

University Faculty Meeting

April 25, 2025

Agenda:

1. Opening Remarks from Provost Skomp
2. Remarks from President Roellke
3. 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.

Opening Remarks from Provost Skomp

Provost Elizabeth Skomp opened the meeting by welcoming attendees and reminding them about the upcoming in-person university faculty meeting on Study Day, May 1, from 1:15 to 2:45 p.m. in Rinker Auditorium. She introduced Maddie Bryant as the new Executive Assistant in the Provost's Office. Dr. Skomp acknowledged the ongoing challenges higher education faces, emphasized the extensive effort invested in evaluating Stetson's financial position, and thanked those involved. She noted that this annual financial meeting is required by the bylaws and expressed confidence in the faculty's ability to engage in thoughtful, respectful discussion.

Remarks from President Roellke

President Chris Roellke opened his remarks by thanking the dining staff and acknowledging the importance of the day's meeting. He thanked faculty, senior leadership, and the Board of Trustees for their sustained efforts over the past ten months to assess all aspects of university operations in a data-driven environment. He emphasized the university's focus on aligning resources with the strategic plan and advancing comprehensive sustainability across financial, human, and environmental dimensions. President Roellke also highlighted the broader challenges in higher education, referencing a recent issue of *Liberal Education* and affirming Stetson's commitment to academic freedom, inclusive practices, and our policies and processes. He read a national statement on protecting higher education from political interference, which he co-authored and which now carries the signatures of over 500 presidents, including three from Florida institutions.

Roellke next described recent campus-wide efforts to foster dialogue and collaboration. He noted the latest issue of *Stetson Magazine*, which showcases the university's initiatives like the Hatter Ready program and his Presidential Fellows Program, highlighting its strong student retention and community-building focus. President Roellke concluded by expressing pride in our students, excitement for celebrating the graduating class, and deep appreciation for faculty efforts, encouraging continued collaboration as the university navigates challenging terrain.

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

Jeremy DiGorio, Vice President and Chief Financial Officer, offered a detailed overview of financial challenges and strategic responses affecting the DeLand campus. He acknowledged a

significant \$6 million structural deficit, largely driven by declining enrollment over the past four years and increasing expenses. Despite a recent \$3 million gain from debt refunding, market volatility reduced expected savings, and there were slight decreases in endowment distribution. DiGorio emphasized the institution's restraint in overall expense growth over the past decade and highlighted efforts in fiscal years 2024 and 2025 to reduce controllable operations by a combined \$3 million. He noted the formation of a financial health and strategy steering group with the Board of Trustees to pursue a three-year pathway to stability, involving \$2.5 million in planned structural reductions across the University.

Looking ahead to fiscal year 2026, DiGorio presented a proposed budget that reflects these reductions and includes a 2.5% compensation increase supported by offsetting position eliminations. The budget is based on an incoming class of 725 new students and 125 transfers, with an emphasis on recruiting students who can succeed and contribute financially. He noted increased auxiliary revenue from housing and dining, as well as an expected \$3.8 million increase in tuition revenue from the College of Law. DiGorio was transparent about the university's 6.2% endowment draw—higher than the national average for institutions of similar size—and stressed the importance of using these funds strategically to invest in people and enrollment growth initiatives. Ultimately, he emphasized that maintaining raises and supporting faculty and staff are top priorities and expressed hope that the Board of Trustees will approve the proposed budget.

Alan Green, Chair of the Faculty Finance Committee, offered an assessment of the university's financial health. He noted that the university's structural deficit has sharply increased over the past year, from a projected \$500,000 shortfall to an actual \$6.8 million deficit, even after a one-time \$5 million gift. He cited athletics overspending of over \$2 million and declining undergraduate tuition revenue (dropping from \$50 million to \$33 million in four years) as key contributors. Dr. Green also raised concerns about relying on future tuition growth and temporary financial fixes such as increased endowment draws and bond restructuring, arguing these do not address the underlying, unsustainable budget model.

Dr. Green critiqued the administration's proposed three-part plan, tuition revenue growth, increased endowment spending, and limited budget cuts as unrealistic and insufficiently strategic. Instead, the committee proposed a more aggressive restructuring: phasing out the \$13.6 million annual athletics subsidy over three years, reinvesting in high-impact academic programs, retention initiatives, and student support. Dr. Green closed by urging the university to act decisively and calling for bolder structural changes to avoid deeper financial crisis.

The Q&A session following the university's financial strategy presentations focused on enrollment projections, budget modeling, and the sustainability of intercollegiate athletics. Alan Green explained the Faculty Finance Committee's conservative modeling approach, based on recent enrollment trends and modest tuition growth, contrasting it with more optimistic administrative projections. President Roellke shared enrollment updates, noting record application numbers and increased net tuition revenue per student, while acknowledging ongoing uncertainty, especially with international recruitment. He emphasized that the university's strategic plan reflects collaboration among faculty, administration, and trustees.

A significant portion of the discussion centered on athletics spending and subsidy. Faculty questioned the value and sustainability of this investment, particularly when other mission-critical areas face cuts. President Roellke and CFO Jeremy DiGorio agreed that the current level of spending is unsustainable but argued that athletics remains important for institutional visibility and student experience. They outlined efforts to reduce the subsidy over three years through improved oversight and financial discipline. Additional concerns were raised about equity in evaluating student populations, especially international students and athletes. President Roellke acknowledged the need for clearer, more consistent data and reaffirmed a commitment to transparency, thoughtful reform, and community-wide engagement in navigating these financial challenges.

Provost Elizabeth Skomp closed the meeting by thanking Alan Green and Jeremy DiGorio for their presentations, expressing appreciation to all who participated in the discussion, and wishing everyone a peaceful weekend as the university moves into the final phase of the semester.

Adjournment

The meeting adjourned at 1:30 PM.