

STATE OF THE UNIVERSITY ADDRESS

P. BARRY BUTLER, PH.D. AUGUST 17, 2023





On behalf of Embry-Riddle Aeronautical University, thank you to Board of Trustees Chairman Mori Hosseini for his opening remarks, and for all that he and our exceptional trustees have accomplished for our institution. We are doing quite well thanks to their support and guidance.

My annual State of the University address is an opportunity to share our achievements. Embry-Riddle recently finished executing its first five-year strategic plan, and our university has shown great progress across key areas, including student success, financial strength, infrastructure, undergraduate enrollment, funded research, state support, and advancement of signature Centers of Excellence and innovation at the Research Park. Furthermore, today's presentation provides a view toward our 2023-2028 Strategic Plan, recently approved by our board, which stresses three overarching stated goals and sets forth a vision for the future.

2023 by the Numbers

I would like to begin with a rundown of critical performance measures for 2023. These figures represent various activities and outcomes that contribute to the success of Embry-Riddle.

Worldwide Campus

Our Worldwide Campus serves 20,000 students. A significant fraction, about 50%, are active military. As a recognition of our stellar reputation in serving military personnel, we have been recently invited to serve new

garrisons opening in Eastern Europe, in both Romania and Poland, so we will have a presence for all the troops there as well. Our Worldwide student body is different from that on our residential campuses. Worldwide students range in age from 15 to 88. Many are in their early 30s and are working adults. But they all come to us for the same reason: We are the best, and Embry-Riddle is where they want to pursue an education to advance their careers.

Residential Campuses

At our Daytona and Prescott campuses, we serve roughly 11,500 students, and we are growing. Our Daytona Beach and Prescott campuses will enroll about 8,300 and 3,300 students, respectively, for the fall 2023 semester.

ROTC Program

We are proud to have a total of 1,300 ROTC (Reserve Officers' Training Corps) students between the two residential campuses. These programs are recognized widely in the Department of Defense (DOD) for their quality.

Athletic Program

The Athletics programs at Embry-Riddle are very special. Our 720 student-athletes across the two residential campuses have GPAs (grade point averages) well over 3.0, making them truly scholar-athletes. Top companies are also recruiting them for incredible jobs.



2023 BY THE NUMBERS

STUDENTS - WORLDWIDE

Enrolled	20,000
Active military	50%
Age - average	32
Age – range	15 - 88

STUDENTS - RESIDENTIAL

Er	nrolled	11,575
_	ROTC	1,300
-	Student-Athletes	720
Vo	olunteer hours	42,761



2023 BY THE NUMBERS

ACADEMICS

Degrees conferre	ed 5,/56
 Doctoral degrees 	33
 Fulbright Scholar 	rs 3
K-12 students	14.000

FLIGHT

	Flight/Sim hours	198,845
_	Certifications/ratings	2,178
	Aircraft	180
-	Landings	264,343



Continued: Athletic Program

Additionally, the program boasts high student retention levels, providing valuable insights for the institution.

Volunteerism

Despite being extremely busy, our students are helping in their communities, logging more than 42,000 volunteer hours. Contributors include everyone from Greek organizations to student groups, student government, athletic teams and ROTC students.

Academic Excellence

We conferred more than 5,700 degrees during the 2023 academic year, including 33 at the doctoral level. While the Ph.D. programs are still relatively new, they are producing world-class scholars in fields that include Aerospace Engineering, Aviation, and Business Aviation, among others. Three programs received top-ten academic ratings: the undergraduate Aerospace Engineering program at the Prescott Campus, the Aerospace Engineering program at the Daytona Beach Campus, and the Worldwide Campus' online bachelor's program. Embry-Riddle also continues to be recognized as a top residential and online academic college for veterans. Many of our corporate partners know of our top ranking in this category and specifically target our student veterans for career opportunities.

K-12 Programs

Embry-Riddle has connected with more than 14,000 K-12 students, a critical group given the vast needs in the pipeline for aviation and aerospace. Our Gaetz Aerospace Institute plays a key role in this success by providing STEM-related college programs to high school students nationwide. This year, the institute became the first program in Florida to receive accreditation from The National Alliance of Concurrent Enrollment Partnerships (NACEP). Both the Prescott and Daytona Beach campuses also offer exceptional youth summer programs, and our Worldwide Campus has a dual-enrollment program as well.

Flight Performance

Embry-Riddle's two Flight departments, which maintain a fleet of about 180 aircraft, tallied nearly 200,000 hours of flight and simulator training, conferred more than 2,100 Federal Aviation Administration (FAA) certifications and ratings, and completed some 264,000 landings, which is equivalent to some major airports. We are graduating professionally ready pilots at a time when there is a very high demand for their services.

Financial Success

Our combined revenue climbed to \$557 million in fiscal year (FY) 2023. The university has seen a 70% growth in revenue over the past 10 years. The State of Florida invested \$28 million in FY 2022, and the university's philanthropy team generated more than \$20 million for the university.



2023 BY THE NUMBERS

FINANCIAL

Revenue	\$557M
10-Year Growth	70%
Florida Investment	\$28M
Philanthropy	\$21M

RESEARCH/INNOVATION

	Expenditures	\$30M
-	Patent applications	6
	NSE CAREER awards	3



VISION FOR THE FUTURE

GLOBAL LEADERSHIP IN AEROSPACE HIGHER EDUCATION

PERSONAL ATTENTION TO STUDENT SUCCESS

RESPECTED FOR RESEARCH AND INNOVATION

Research and Innovation

For the second consecutive year, our externally funded research expenditures have exceeded \$30 million — and continue to increase. We are proud to report that three of our faculty members have been selected this year for National Science Foundation (NSF) Career Awards, the NSF's top honor for early-career faculty. Three faculty members have been named Fulbright Scholars, taking part in the U.S. government's flagship international program for teaching and research abroad. Additionally, Embry-Riddle faculty are producing patented technology. The continued growth at our Research Park will only add to this wellspring. More importantly, we are creating an environment for our students to be active in the research and innovation occurring at Embry-Riddle.

Vision for the Future

Our Strategic Plan presents a vision for the future through these three declarations:

 Be the unquestioned global leader in aviation and aerospace higher education.

In my opinion, we already are the best. Nevertheless, we always want to improve. This allows us to be the go-to resource for industry, for hiring and for leadership ideas.

2. Have a reputation for personal attention to student success.

Student success, which I talk about often, is at the heart of all that we do. Our entire Embry-Riddle community, as the Chairman

said, plays a part in this effort. I urge you to always keep student success in mind in your endeavors, as our students deserve nothing less.

3. Be the definitive source of innovation and excellence in aviation and aerospace education and research.

Academia, industry and entrepreneurship are converging at our Research Park. Our talented faculty are earning major grants and awards, and they are leading experts in their fields, advancing research and technological developments. This attests to who we are.

The three statements above should guide all our actions. You will hear me repeatedly discuss them, highlighting significant accomplishments and areas for improvement. We're all a part of this journey. We all need to be moving toward what we have defined as success.

New Leadership

The university has welcomed new leadership in key roles. Ms. Kelly Dowling, our Senior Vice President for Philanthropy and Alumni Engagement, joined us a few months ago. We are delighted by the return of Dr. Kelly Austin, our new Senior Vice President for Academic Affairs and Provost, who is also an alumnus. At our Prescott Campus, Dr. Dietmar Rempfer is our new dean of the College of Engineering.

Financial Outlook

Embry-Riddle's financial future is bright, thanks to Senior Vice President and Chief



NEW LEADERSHIP



Kelly Dowling

SVP for Philanthropy

& Alumni Engagement



Kelly Austin

SVP for Academic Affairs

& Provost



Dietmar Rempfer

College of Engineering

Prescott

STRONG FINANCIAL PERFORMANCE

INVESTMENTS IN PEOPLE, PROGRAMS, INFRASTRUCTURE WHILE BUILDING RESERVES

- IFS → increased about 125% since FY15
- Strategic Plan → \$32.5M budgeted over 6 years
- Salary, wages & benefits → outpaced CUPA and CPI
- Capital → \$663M over 10 years
- Academic programs → invested in new programs
- Faculty/staff → added FTEs as enrollment grew

Continued: Financial Outlook

Financial Officer Dr. Randy Howard and his outstanding financial management team. We also recognize the strong, continuing guidance provided by our Board of Trustees, who value the stewardship of the university's resources.

Strong Financial Performance

We continue to achieve strong financial performance. As a result, we have invested in our people, programs and expanding infrastructure. We have also grown our reserves, a statement of our financial strength.

To help more students afford a worldclass education at Embry-Riddle, we have increased our Institutional Financial Support (IFS) by more than 125% since FY 2015. And spending is aligned with our strategic financial plan, which budgets \$32 million for specific action items over the next six years.

Decade of Growth

Embry-Riddle has experienced a decade of growth. When we consider all three of our campuses, our combined operating revenue has exceeded half a billion dollars, an increase from \$320 million just ten years ago. Additionally, the university has made \$663 million in capital investments over the past 10 years.

Residential Faculty and Academic Programs

We expect our combined faculty headcount to reach nearly 600 full-time members by FY 2024. We have also invested heavily in signature and new academic programs that align with our mission to be the premier institution for aviation and aerospace higher education.

Growth of Revenue and Faculty

Our revenue and full-time faculty trend upward at a similar rate. This is critical to our success, underscoring that as our organization grows financially, our talented faculty also grows.

Compensation

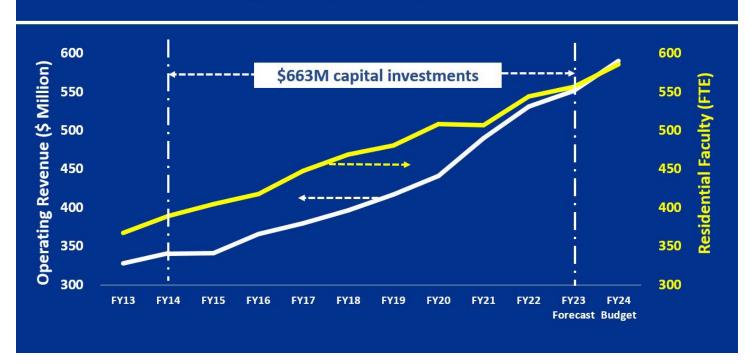
During the last six years, we have invested heavily in our salaries and wages, paying close attention to the rapid increases in prices due to recent inflation. Salaries, wages, and benefits at Embry-Riddle have outpaced an industry benchmark known as CUPA-HR (College and University Professional Association – Human Resources) and inflation, as measured by the Consumer Price Index for all Urban Consumers (CPI-U). Embry-Riddle's salary budget has climbed by 42.6% since FY12, whereas the CUPA-HR and CPI-U, rose 36.9% and 32.1%, respectively, during that period. What's more, we expect our salaries to continue to outpace CUPA-HR and CPI-U by an even higher rate in the near future.

Florida Invests in Aerospace

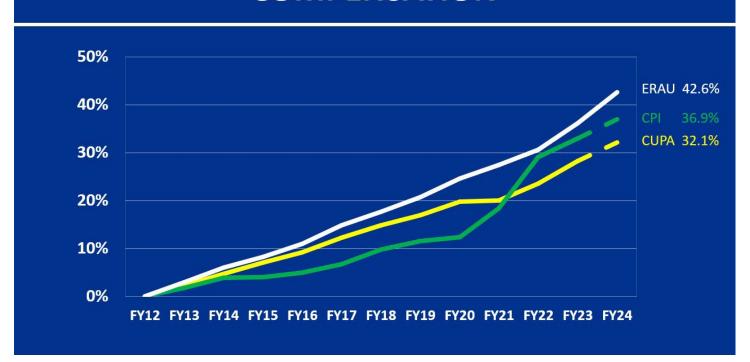
Embry-Riddle is seen as a good investment to spur growth in Florida's dynamic aviation and aerospace sectors.







COMPENSATION



Continued: Florida Invests in Aerospace

We serve as an economic engine for the state and for Volusia County locally. Legislators recognize the value of this university through infrastructure projects, such as improvements to roadways and the construction of Taxiway Sierra, near our Research Park. Embry-Riddle has secured significant fundraising requests from the state. This includes \$25 million in matching funds for our new Cici and Hyatt Brown Center for Aerospace Technology. To help prepare Florida high school students for STEM-related careers, the state has invested in the Gaetz Aerospace Institute for several years. Funding has also gone toward transformative facilities, such as our Eagle Flight Research Center, MicaPlex, wind tunnel and drone cage, as well as vital equipment. We are deeply grateful to Chairman Hosseini for his work speaking to legislators about the value of this institution to the economy of the State of Florida.

Capital Investments

We anticipate exceeding the \$1 billion threshold in capital investments by FY 2027, as we pursue major infrastructure initiatives at the Prescott Campus. These include a dramatically modernized flight training center, set to debut in Summer 2024, followed closely by a massive new airport complex. Groundbreaking for a new Eagle Learning Complex has already occurred there. The 11,000-square-foot facility will feature a state-of-the-art wind tunnel and propulsion lab. A new student union and residence hall are also on the horizon.

Enrollment

Despite global and financial events that have caused many colleges and universities to struggle, enrollment remains robust at all three of our campuses. There are 8,300 students at the Daytona Beach Campus. Prescott Campus is home to some 3,300 students and continues to grow. And our Asia Campus serves about 600 students. Our educational reach extends to nearly every corner of the globe, with our Worldwide Campus serving some 20,000 students. What's more, our new strategic plan calls for an adaptive enrollment vision and associated management plan that supports Embry-Riddle's unique identity and mission.

A Focus on Student Success

Our students are not only excelling academically, but also in extracurricular activities such as student clubs, professional organizations, ROTC and volunteer groups. They are earning top awards in elite science and aerospace competitions. For instance, teams from both Prescott and Daytona Beach finished in the top ten at the 2023 Design/Build/Fly (DBF) competition, which challenged students to construct and test uncrewed aerial vehicles to combat electronic warfare. Our students' success in this global event, organized by the American Institute of Aeronautics and Astronautics (AIAA), is but one example of how classroom knowledge is translated into real-world problem-solving. In addition, these activities promote student retention, an important area of focus for us.



THE STATE INVESTING IN AEROSPACE

INFRASTRUCTURE

- Clyde Morris Improvements
- Aerospace Boulevard Loop
- Taxiway Sierra

K-12 STEM PIPELINE

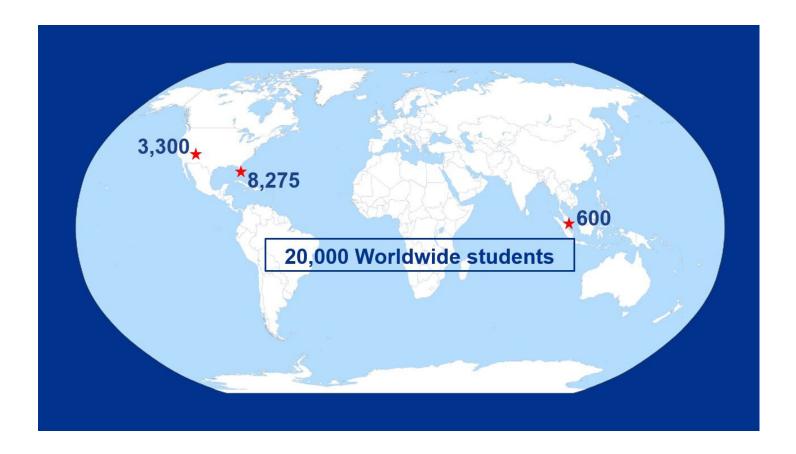
Gaetz Aerospace Institute

THE REAL PROPERTY OF THE PROPE

RESEARCH PARK

- Cici and Hyatt Brown Center for Aerospace Technology
- Eagle Flight Research Center & Equipment
- MicaPlex, Wind Tunnel & Drone Cage





STUDENT SUCCESS

EXTRACURRICULAR ACTIVITIES

- Student clubs & organizations
- ROTC & Athletics
- Community volunteering
- National competitions

IMPROVED OUTCOMES

- Retention
- Graduation rate

CAREER SUCCESS

- Job placement
- Internships



Continued: A Focus on Student Success

We are seeing improvement in this metric. Our graduation rates are also showing positive trends. Embry-Riddle students are sought by leading employers. Our career expos consistently draw over 100 companies. More than 96% of our graduates are employed or continuing their education within one year of graduation.

Research and Innovation

The three vision statements mentioned earlier galvanize and strengthen our institution. Our focus on global leadership, student success and research and innovation come together in many ways. Students are brought into our faculty's groundbreaking research projects. That research increases our external recognition. And we continue to build upon our signature Centers of Excellence.

Center for Aerospace Resilience

Every year, leaders interested in the question of cyber risks to aviation and how to improve aerospace resilience gather at Embry-Riddle. In 2023, faculty and students from the Prescott and Daytona Beach campuses, as well as the Aviation Cybersecurity Initiative (ACI) and industry partners, developed and hosted ACI's Cyber Rodeo event. Participating in such projects is not only fun and interesting, but prepares our students for future career success. The Center for Aerospace Resilience is also excelling at engaging industry collaborations across all three campuses.

Meanwhile, in just the last two and a half years, it has been awarded more than \$5.5 million in external funding. Kudos to Dan Diessner, director of the center, and his team.

Boeing Center for Aviation& Aerospace Safety

Directed by former National Transportation Safety Board (NTSB) Chairman Robert Sumwalt, this center has generated attention for its mission of advancing the safety of all who fly. The center's advisors are some of the most influential names in the aviation industry. Students have had the opportunity to intern with the NTSB and Congress' House Aviation Subcommittee. The center has received \$5.5 million in external support and has another \$2.7 million pending. Industry representatives, government officials and academics from across Embry-Riddle are engaged in its four areas of activity: research, education, training and consulting.

Center for Space & Atmospheric Research

This center has established Embry-Riddle as a global leader in investigations into the fundamental physics of planetary atmospheres and space environments. The center comprises several world-class labs, where faculty are involved in projects that include everything from instrument tests aboard rockets to the study of space phenomena that can harm technology and threaten human health.



CENTER FOR AEROSPACE RESILIENCE

GLOBAL LEADERSHIP

Annual Embry-Riddle symposium

STUDENT SUCCESS

- Participation in funded projects
- Cyber Rodeo
- NSF CyberCorp scholarships

RESEARCH AND INNOVATION

- \$5.5M external support in past 2.5 years
- Engaging industry
- University-wide participation



CENTER FOR AVIATION & AEROSPACE SAFETY

GLOBAL LEADERSHIP

Has attracted global attention

STUDENT SUCCESS

- Participation in funded projects
- Interns at NTSB and Congress

RESEARCH AND INNOVATION

- \$5.5M + \$2.7M (pending) in external support
- Engaging industry and government
- University-wide participation



CENTER FOR SPACE & ATMOSPHERIC RESEARCH

GLOBAL LEADERSHIP

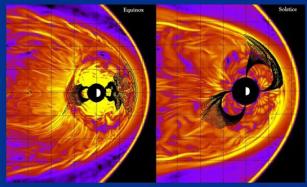
- SAIL: 8 rockets and 2 satellites in FY23-24
- ÉCLAIR & SPRL: Models for the atmosphere, ionosphere, radio propagation, and acoustics
- Andes Lidar Observatory & Meteor Radar, Chile
- INSpIRe Thermosphere-Exosphere Observatory

STUDENT SUCCESS

- ~24 BS, 4 MS, and 16 Ph.D. Research Assistants
- NASA AWE Mission Student Collaboration

RESEARCH AND INNOVATION

- \$24M active projects (NASA,NSF, DoD, DoE)
- \$10.7M Expenditures past 2 years
- 79 publications past 2 years
- 12 PS Faculty; 12 CSAR Research Sci. & Faculty



'Space Waves' Nature Communications paper by Kavosi, Nykyri, and collaborators

RESEARCH PARK EXPANSION





"Go To" Place for Aero Innovation

Continued: Center for Space & Atmospheric Research

The center is nurturing a broad range of talent, from two dozen undergraduates to 16 Ph.D. research assistants. Faculty are earning major research grants, and the center currently has \$24 million in active projects funded by a variety of U.S. government agencies, including NASA, NSF, the Defense Department and the Energy Department, among others. Over the past two years, faculty and their teams also published about 80 papers. This is amazing work, led by the center's director, Dr. Jonathan Snively.

Embry-Riddle's Research Park

The Research Park continues to expand, which can be seen in the current construction of the transformative Cici and Hyatt Brown Center for Aerospace Technology. Its cornerstone building, the MicaPlex, is attracting innovative companies. This unique ecosystem catalyzes the contributions of students, faculty and industry to nurture talent, advance game-changing ideas and create high-paying jobs.

Philanthropy 2023 Outcomes

For the most recently closed fiscal year, our team raised more than \$21 million, the second-highest amount in our university's history. This included \$1.2 million for facilities, \$1.1 million in unrestricted donations, \$12.3 million in scholarships and \$6.6 million in program support. We are also grateful for the support from our longtime industry partner,

The Boeing Company, which recognized our unwavering commitment to advancing aviation safety with a \$5.1 million grant. In recognition of their support, our new center was named the Boeing Center for Aviation & Aerospace Safety.

2028 Vision

We have developed and are now implementing our 2023-2028 strategic plan. The plan calls for advancing the university's goals across five key areas: The Student Experience, Enrollment Management, Academic and Faculty Success, Research and Innovation, and Philanthropy and Alumni Engagement.

2018 to 2023

The university has largely achieved the goals set out in our prior five-year plan, which was completed this year. We have performed well across a range of areas: financial strength, infrastructure, undergraduate enrollment, funded research, state support, strategic communications, faculty hiring and the success of the Research Park in driving innovation and creating high-paying jobs. The university has also made strides in building signature graduate programs and in philanthropy. Certain objectives require more attention: student retention and graduation metrics, scholarship funding and enrollment in certain programs.



VISION FOR THE FUTURE

GLOBAL LEADERSHIP IN AEROSPACE HIGHER EDUCATION

PERSONAL ATTENTION TO STUDENT SUCCESS

RESPECTED FOR RESEARCH AND INNOVATION

PAST 5 YEARS

NOTABLE PROGRESS

- Financial strength
- Infrastructure
- UG enrollment
- Funded research
- Research Park
- State of Florida support
- Strategic Communications
- Quality faculty hiring

GOOD PROGRESS

- Graduate programs
- Philanthropy

LIMITED PROGRESS

- Retention & graduation
- Scholarships
- Enrollment in certain areas

Student Focus

A top-priority goal is to provide an exceptional student experience that aligns with improved retention and timely graduation. We want to see students engaged in and out of the classroom on academic projects, competitions and extracurricular activities, which improve the likelihood they will complete their degrees. Faculty advising is also critical in helping them make progress. The university should without question have a high Net Promoter Score, which measures the likelihood of an alumnus recommending Embry-Riddle to friends, family and colleagues.

Academic Programs

Embry-Riddle aims to increase the retention of first-year residential campus students from about 81% to 88%. Overall, the university's objective is to achieve retention and graduation rates comparable to other members of the Association of Independent Technological Universities (AITU). Two other academic priorities are to raise external funding for graduate programs and to have additional nationally ranked programs in signature fields of study.

Marketing, Communications and Corporate Relations

Raising the profile of our nationally ranked programs through strategic communications is critical. Additionally, we aim to strengthen our corporate relations with industry partners. These partners can help with a variety of activities, such as sharing expertise with

students, recruiting them and potentially providing philanthropic support and scholarships.

Facilities

Besides the modernizing of the Prescott Campus, we are seeking to increase residential housing because our students increasingly want to be on campus. Funded projects at the Research Park are also anticipated.

Research and Innovation

Across Embry-Riddle, our goal is to set the standard of excellence in select disciplines and research areas. It is crucial to prioritize signature fields of investigation where researchers can come together. Examples include the Center for Aerospace Resilience, the Boeing Center for Aviation & Aerospace Safety and the Center for Space & Atmospheric Research. Recruiting research-active faculty members is also a primary objective because they enhance our expertise and promote innovation at the university. To achieve this, Embry-Riddle will maintain highly competitive salaries, especially for top performers.

Financial Strategic Plan

The 2028 strategic plan has a budget of \$32.5 million over the next six years. Expenditures prioritize the plan's core elements, ensuring prudent use of tuition funds. However, a critical goal is to increase



2028 VISION

STUDENTS

- High "Net Promoter Score"
- Active in extracurricular activities
- On-campus activities thriving



ACADEMIC PROGRAMS

- Retention & graduation rates comparable with AITU
- Graduate programs supported by external funds
- Nationally ranked programs in select areas

2028 VISION

MARKETING/COMMUNICATIONS

Focus on nationally-ranked programs

CORPORATE RELATIONS

- More businesses at broader level of engagement
- Businesses supporting scholarships
- Vibrant professional education





2028 VISION

FACILITIES

- Modernized Prescott campus
- Funded projects at Research Park
- More on-campus housing



RESEARCH and INNOVATION

- Known for excellence within focused areas
- Clusters of researchers collaborating

2028 VISION

FINANCIAL

- Focused on Strategic Plan
- Decreased reliance on tuition
 - Increased research funding
 - Increased philanthropy
- Reinvestment in:
 - Highly competitive salaries for top performers
 - Student success
- Prudent use of tuition dollars





Continued: Financial Strategic Plan

funding for research and philanthropy, which would decrease the university's reliance on tuition. Embry-Riddle will also continue to invest in its people and in proven efforts toward student success.

Philanthropy

Under the 2028 plan, Embry-Riddle will pursue major gifts to support student scholarships, especially endowed scholarships consistent with Embry-Riddle's strategic goals, as part of a comprehensive fundraising campaign spearheaded by the Office of Philanthropy and Alumni Engagement.

Call to Action

In this year's State of the University address, I summarized our goals for the next five years. Accomplishing them can only happen through teamwork. As you leave here this morning, think about how you can contribute to our vision for 2028 – as an individual, as a unit or department, or as an entire campus.

Above all else, remember that our success stems from our students. Show them you care through your actions. Find opportunities to talk to them outside of the classroom. We know students succeed when they feel supported. When students are struggling, find a way to give them guidance.

Embry-Riddle offers a transformative education. Our students' university experience should be equally extraordinary. Make students excited about learning. Encourage them to pursue their goals and dreams. They should feel empowered in their pursuit of intellectual exploration and academic achievement, so they may graduate and go on to impactful and meaningful careers.

As the Chairman noted, you are the reason we are so successful. Thank you for all you do. And I look forward to seeing us all come together and contribute to achieving our forward-looking vision for 2028.



2028 VISION

PHILANTHROPY

- Endowed scholarships
- Aligned with Strategic Plan



FACULTY

- Hiring research-active faculty in select disciplines
- Highly competitive salaries for top performers
- Focused on student success

KEYS TO SUCCESS

TEAMWORK

- Everyone has a role in supporting our plan for success
 - Campuses
 - Units
 - Individuals

ERAU'S SUCCESS STARTS WITH STUDENT SUCCESS

- Show students you <u>CARE</u> about them
- Make students <u>EXCITED</u> about learning
- Encourage students to <u>PURSUE</u> their goals and dreams