

SOUTHERN METHODIST UNIVERSITY
Faculty Senate Meeting
Wednesday, February 5, 2025

Present:

Absent:

Visitors: Rich Templeton, Chris Regis, Michael Hites, Suku Nair

1. The meeting was called to order at 3:12 p.m.
2. The agenda and the December minutes were approved.
3. Presidential Search Committee update: Rich Templeton (co-chair)
 - a. Mr. Templeton thanked the Committee and all who were involved. He reported that they are happy with the outcome. He reported that Dr. Hartzell has met with Deans, Provosts, and others and will visit the campus monthly. The Committee's work
4. Finance and budget update: Chris Regis, Senior Vice President for Business and Finance and Chief Financial Officer
 - a. FS President David Sedman asked Chris to discuss tuition increases, particularly the sustainability of tuition increases. Chris explained that 1% undergraduate tuition generates \$3,780,000. A 2.75% tuition increase is needed to fund the standard 4% compensation increase. 0.5% of undergrad tuition funds incremental debt service each year. A 4% undergrad tuition increase generates \$15,120,000. The remaining net tuition revenue funds inflationary increases on contracts, insurance premiums, library support, and initiatives related to retention and research, to name a few. Additional revenue comes from enrollment increases (freshman and transfers) and retention increases. It was noted that there isn't a lot of leeway in the budget. Further clarification was provided on the allocation of student fees: 85% of student fees are general revenue to the university, and 15% of student fees fund building maintenance, athletics, student center operations/maintenance, student association, and student association scholarships.
 - b. Chris reviewed the University's debt portfolio. SMU manages debt on the conservative side, including fixed interest rates exclusively. SMU currently has about \$300 million of unused debt capacity at its current rating level before it could risk the likelihood of rating downgrade. Incremental debt capacity will grow to about \$500M by FY29. She discussed the risks to calculated debt capacity and mentioned that no additional borrowing is currently anticipated. At the end of last year, SMU drew

services OIT offers, such as web design (Wordpress for personal; External Affairs for departmental information).

- c. Some challenges they face include being understaffed, which impacts operations (it is