

University Faculty Meeting

April 19, 2024

Agenda:

1. Finance presentation and discussion (Jeremy DiGorio, Vice President and Chief Financial Officer; Alan Green, Chair of the Faculty Finance Committee)

The meeting was called to order at 12:00pm by Provost Skomp.

Provost Skomp gave a brief welcome and explained that today's meeting will focus solely on the topic of university finance. Vice President and CFO Jeremy DiGorio and Alan Green will present and lead the discussion.

Dr. Alan Green, Chair of the Faculty Finance Committee, discussed a Faculty Senate resolution regarding the hypothetical reallocation of \$5 million. Dr. Green expressed gratitude to committee members for their diligent work and highlighted the regular meetings held with university stakeholders to facilitate productive discussions. The presentation aimed to address concerns about the university's budgeting approach and foster a proactive mindset regarding resource allocation.

Dr. Green emphasized the concept of a "learning organization," stressing the importance of adaptability and responsiveness to change. He noted shared concerns among committee members and the Faculty Senate regarding the university's current budgeting practices. The presentation transitioned to a discussion of potential uses for the hypothetical \$5 million, focusing on academic enhancements. Dr. Green outlined key areas such as faculty compensation, research support, pre-tenure sabbaticals, and campus infrastructure updates, highlighting the need for a shift in mindset from budget balancing to envisioning possibilities for academic improvement.

Throughout the presentation, Dr. Green underscored the importance of considering additional resources as opportunities for academic advancement rather than mere budgetary constraints.

Jeremy DiGorio began by reflecting on the collaborative spirit within the Faculty Finance Committee and expressed enthusiasm for future collaboration with committee members, particularly regarding ongoing discussions spurred by the Senate resolution. He reiterated the importance of faculty compensation as a central concern and highlighted efforts to address it through various channels, including discussions with university leadership and budget planning sessions. Mr. DiGorio acknowledged the significance of these conversations in shaping the institution's strategic direction and budget priorities moving forward.

Regarding the budgetary landscape, Mr. DiGorio provided a detailed overview of fiscal strategies implemented to address revenue challenges, including strategic budget reductions and delayed hiring processes. He emphasized the institution's commitment to maintaining academic resources and faculty support amid financial constraints, citing specific measures taken to safeguard faculty compensation and operational stability. Additionally, he discussed ongoing efforts to optimize restricted fund use and explore opportunities for cost savings and revenue enhancement to support long-term sustainability.

Mr. DiGorio concluded by outlining key initiatives related to fundraising, campus infrastructure, and strategic planning efforts, including updates on the institution's endowment growth and debt issuance plans. He underscored the importance of balancing immediate financial needs with long-term investment in campus facilities and academic resources. Mr. DiGorio also addressed faculty concerns raised through feedback forms, reaffirming the institution's commitment to addressing compensation issues and prioritizing strategic budget alignment with the institution's mission and goals.

Dr. Alan Green continued the meeting by providing an overview of the committee's ongoing efforts, emphasizing their role as an oversight body. He expressed gratitude to Jeremy for the detailed budget breakdown provided. Dr. Green highlighted the continuation of long-standing concerns, referencing a report from 2017 that critiqued the allocation of surplus funds towards an extensive athletics program. He then reviewed the finance committee's focus areas from 2019, which included budget projections, athletics growth, and increasing discounts for athletes. Dr. Green underscored the importance of standardizing data reporting across committees and the Board of Trustees, aiming for a comprehensive understanding of revenue and expenditure.

Dr. Green then delved into a breakdown of the university's revenue and expenditure categories, emphasizing the significant role of academic revenues, long-term investments, D1 athletics, and residential campus operations. He outlined the historical trends over a six-year period, highlighting key figures for each category. Dr. Green noted the strategic intentions behind the budget allocations, particularly the use of academic surplus to support athletics expansion. However, he acknowledged that outcomes did not align with the intended goals, with enrollment, retention, graduation rates, and financial stability falling short of expectations. He concluded by stressing the need for a strategic reassessment of budget priorities, advocating for fair compensation for faculty and investments in academic excellence.

Dr. Chris Roellke began his comments by expressing gratitude to Dr. Green and Mr. DiGorio for their valuable contributions. He stressed the importance of ongoing conversations, highlighting the collaborative spirit fostered through engagements such as the Faculty Finance Committee and the Faculty Compensation Committee. Dr. Roellke commended Board of Trustees Chair Steve Alexander for meeting with every elected and appointed faculty member on these committees, noting the importance of collaboration in the current challenging higher education landscape. He acknowledged concerns raised about the pace of change and defended Stetson's identity as a learning institution, citing evidence of remarkable achievements amid unprecedented challenges. Despite these challenges, he affirmed his belief in historical reciprocity, outlining plans for recovery and emphasizing the importance of prioritizing faculty compensation to retain top talent and maintain a relationship-rich university environment.

Dr. Roellke further discussed Stetson's response to the pandemic, highlighting the university's commitment to retaining all employees without layoffs, particularly prioritizing those on the lower end of the pay scale. He also praised the faculty's commitment to the 3/2+1 initiative, intended to enhance high-impact practices and student success. Dr. Roellke concluded by outlining strategic priorities for financial and academic sustainability, expressing confidence in

Stetson's ability to emerge stronger and provide a relationship-rich education that ensures student success.

Jeff Gates, Senior Vice President for Enrollment and Marketing, provided insight into the university's enrollment management practices and discussed the implications of past procedures on acceptance rates. Mr. Gates explained that previous strategies, such as waiting for complete applications before making decisions, contributed to higher published acceptance rates. However, he emphasized that the current approach focuses on evaluating each application promptly to ensure efficiency and accuracy in decision-making. Mr. Gates also addressed concerns about the consistency of academic quality among incoming students, acknowledging that while SAT, ACT, and GPA scores have remained stable over the years, many students lack preparedness for the traditional college experience.

Additionally, Mr. Gates touched upon the progress made in financial aid distribution and enrollment deposits, highlighting the proactive efforts of the financial aid team despite challenges with the FAFSA process. He expressed optimism about the trajectory of enrollment deposits and emphasized the importance of monitoring data closely to inform strategic decisions. Mr. Gates then mentioned the upcoming initiatives in roster management for athletics, indicating collaboration with relevant university officials to optimize resource allocation and scholarship distribution within sports programs.

The meeting concluded with Provost Elizabeth Skomp addressing the attendees, acknowledging the challenging topics discussed and the responsibility to address them collectively. She briefly touched on the academic preparation of incoming students, echoing Jeff Gates's sentiments about meeting students where they are and supporting their success, which she noted as integral to the university's academic mission.

Dr. Skomp then addressed several points raised during the presentation. She noted ongoing efforts in development to endow faculty positions and potential compensation fund endowments. Additionally, she highlighted discussions regarding the improvement of learning spaces and classrooms on campus, acknowledging limitations in funding but expressing optimism about utilizing accumulated funds for gradual enhancements. Dr. Skomp also emphasized the costs associated with faculty searches, both in terms of financial resources and the time and energy of faculty involved.

In conclusion, Dr. Skomp reminded attendees of the upcoming faculty meeting to focus on compensation, scheduled for the following week. She encouraged participation and discussion, recognizing the importance of addressing faculty concerns and needs. The meeting concluded with appreciation for the efforts of those involved in preparing the presentation and well wishes for a peaceful weekend.

The meeting adjourned at 1:15pm.