way.
  - Encourages academic leaders to incorporate strategies into academic planning.
- RBB/BUD Weaknesses include:
  - RBB does not easily facilitate strategic priorities that improve quality, inclusive excellence, student success or graduate school.
  - Interdisciplinary collaboration was not easily achieved
  - Allowed for large reserve balances while other priorities were funded
- Tentative Timeline – Winter 2018: new budget model for FY 2019 announced.

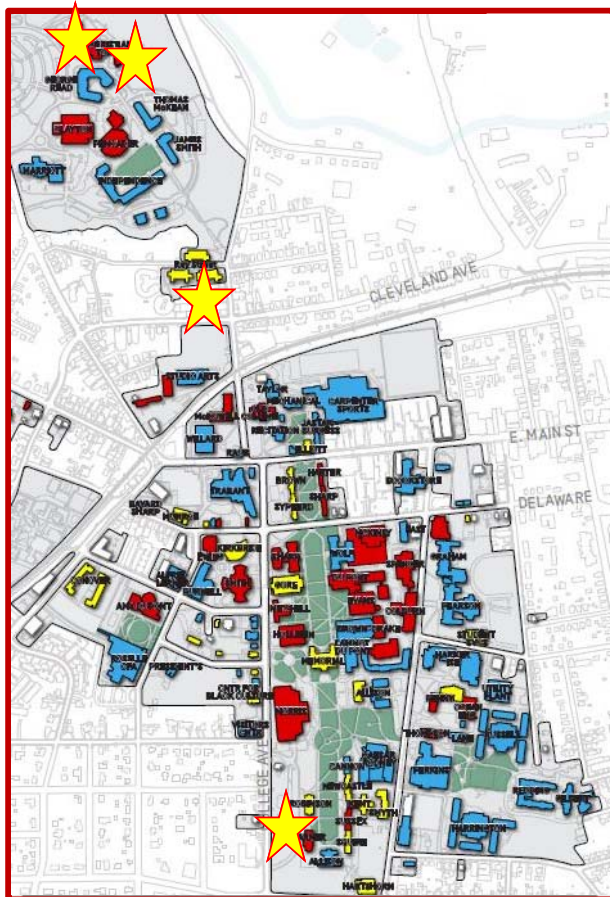
## Capital Plan

The 10 Year Capital Plan includes a number of projects totaling \$170MM in Existing Initiatives and \$290MM in New Initiatives.

- Campus Renewal
  - Worrilow Renovation
  - Drake Phase II
  - Sharp Laboratory
- Laird Campus Housing
  - Construct 600 bed residence hall
  - Demolish Christiana Towers
  - Renovate Pencader Dining
- NIIMBL/BPI
- Social Sciences with Graduate School
- Athletics Performance Center & west Stadium renovation

## Housing Plan

## Christiana Towers/South Green Residence Hall

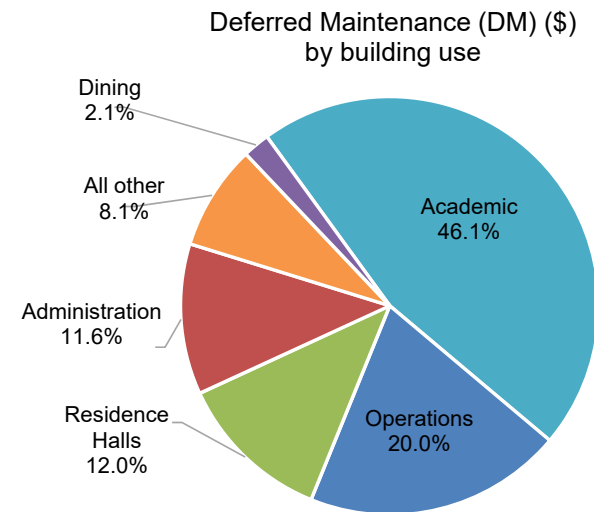
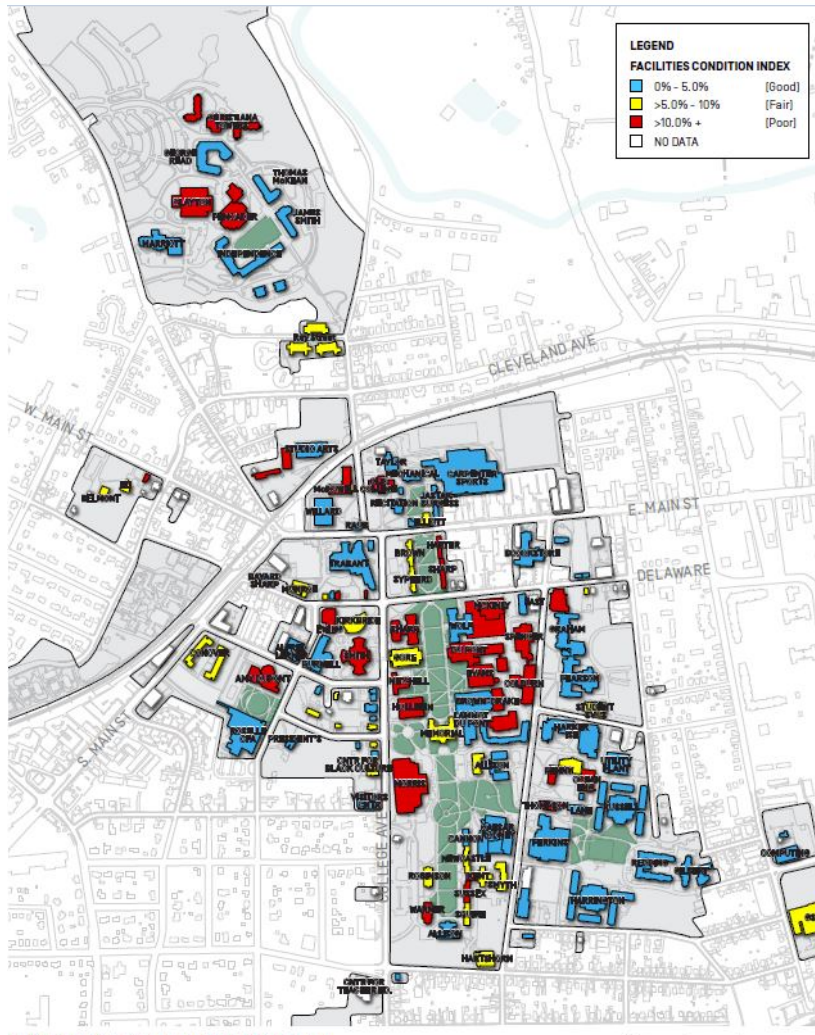


### Description

- Christiana Towers
  - Efforts to maintain the Christiana Towers through May 2020 continue. One tower planned for demolition in Summer 2019.
  - Design of 600+/- bed residence hall to begin October 2017; site selection study underway. Construction planned to occur between August 2018 – July 2020

## Deferred Maintenance





The University's portfolio has a Replacement Value of **\$3,368,149,958**.

Our FY17 Deferred Maintenance Backlog is **\$437,859,494**.

Our current FCI rating is **13.0% (poor)**.

STAR Campus

## Project Comet – Corporate Research Facility at STAR



### Description:

Project Comet proposes to construct a research facility at STAR to serve as the worldwide research headquarters for their company

### Key Terms:

- Project Comet to construct 300,000 sq. ft. of office and laboratory space with parking for approximately 400 cars and related site improvements on a +/- 15.4 acre site at STAR
- Proposed deal terms include a 75 year ground lease to developer SunTrust
- \$300,000 per acre with a frontloaded payment of approximately \$4.6MM
- 25 year space lease to ground leasee
- Construction start – 10/2017
- Occupancy date – 12/2019

### Collaborative Research Agreement, \$4MM over five years:

- \$500,000/year for 5-years, renewable, to undertake Applied Research
- \$300,000/year for 5-years, renewal, to undertake Discovery Research
- Internships for UD undergraduate students
- Reciprocal agreement between UD and Comet for use of core facilities of each entity

## STAR Campus – STAR Tower Facility Lease and Audion



### Description

The Finance Committee approved (1) 50,000 square foot lease that included: base rent, applicable taxes, insurance, operating expenses and common area maintenance costs, with the gross lease rate not to exceed \$34 per square foot (2) 11,180 square foot Audion Project with construction costs of \$3.6 million and projected annual lease payment of \$296,158 and (3) the investment of \$4.25 million in Tower tenant improvements along with the purchase of \$2.2 million in equipment and furniture.

During final lease negotiations, the College of Health Sciences increased its occupancy needs to include the 7<sup>th</sup> floor in the New Building with the rentable square footage increase of 10,005. The final Atrium configuration increased by 6,043 square feet as well as an increase of 4,263 square feet due to the inclusion of common area spaces and the demonstration kitchen, resulting in an increase in the total rentable square feet from 61,180 to 81,491.

In addition, during the lease negotiations, the University agreed to fund additional lobby improvements totaling \$2.7 million and additional tenant improvements and furniture & fixtures estimated to be \$4.1 million.

### Lease Terms

Landlord: Delle Donne & Associates  
 Tenant: University of Delaware – College of Health Sciences  
 Location: Newly Constructed 10 story tower  
 Term: 30 years (extension options to be negotiated)  
 Space: 81,491 nrsf delivered as part of Base Building Rent  
 Cost: \$23.41/nrsf base rent plus applicable taxes, insurance,

Annual lease payment: \$ 1.9 million



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## STAR Campus – Biopharmaceutical Innovation Building

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The 200,000 gsf building will house the National Innovation for Biopharmaceutical Innovation as well as research faculty from various colleges.

## Campus Master Plan

## What We Learned: Opportunities and Constraints

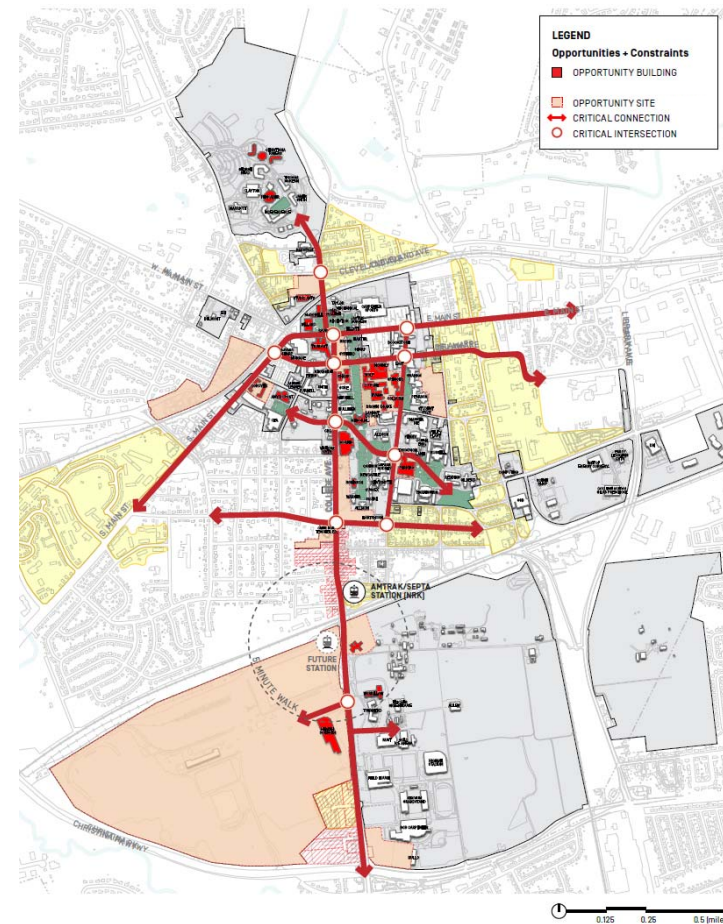
Based on the information gathering, analysis, mapping, stakeholder engagements, and interviews we have identified a core set of opportunities and constraints facing the University.

### OPPORTUNITIES

- Prioritize strategic opportunities to **PARTNER WITH THE CITY** on issues and areas of mutual interest.
- **IMPROVE** the quality, functionality, character and safety of **COLLEGE AVENUE**.
- **IMPROVE** visibility and connectivity to **MAIN STREET** and surrounding neighborhoods.
- Improve east-west pedestrian circulation throughout the campus.
- **IMPLEMENT A WAYFINDING SYSTEM** and other strategies to improve campus identity & access.
- **INSTITUTE A SUSTAINABILITY PLAN** with metrics, goals, and milestones.
- **REPURPOSE EXISTING BUILDINGS** in Science and Engineering Precinct.
- **INCREASE UTILIZATION** of registrar controlled **CLASSROOMS** at early and late times of day for greater use of existing classrooms.
- **CONSIDER** parking lots, undeveloped sites and under utilized buildings as **DEVELOPMENT SITES** CLOSE TO CENTRAL CAMPUS.

### CONSTRAINTS

- **CAMPUS LACKS SENSE OF ARRIVAL** at the periphery.
- **RAIL** infrastructure **DIVIDES THE CAMPUS** INTO THREE ZONES and limits circulation to only a few crossing and connections.
- **TRANSPORTATION SYSTEMS** (vehicular, pedestrian, bicycle, transit) **ARE NOT AN INTERCONNECTED NETWORK**.
- **CIRCULATION PATHS** to core campus from adjacent neighborhoods **ARE UNCLEAR**.
- **CAPACITY AND CHARACTER** HINDER COLLEGE AVENUE'S potential as the unifying spine of the University.
- **NO UNIVERSITY-WIDE SPACE MANAGEMENT** function exists to assess space reallocation over time.
- Organizational and budgetary **SILOS PREVENT INTEGRATED DECISION MAKING**.
- **FACILITIES RENEWAL AND DEFERRED MAINTENANCE** LACK BUDGETARY PRIORITY.
- Advancement of research in STEM fields is **LIMITED BY THE QUALITY AND QUANTITY OF LABORATORY FACILITIES**.
- **'THE GREEN'** LACKS THE ACTIVATION TO MAKE IT THE HEART OF CAMPUS.



## Strategic Questions for Phase Two:

1. Should the future Newark Campus be implemented as one brand unifying three distinct areas with their own character?
2. Should the University be a college town or suburban?
3. How big does the University of Delaware want to be in Newark?
4. Which programs should be targeted for growth?
5. What are the best sites for development or redevelopment?
6. What are the sustainability + resiliency goals and policies for the University?
7. What funding levels may be assumed to develop stages for the plan?



